

PROPOSED LETTER TO ELIGIBLE FACULTY ANNOUNCING THE PHASED RETIREMENT PROGRAM

_____, _____

[Eligible Faculty Member]

123 Campus Drive

University, North Carolina 12345

Dear **[Eligible Faculty Member]**:

The University of North Carolina Phased Retirement Program (the "Program") requires certain notices to faculty. Our records suggest that you are now potentially eligible to participate in the Program or will be potentially eligible on or before August 1, ____.

This letter sets out in summary fashion some of the key details of the Program. We have also enclosed for your review a Program Summary, UNC Policy 300.7.2, a sample UNC Phased Retirement Program Application and Reemployment Agreement, a Release, and a list (both departmental and institutional in scope) of individuals, by faculty position, who appear eligible or ineligible for the Program. Please read all of these materials carefully, as they set forth your rights and responsibilities under the Program.

Eligibility

Only full-time tenured faculty who meet certain age and service requirements ("Eligible Faculty Members") may participate in the Program. Moreover, tenured faculty occupying full-time administrative or staff positions are not eligible to participate in the Program until they vacate such positions. Thus, only individuals under faculty appointment involving teaching, research and administrative services are eligible to participate in the Program.

In general, Eligible Faculty Members are full-time tenured faculty who:

- Have at least five years of full-time service at the constituent institution of the University of North Carolina at which they are currently employed;
- Are age 62 or older for members of the Teachers' and State Employees' Retirement System ("TSERS") or 59 ½ or older for participants in the University of North Carolina Optional Retirement Program (the "ORP"); and
- Are eligible to receive retirement benefits through either TSERS or the ORP, as applicable.

Limitations

Subject to certain enrollment caps and annual application time "windows," you may apply to participate in the Program, the service for which would commence with the start

of the next academic year that follows the date of your application, if approved. You do not, however, have an absolute right to participate in the Program. Rather, **[Name of institution]** may limit participation in the Program in response to a *bona fide* finding that financial exigencies prohibit enrollment in the Program or that further enrollment will substantially weaken academic quality or disrupt program sequence. **[Name of institution]** may also set caps to limit the number of Eligible Faculty Members who may participate in the Program.

You should also know that an application is subject to final approval by **[Name of institution's]** Chief Academic Officer following evaluation of the conditions referenced above and the development of a mutual "work plan" with an Eligible Faculty Member. That work plan and other terms, if accepted, must then be set forth in a UNC Phased Retirement Program Application and Reemployment Agreement and Release, to be executed by an Eligible Faculty Member prior to participation.

Process

Should you decide to participate in the Program, you would give up tenure and terminate your current full-time position. In return, **[Name of institution]** would contract with you for half-time (or equivalent) service for a period of **[the one-to-five-year period specified for all participating faculty]**.

You will negotiate individually with **[Name of department/institution]** to determine your specific teaching and other duties and the time frame for fulfilling them. For example, you may be contracted to teach a full schedule for either fall or spring semester each year or teach a half schedule for both semesters. Half-time responsibilities and duties may vary among departments, but all enrollments in the Program commence with the start of the next academic year and do not include summer school duties.

Compensation

If approved, you would be compensated at a salary equal to fifty percent (50%) of the full-time salary you received immediately prior to phased retirement (e.g., based on your last nine or twelve-month contractual term of full-time employment, as applicable). Your salary would be paid over a twelve-month period irrespective of the pattern of duties/service under your agreed-to work plan. Subject to any limitations imposed under the State Retirement System, you would also be eligible for salary increments and merit pay in subsequent years of Program participation based on annual evaluations.

If you choose to enroll in the Program and are approved, you may also participate in all employee benefit programs for which you are eligible. These programs include **[list specific programs for which the individual would be eligible such as health insurance, life insurance, etc.]**

In addition, Eligible Faculty Members who enroll in the Program may elect to begin receiving benefits they have accrued under either TSERS or the ORP, as applicable, but they are not required to do so. However, so long as a participating Faculty Member does

not receive a monthly retirement benefit, he or she will not receive the University-paid state health plan benefits.

Note: If a faculty member does not elect to receive a monthly retirement benefit from TSERS or ORP, upon entering phased retirement he/she may continue participation in the State Health Plan as a permanent halftime employee on a fully contributory basis. In that case, the faculty member would not be eligible to receive the University contribution.

Meeting and Other Conditions

You are not required to apply for or participate in the Program. However, if interested in potentially pursuing this retirement transition option, you are encouraged to attend an informational meeting on **[date]** at **[time]**. The meeting will be held at **[location]**. At this meeting, officers who have been designated to provide information to Eligible Faculty Members will be available to answer any questions you might have about the Program. The officers will also be available as a resource at any time.

If you then decide to participate in the Program, you will be asked to sign an Agreement and a Release as a condition of your entering the Program. These materials must be completed and turned in by you at least six months but not more than 11 months before the commencement of the first semester of your requested participation in the Program, to begin at the start of the next academic year. You are encouraged to consult with your attorney and financial advisors before making such a decision. A decision to enter the Program is irreversible once made. However, the period of phased retirement may be later terminated at any time if you and **[Name of institution]** mutually agree in writing.

Upon entering the Program, if approved, you would continue to be subject to annual and/or other performance reviews. In addition, Participating Faculty Members will remain subject to The Code and Policies of the University of North Carolina and **[Name of institution]**.

We know that decisions regarding retirement are both emotional and difficult. The Program is intended to make the process easier and to facilitate difficult decisions by allowing individuals to continue to participate in academic life and the mentoring of students while preparing for the future. We hope you will agree that the Program is a beneficial one.

[NAME OF INSTITUTION]

By: _____
(Title)

Enclosures