

## SUMMARY

### UNIVERSITY OF NORTH CAROLINA PHASED RETIREMENT PROGRAM

#### I. Purpose

The University of North Carolina Phased Retirement Program (the "Program") provides an opportunity for eligible full-time tenured faculty members to make an orderly transition to retirement through half-time (or equivalent) service for a predetermined period in return for half-time compensation. The goals of the Program are to promote renewal of the professoriate in order to ensure institutional vitality and to provide additional flexibility and support for individual faculty members who are nearing retirement. The Program is completely voluntary and is available when agreed to and entered into by a mutual written agreement between an Eligible Faculty Member and his or her employing institution.

Enrolling Eligible Faculty Members may elect annually to seek to participate in the Program during the enrollment life of the Program, with active participation to commence with the start of the next academic year next following acceptance by the Eligible Faculty Member's employing institution. Enrolling Eligible Faculty Members may elect to begin receiving the benefits they have accrued under either the N.C. Teachers' and State Employees' Retirement System ("TSERS") or the UNC Optional Retirement Program (the "ORP"), but they are not required to do so. However, so long as an Eligible Faculty Member does not receive a monthly retirement benefit, he or she will not receive university paid State Health Plan benefits.<sup>1</sup>

#### II. Eligibility and Approval

- A. The Program is available only to full-time tenured faculty members. Non-tenured and tenure-track faculty are not eligible for the Program.
- B. Except as set forth in this Section II and Section III below, the Program is available to all full-time tenured faculty members who:
  - 1. Have at least five years of full-time service at the constituent institution of The University of North Carolina ("the University") at which he or she is currently employed ("the Institution");

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<sup>1</sup> 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.

2. Are age 62 or older for members of TSERS or 59 ½ or older for participants in the ORP; and
  3. Are eligible to receive retirement benefits through either TSERS or the ORP, as applicable.
- C. The Program contemplates actual retirement and reemployment of participating faculty on a part-time basis for a limited period. For purposes of the Program, "normal retirement age" is 62 years of age for TSERS members and 59 ½ for participants in the ORP. When a faculty member has achieved the above-listed age for his or her applicable participating retirement program, he or she will have reached "normal retirement age" and, therefore, need not undertake a break in service prior to entering the Program.
- D. 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.
- E. Individual faculty members are responsible for providing to their Institution all information necessary for it to determine their eligibility as to age, service at the Institution, and retirement benefit eligibility within either TSERS or the ORP. For these purposes, the Institution shall determine an applicant's age and service longevity with reference to the August 1 that follows submission of an application for participation.
- F. Eligible Faculty Members may elect to enter the Program for the number of years specified by the Institution for all its participating faculty.
- G. Despite the above, Eligible Faculty Members do not have an absolute right to participate in the Program. Rather, departments, schools or Institutions may limit participation in the Program based on various conditions. One condition is the finding that financial exigencies prohibit enrollment in the Program. The second condition is that further enrollment in the Program will substantially weaken academic quality or disrupt program sequence. Further, a department or school or an Institution may each establish a cap or limit on the number of Eligible Faculty Members who may enter the Program.
- H. An application to enter the Program must be submitted to the Eligible Faculty Member's department or division head. It is subject to the conditions noted above, development of a mutually agreed upon "work plan", and final approval by the chief academic officer. However, if the limitations do not apply and a final "work plan" is agreed upon, the final

decision to enter or not enter the Program rests with the Eligible Faculty Member.

- I. Once made, a decision to enter the Program (signified by the Eligible Faculty Member's signing and non-revocation of the Phased Retirement Application and Reemployment Agreement and Release) is binding.

### III. Terms and Conditions

#### A. **Phased retirement under the Program is subject to the following terms and conditions:**

1. Phased retirement under the Program may be for a period of at least one but not greater than five years. Each Institution will set the length of phased retirement for its faculty. All Eligible Faculty Members at each Institution will have the same participation period of phased retirement.
2. Upon entering the Program, Eligible Faculty Members give up tenure. They terminate full-time employment and contract for a period of half-time (or equivalent) service to their Institution. Half-time responsibilities may vary by Institution and among departments in the same Institution. In addition, half-time service may consist of full-time work for one-half of a year (e.g., full-time work for one semester of an academic year) or half-time work for a year (e.g., half-time work in each of the two semesters of an academic year).
3. The enrollment period for the Program begins with the fall semester, with actual participation to commence at the start of the next academic year (provided an Eligible Faculty Member's application is approved). Teaching, research and service assignments during the period of phased retirement are individually negotiated by the Eligible Faculty Member and the appropriate supervisors and/or personnel committee(s). The details of such half-time service (a "work plan") must then be set forth in a University of North Carolina Phased Retirement Program Application and Reemployment Agreement (the "Agreement").
4. In conjunction with the Agreement to be executed under the Program, an Eligible Faculty Member must also execute a waiver of rights and claims under the Age Discrimination in Employment Act (the "ADEA") and other laws (the "Release").
5. After the Agreement and Release are drafted, the Agreement is signed by the appropriate administrators, and the Agreement and Release are delivered to the Eligible Faculty Member, the Eligible Faculty Member shall have forty-five (45) days within which to

consider the Agreement and Release. Eligible Faculty Members are encouraged to carefully review the terms of the Agreement and the Release and to consult an attorney prior to executing such materials. However, Eligible Faculty Members may sign the Agreement and Release before the end of the 45-day period, if they so choose.

Once an Eligible Faculty Member signs the Agreement and Release, he or she also has the right under the ADEA (if he or she so chooses) to revoke the Agreement and the Release at any time within seven (7) calendar days of the date both documents are fully executed by all parties. Revocations must be in a writing personally signed by the Eligible Faculty Member and must be effected by personal delivery or posting by United States mail to the office or official to whom the prior application to participate in the Program had been submitted. An election to participate in the Program then does not become final until after the 7-day revocation period has passed without the Eligible Faculty Member's revocation.

If an Eligible Faculty Member elects to revoke the Agreement and Release within the 7-day revocation period, the Agreement is void. Moreover, in such circumstances, the Eligible Faculty Member will continue in his or her same full-time employment status as the Faculty Member held immediately prior to the execution of the Release.

6. Participating Faculty Members initially receive a salary equal to fifty percent (50%) of the full-time salary they received immediately prior to phased retirement (e.g., based on the Faculty Member's prior nine- or twelve-month contractual term, as applicable). In addition, compensation paid during phased retirement is paid over twelve (12) months irrespective of the pattern of duties under the Faculty Member's work plan. Subject to any limitations imposed under the State Retirement System and the legislative appropriations process, Participating Faculty Members are eligible for salary increases and merit pay in subsequent years of Program participation based on annual evaluations.
7. Participating Faculty Members will remain subject to *The Code and Policies of The University of North Carolina* and their respective campus. In addition, without expressly or constructively terminating any Agreement, an Institution may place a Participating Faculty Member on temporary leave with pay and/or reassign a Participating Faculty Member's duties during or as a result of any investigation or disciplinary action involving the Participating Faculty Member. Such authority shall be invoked

only in exceptional circumstances when the Participating Faculty Member's department or division head determines that such action is in the best interests of the Institution. Further, nothing in the Program or these guidelines shall in any way be interpreted to provide a Participating Faculty Member with greater rights, claims or privileges against his or her Institution and/or the University regarding continued employment than otherwise provided in The Code and Policies of the University and their respective campus.

- B. Eligible Faculty Members who elect into the Program will retain their professorial rank and the full range of responsibilities, rights, and general benefits associated with it, except for tenured status or as otherwise modified pursuant to an Eligible Faculty Member's agreed-to "work plan." (The Institution, however, will keep records of participation so as to note those faculty who are in phased retirement.)

Eligible Faculty Members participating in the Program are eligible to participate in the following employee benefit plans or programs: **[List specific benefits available to Eligible Faculty Members].**

#### IV. **General Provisions**

- A. Nothing in the Program precludes a participating faculty member from terminating his or her phased retirement at any time upon the mutual agreement of the parties.
- B. Eligible Faculty Members participating in the Program do not enjoy the benefits of tenure. They may not serve on committees that require members be tenured. Otherwise, participants have the same academic freedoms and responsibilities as other faculty members and have access to all grievance and appeal procedures available to non-tenured members of the faculty who are not participating in the Program.
- C. Participating faculty members are expected to maintain high levels of professional commitment to their Institution.