

**NORTH CAROLINA A&T STATE UNIVERSITY  
INSTITUTIONAL GUIDELINES FOR IMPLEMENTATION  
OF THE PHASED RETIREMENT PROGRAM  
EFFECTIVE FALL 2009  
APPROVED BY THE BOARD OF TRUSTEES ON SEPTEMBER 18, 2009**

**Introduction**

The Board of Governors, at its meeting on March 14, 1997, adopted the recommendations in the report of the University of North Carolina Committee to Study Early Retirement entitled, "Phased Retirement in the University of North Carolina." The goals of the policy 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 expected outcomes on implementing this policy include the following:

- Better personnel planning – institutions will be able to anticipate position changes and plan for them at an earlier time than is currently the case;
- Enhanced recruitment and retention – institutions will realize an additional benefit available to tenured faculty members that should help in recruiting and retaining quality faculty members;
- Increased quality of faculty – institutions will be able to fill tenure track faculty positions while retaining the skills and knowledge of experienced faculty on a half-time basis throughout their phased retirement period.

The University of North Carolina Phased Retirement Program ("Program") is designed to provide an opportunity for eligible full-time tenured faculty members to make an orderly transition to retirement through half-time service. The Program is entirely voluntary and will be entered into by a written agreement between an eligible faculty member and the institution. Electing eligible faculty members may elect to begin receiving the benefits they have accrued under either the North Carolina Teachers' and State Employees' Retirement System ("TSERS") or the UNC Optional Retirement Program ("ORP"), but are not required to do so. If the eligible faculty member does not elect TSERS or the ORP retirement plan benefit, he or she will have to pay the full cost of his or her health coverage.

Eligible Faculty Members are tenured full-time faculty members who upon entering the Program are 1) at least 62 years old, have at least five years of service at the current institution, and are eligible to receive retirement benefits through the TSERS; or 2) at least 59 ½, have at least five years of service at the current institution, and are eligible to receive retirement benefits through the ORP.<sup>1</sup>

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 59½ for participants in the ORP. When a faculty member has achieved the above listed age for his or her applicable participating retirement system, he or she will have reached "normal retirement age" and, therefore, need not undertake a break in service prior to entering the Program.

## **Institutional Limits on Participation**

Due to instructional demands for each of the academic programs, North Carolina A&T State University (“University”) will limit participation in the Program to 20% of the total number of faculty members associated with a given department at a time. For example, if there are five (5) faculty members associated with a given department, then at most one (1) faculty member would be allowed to participate in the Program at a time. Special faculty members are not counted in determining the 20% maximum.

This institutionally-imposed limit would allow the University to maintain the integrity of the academic program in a given department and to remain in compliance with University-specific and/or program-specific accreditation standards.

## **Limits on Participation Due to Financial Exigencies**

Due to budget reductions and declining enrollment over the past few years, the University lost a number of instructional positions. The potential loss of additional faculty positions due to participation in the Program could create a significant financial exigency for the University. If a financial exigency is created, the University would have to review and possibly reduce the limit on the number of faculty members eligible to participate in the Program on a department-by-department basis. This would insure that the impact of potential further budget cuts and the number of persons electing phased retirement would not adversely diminish the quality of a department or degree program.

Faculty who occupy full-time administrative or staff positions are not eligible for the Program until they vacate the administrative or staff position.

## **Time Period for Participation in Program**

To provide a reasonable period of time for Eligible Faculty Members to participate in the Program, the time period for participation in the Program will be limited to two (2) consecutive academic years. This two-year period of time will also provide a broader opportunity for a larger number of faculty members to participate in the Program.

## **Procedure for Informing Eligible Faculty Members**

The Provost and Vice Chancellor for Academic Affairs will notify in writing, no earlier than September 1 of a given year, those tenured faculty who appear to meet the age and service requirements for eligibility on or before August 1 of the same year. Such faculty will be sent a “Letter to Eligible Faculty Announcing the Phased Retirement Program” along with the following program materials:

- “Summary: University of North Carolina Phased Retirement Program”
- “University of North Carolina Phased Retirement Application and Reemployment Agreement”

- “University of North Carolina Phased Retirement Program General Release”
- List of individuals, by faculty rank, who appear eligible or ineligible to participate in the Program. This list should not include names of the eligible faculty.

A notice will also be placed in the faculty newsletter and all documents from General Administration related to the Program will be posted on a web site created for that purpose.

Following the inaugural announcement, Program materials will be sent every September 1 to those tenured faculty who appear to qualify for participation by the following August 1.

The University will schedule ongoing information sessions for Eligible Faculty Members coordinated by designated Program officials. At least two such sessions will be held before March 1 of each year. Subsequently, Program officials will schedule at least one information session per semester for each academic year of the Program. This is designed to fully inform those faculty of their eligibility.

### **Procedure for Accepting, Reviewing, and Approving Applicants**

Eligible Faculty Members must arrange to meet with their departmental chairs and deans to discuss their interest in participating in the Program. During these initial meetings, Eligible Faculty Members should discuss their intent to participate in the Program, the potential limits on participation for faculty members in the department, the formal application process, etc.

Assuming that the University’s 20% school/college, or departmental limit has not been met, such faculty members should discuss with their chairs and deans the initial details of their half-time work plan. Once a preliminary half-time work plan has been agreed upon, based on departmental needs and schedules, the details of the plan are to be submitted to the Office of the Provost and Vice Chancellor for Academic Affairs by the dean for preparation of:

- (1) the official University of North Carolina Phased Retirement Application and Reemployment Agreement, (the “Agreement”) and
- (2) the General Release (the “Release”)

After the Agreement and Release are drafted, the Agreement is to be signed by the appropriate administrator(s), and the Agreement and Release are to be hand-delivered (or sent by a method of delivery that requires a signature for delivery) 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 Release and to consult an attorney prior to executing such materials. 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 Age Discrimination in Employment Act (“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.

Applications for participation in the Program from Eligible Faculty Members will be accepted on a first-come first-served basis until the University's 20% limit on the total number of faculty associated with a degree program is reached. If a department or school/college received more elections for the Program than it has available spaces due to the limit, then eligibility will be determined based on institutional seniority; that is, the faculty member with the most institutional seniority will have priority to participate in the Program.

### **The Half-Time Work Plan**

The activities appropriate for consideration in the development of an Eligible Faculty Member's half-time work plan covers the range of typical activities in which the faculty member has been engaged in throughout his or her career. Such activities include teaching, research and creative activities, service, advising, writing of grants, publications, etc. In general, assuming a campus wide teaching load for full-time tenure-track faculty to be twelve (12) credit hours per semester, the standard half-time work plan should include:

- (a) three (3) to six (6) credit hours of instruction (25-50%) at the undergraduate and/or graduate level;
- (b) research activity (0-25%)
  - faculty members who are engaged in funded research activity will be allowed to reduce their teaching load by one course through released time
  - continue to serve as PI/Co-PI of ongoing research grant(s)
  - academic advisor or committee member for graduate student (MS/PhD) thesis/dissertation research
  - publications/presentations: faculty members will continue to be encouraged to publish their research results and to present their work at national/international meetings; and
- (c) other departmental activities, including: (0-25%)
  - academic advisor to approximately 50% of normal undergraduate/graduate advisee assignment
  - committee assignments at department, school/college, or university level

- participation in public service-related activities
- participation in professional society-related activities

The percent of time in which an Eligible Faculty Member will be involved in activities in items (b) and (c) will depend upon the level of time commitment agreed upon between the faculty member and the appropriate university administrator, i.e., department chair and/or dean.

### **Negotiating the Half-Time Schedule**

As previously indicated, Eligible Faculty Members should arrange to meet with their chairperson and/or dean to discuss their interest in participating in the Program. Assuming that the institutional, school/college, or departmental limits have not been met, such faculty members should negotiate with their chairperson and/or dean the initial details of their half-time work plan. The negotiated half-time work plan may be arranged to allow a faculty member to be primarily involved in teaching along with other departmental activities, or some combination of teaching, research and scholarship, and other departmental activities. With this level of flexibility, the Eligible Faculty Member is provided the opportunity to negotiate a half-time work plan that is agreeable to all parties.

### **Benefits for Participating in Phased Retirement Program**

The benefits for participating in the Program are:

- Federal and state income taxes are deducted from salary.
- Weekly benefits and medical expense payments are provided for employees who are injured on the job or contract an occupation-related disease based on Workers' Compensation laws.
- All State employees are entitled to protective assistance provided by the State in accordance with the General Statutes of North Carolina. The University provides additional liability insurance protection.
- A part-time faculty member in the Program is eligible to continue health insurance under the active employee group and pay the full cost of coverage if he or she is not in receipt of a retirement benefit from TSERS or the ORP. If the faculty member is in receipt of a monthly retirement benefit through TSERS or the ORP, he or she will receive is eligible to receive health insurance as a retiree through the State Retirement System.
- The North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan makes a Long Term Care Insurance benefit available through Prudential for State and University employees who are permanent and work at least halftime (50% time or more).
- The State of North Carolina provides the NCFlex pre-tax benefits for University employees who are permanent and work at least halftime (50% time or more).

- Other University Benefits/Deductions:
  - After-tax Accidental Death and Dismemberment
  - After-tax Dental Insurance
  - Credit Union Deductions
  - Life Insurance
  - Long-term Care Insurance
  - Recreational Activities
  - Voluntary Supplemental Retirement plans such as the University System 403(b) plan and the State's 457 plan
  - Other Benefits/Deductions
  - Other Privileges/Services

### **The Agreement and Release Package**

Once a preliminary half-time work plan has been agreed to, the details of the plan are to be submitted to the Office of the Provost and Vice Chancellor for Academic Affairs by the dean for preparation of the:

1. official University of North Carolina Phased Retirement Application and Reemployment Agreement, and
2. General Release.

*To comply with federal law, the increase in minimum age for participation from 50 to 62 for TSERS members and 59 ½ for ORP participants became effective for faculty who first enter phased retirement beginning in the 2008-09 academic year.*