

# FAYETTEVILLE STATE UNIVERSITY

## PHASED RETIREMENT PROGRAM

<b>Authority:</b>	Issued by the Chancellor. Changes or exceptions to administrative policies issued by the Chancellor may only be made by the Chancellor.
<b>Category:</b>	Employment – EPA Faculty
<b>Applies to:</b>	●Faculty
<b>History:</b>	Revised – December, 2011 Revised – March, 2008 Revised – March, 2002 Originally Approved – February, 1998
<b>Related Policies:</b>	<i>The University of North Carolina Phased Retirement Program</i> [UNC Policy #300.7.2] <i>Guidelines for the Implementation of the UNC Phased Retirement Program</i> [UNC Policy #300.7.2.1[G]]
<b>Contact for Info:</b>	Provost and Vice Chancellor for Academic Affairs- (910) 672-1460 Human Resources Benefits Manager (910) 672-1825

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### 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 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.

Eligible faculty members or faculty members who later become eligible 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>

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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.

## 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. Participating faculty who are members in TSERS must be at least age 62 upon entering the Phased Retirement Program, have at least five years of full-time service at his or her current institution, and be eligible to receive a retirement benefit under TSERS. Participating faculty who are participants in the ORP must be at least age 59 ½ upon entering the Phased Retirement Program, have at least five years of full-time service at his or her current institution, and be eligible to receive a retirement benefit under ORP. *(Please note that to comply with federal law, the increase in minimum age for participation from 50 to 62 for TSERS members and 59½ for ORP participants becomes effective for faculty who first enter phased retirement beginning in the 2008-09 academic year.)*
- C. Faculty members are individually responsible for providing to university age and service data needed to determine their Program eligibility. Faculty who occupy full-time administrative or staff positions are not eligible for the Program until they vacate the administrative or staff position. Thus, services rendered while in phased retirement will be only those teaching, research, and administrative duties under faculty appointment.
- D. Eligible faculty members do not have an absolute right to participate in the Program. The university may limit participation in the Program based on three conditions. One condition is a finding that financial exigencies prohibit enrollment in the Program by the eligible faculty member. The second condition is that further enrollment in the Program will substantially weaken academic quality or disrupt program sequence within the department, school or institution. Further, the university may each establish a cap or limit on the number of eligible faculty member who may enter the Program. *(See Section III A, B and C below.)*
- E. An application to enter the Program must be made at least six (6) months but not more than eleven (11) months before the effective date of an Eligible Faculty Member's requested participation in the Phased Retirement Program, to begin at the start of the next academic year.

## III. GUIDELINES

The university has developed Institutional Guidelines for its implementation of the Program. An official description of each guideline is included in this Policy. The Guidelines are as follows:

### A. **Guideline 1 - Institutional Limitations on Participation**

Fayetteville State University will limit participation to 20% of the full-time, tenured faculty membership of a program area. In program areas with fewer than five (5) members, participation in the program is limited to one (1).

**B. Guideline 2 - Limits on Participation Due to Financial Exigencies**

The university reserves the right not to approve any request for participation in the phased retirement program when a bona fide state of financial exigency exists. A state of financial exigency exists when the university suffers a significant decline in student enrollment which in turn results in reduced revenues from state appropriations and tuition and fees. Further, when financial exigency requires the elimination of part-time faculty and vacant positions, the non-reappointment of fixed-term faculty, and possible reduction-in-force of some tenure-track full-time faculty, the university will not approve phased retirement requests. Under a state of financial exigency, the university will continue to allow previously approved faculty to complete phased retirement terms.

**C. Guideline 3 - Limits on Participation Due to Academic Program Compromise**

The university's Phased Retirement Program will be open to all eligible tenured, full-time faculty members meeting the specifications of the UNC Phased Retirement Program. However, the Provost and Vice Chancellor for Academic Affairs, in conjunction with the department chair(s) and dean(s), will annually review and determine the need for any exceptions to the institutional cap. As a result of this annual review, the Provost and Vice Chancellor will set, if needed, appropriate limits. An annual limit may be necessary due to:

- the impact of phased retirement faculty on curriculum delivery; and/or
- the minimum full-time faculty requirements for accreditation purposes.

The annual review to determine the necessity for an institutional cap shall be made no later than June 1<sup>st</sup> and communicated to the eligible faculty by September 15th.

**D. Guideline 4 – Table of Eligible and Ineligible Faculty**

A chart reflecting information regarding persons who are eligible and those who are ineligible for potential participation in the Program shall be maintained by the Division of Academic Affairs and the Office of Human Resources. Should there be any error(s) or omission(s), it should be promptly reported to the appropriate academic department chair or school or college dean. Faculty are individually responsible for providing age and service data needed to determine their Program eligibility. In order to participate in the Phased Retirement Program, tenured faculty holding administrative positions must resign those positions. Such persons will be compensated at 50% of a salary equal to 9/12 of the salary received during the last twelve-month term of employment incident to full-time service.

**E. Guideline 5 - Duration of Phased Retirement Participants**

Participation by faculty members in the phased retirement program shall be for three (3) years. Upon mutual agreement by all parties, a faculty member may be allowed to terminate participation prior to the end of the three-(3) year period.

**F. Guideline 6 - Institutional Measures to be Taken to Inform Eligible Faculty of Program**

Annually in September, the Provost shall send to each eligible faculty member (those who will meet the age and service requirements by the following August 1<sup>st</sup>) a letter announcing the phased retirement program and a summary of the UNC Phased Retirement Program. In addition, the university will provide e-mail and hardcopy announcements of two (2) group-informational meetings to be held during the fall of each year.

The following materials shall be distributed (in hard copy or electronic form) to every tenured faculty member who appears eligible or likely to become eligible for the Program.

- The University of North Carolina Phased Retirement Program Policy (UNC Policy Manual 300.7.2).
- A letter announcing the Program
- A copy of the Model University of North Carolina Phased Retirement Program Application and Reemployment Agreement
- A copy of the Model University of North Carolina Phased Retirement Program Release (*See Attachment A*)
- A Chart reflecting information regarding persons who are eligible and those who are ineligible for potential participation in the Program

Throughout the year, individual consultations will be arranged through the Office of Human Resources to explain the details, benefits, timetable and procedures for the program. Brochures and leaflets will be developed to inform faculty about the program. This information will be available in all departmental offices.

A committee will be established to carry out the functions of developing an agenda for and implementing the group meeting, and creating the brochures/leaflets. The membership of the committee shall consist of staff from the Office of Human Resources, selected members of the Faculty Welfare Committee of the Faculty Senate, and a representative from the Office of Academic Affairs.

**G. Guideline 7 - Procedure for Receiving, Reviewing, and Approving Applications**

Eligible faculty members will be invited to attend an informational meeting on or before September 1st of each year. At this meeting the UNC Application and

Release Packages for the program will be made available and will remain available to faculty for pick up in the Human Resources Office until October 1st. After the informational meetings, eligible faculty members should arrange to meet with their departmental chair and deans to discuss their interest in participating in the Phased Retirement 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 program area, the formal application process, etc.

Assuming that the university's 20% program area cap has not been met, interested, eligible faculty members shall 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 respective dean by the chair for preparation of the following:

- the official University of North Carolina Phased Retirement *Application and Reemployment Agreement (Agreement)*
- the *General Release (Release)*.

Once the *Agreement* has been signed by the chair, the dean, and the Vice Chancellor for Academic Affairs, the eligible faculty member will be provided a completed *Application* and a completed *Release* to review and sign. The faculty member will have at least forty-five (45) days to return the *Agreement and Release*.

Faculty electing to participate in the program also have the right to revoke the *Agreement* and the *Release* anytime within seven (7) days of the date the documents are fully executed by the parties. Revocation must be made in writing to the Office of the Provost and Vice Chancellor for Academic Affairs.

#### **H. Guideline 8 - The Half-Time Work Plan**

The half-time work plan for the institution may include the complete range of faculty activities. The university is concerned about the effect of assigning non-student credit hour generating activity as the half-time work plan and has established priority work plans to be considered by eligible faculty and departments. In second, third, and fourth priority work plans, the department chair and faculty member shall specify the tasks, deadlines, and documentation of completed work.

1. First Priority Work Plan (50% teaching) - teaching twelve semester hours per year with no advisement or committee responsibilities. If a class identified in the work plan should fail to materialize, another class or other duties will be assigned as determined by the department, e.g., curriculum

development/review or self-study responsibilities. All activities associated with teaching, that is, office hours for student consultation, grade reports, attendance reports, student course evaluations, etc., will be required of faculty participating in this work plan.

2. Second Priority Work Plan (25% university service) - special university service assignments in academic program areas, e.g., program review and assessment, developing a database of graduates, conducting follow-up studies, developing on-line courses, heading accreditation efforts, directing externally funded projects, recruitment initiatives.
3. Third Priority Work Plan (25% university research) - specialized faculty/student research initiatives such as theses, dissertations, undergraduate research council presentations, laboratory studies.
4. Fourth Priority Work Plan (25% in each of two of the three plans above) - a combination of the previous priority work plans. While the committee on phased retirement will present the variety of institutional work plan options to the eligible faculty member, the department chair and the faculty member must mutually agree on the work plan and the time frame for the execution of the work plan.

If the university determines a critical need, a work plan may be allowed to include a larger percentage of university research and/or service.

I. **Guideline 9 - Institutional Officers Authorized to Answer Questions About the Program**

Questions concerning the Program should be directed to the following university officials who be authorized to provide individual consultations and answer questions about the program.

- Associate Vice Chancellor for Human Resources (910) 672-1146
- Manager of Benefits, Workers' Compensation & Unemployment Insurance (910) 672-1146
- Provost and Vice Chancellor for Academic Affairs (910) 672-1460

J. **Guideline 10 - List of Benefits, Privileges and Services in Which Program Participants May Continue**

A list of such benefits, privileges and services are included as Attachment C to this policy.

**ATTACHMENT A**

**UNIVERSITY OF NORTH CAROLINA  
PHASED RETIREMENT PROGRAM GENERAL RELEASE**

**1. CONTEXT OF THIS GENERAL RELEASE**

I, \_\_\_\_\_, am entering into this General Release in accordance with The University of North Carolina Phased Retirement Program (the "Program") and with the associated Application and Reemployment Agreement (the "Agreement") between Fayetteville State University a constituent institution of the University of North Carolina, and me, dated \_\_\_\_\_, \_\_\_\_\_.

**2. ENTITIES AND PERSONS RELEASED.**

As to the matters identified in paragraph 3, below, I hereby **release and forever discharge the following entities and persons:** the State of North Carolina; the University of North Carolina; *Fayetteville State University*; such entities' respective parent and subsidiary organizations; the employee benefit plans of the foregoing entities; all current and former officers, directors, trustees, board members, agents, and employees of the foregoing entities (in both their official and individual capacities); and all successors of the foregoing entities and persons, all hereinafter referred to as "**Released Parties.**"

**3. MATTERS RELEASED**

I hereby understand and acknowledge that by entering into this General Release, I am releasing the Released Parties from any and all claims, actions, causes of action, demands, rights, damages, costs, sums of money, accounts, covenants, contracts, promises, attorney fees, and all liabilities of any kind or nature whatsoever at law, in equity, or otherwise which I or my heirs, personal representatives, executors, administrators, successors, or assigns (as to whom this General Release is also binding) ever had, now have, or may have against any of the Released Parties **on account of any and all events, occurrences and omissions arising in any way from my employment by Fayetteville State University the conclusion and resignation of my full-time tenured employment status, the voluntary relinquishment of my tenure rights, or my entering into the Agreement, at any prior time down to the date on which I have signed this General Release.**

**4. MATTERS NOT RELEASED UNDER THIS GENERAL RELEASE.**

Notwithstanding the foregoing paragraphs, I do not waive or release any claims that may arise after the date I execute this General Release. I also do not waive or release my right to seek employee retirement benefits or to seek or continue to receive other employee group benefits to which I am now entitled or for which I will be eligible while a participant in the Program, whether my eligibility for any such employee retirement benefit or employee group benefit has been established by federal or North Carolina law or by contract between me and my employing institution. In addition, I do not waive or

release: (a) my vested and accrued rights as a participant in the University or *Fayetteville State University* 401(a), 403(b), pension, deferred compensation, incentive and/or any other vested plan or retirement benefit; (b) my right to potential indemnification and/or defense as a current or prior officer or employee of *Fayetteville State University* under its applicable policies, bylaws or insurance plans or under applicable law; or (c) my right to assert any claims relating to the obligations of the University or *Fayetteville State University* under the attached Agreement.

**5. LAWS UNDERLYING MATTERS RELEASED.**

I understand that this General Release releases any and all claims pursuant to paragraph 3, above, against Released Parties, whether such claims are now known or later discovered, which I may have relating in any way to my employment by Fayetteville State University, the conclusion of my full-time employment status, the voluntary relinquishment of my tenure rights, or my entering into the Agreement, including without limitation any Claims under the law of contract or tort; the Age Discrimination in Employment Act of 1967, as amended (29 U.S.C. §§ 621 et. seq.), including the Older Workers Benefit Protection Act of 1990; Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. §§ 2000e et. seq.), including the Civil Rights Act of 1991 and the Civil Rights Acts of 1866, 1870, and 1871 (42 U.S.C. §§ 1981 et. seq.); the Americans with Disabilities Act (42 U.S.C. §§ 12101 et. seq.); and the Rehabilitation Act of 1973; or any other federal, State, or local statutory or common laws relating to employment discrimination or employment. I further acknowledge and agree that I do not have any prior or current claims and/or I am not entitled to any compensation or other benefits arising under the Fair Labor Standards Act (29 U.S.C. §§ 201 et. seq.) or Family and Medical Leave Act (29 U.S.C. § 2601 et. seq.) that have not otherwise been paid or provided to me by the Released Parties to date, if and as applicable.

**6. PROPER PRIOR NOTICE OF CERTAIN INFORMATION**

I also acknowledge that I have been provided with a notice, as required by the Age Discrimination in Employment Act of 1967 and the Older Workers Benefit Protection Act of 1990, that contains information about individuals covered under the Program, eligibility factors for participation in the Program, time limits applicable to the Program, the job titles and ages of the employees in the identified job classification or organizational unit designated as eligible to participate in the Program, and the ages of all individuals in the same job classification or organizational unit who have not been designated as eligible to participate in the program.

**7. TIME TO CONSULT AN ATTORNEY, TO CONSIDER SIGNING THIS GENERAL RELEASE, AND TO CONSIDER REVOKING THIS GENERAL RELEASE**

I understand and acknowledge that, as provided in the Age Discrimination in Employment Act of 1967 and the Older Workers Benefit Protection Act of 1990, I have the right, and that I have been encouraged, to consult an attorney before entering into the



Agreement and this General Release. I understand that I have at least forty-five (45) days in which to consider whether to execute the Agreement and this General Release. I understand that any decision I may make to sign the Agreement and this General Release before the end of the 45-day period is knowingly and voluntarily made and is not induced by Fayetteville State University through fraud, misrepresentation, or threat to withdraw or alter this Agreement and General Release prior to expiration of the 45-day period. I further understand that I may revoke this General Release and Agreement within seven (7) calendar days after signing the General Release, if I so choose, by providing written notification of my withdrawal to Mrs. Wilma Thorpe, Fayetteville State University's Benefits Manager. The Agreement and this General Release will not be effective or enforceable until the 7-day revocation period has passed without my having revoked such commitments.

**8. MEANING OF CERTAIN TERMS**

I understand that, as used in this General Release, references to "the University of North Carolina" include all the University's constituent institutions; present and former members of the Board of Governors of the University of North Carolina and of the Boards of Trustees of the constituent institutions; and their faculties, employees, agents, successors, and assigns. I also understand that references to "the State of North Carolina" include all of the State's political subdivisions, administrative agencies, employees, agents, representatives, successors, and assigns.

**9. EFFECT OF SIGNING THIS GENERAL RELEASE**

By executing this General Release, I acknowledge that I understand all of its terms and that I am executing it voluntarily and without duress of any kind, and with full knowledge and understanding of its significance. I also acknowledge that I am entering into this General Release in exchange for consideration in addition to anything of value that I am otherwise entitled to receive. I further agree that should a portion of this General Release be held void, the remainder of this General Release shall continue in full force and effect.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature

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STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

I, a Notary Public in and for the aforesaid state and county, hereby certify that \_\_\_\_\_  
\_\_\_\_\_ appeared before me this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, and executed the foregoing General Release.

\_\_\_\_\_ My Commission Expires \_\_\_\_\_  
Notary Public

(SEAL)

**ATTACHMENT B**

**UNIVERSITY OF NORTH CAROLINA  
PHASED RETIREMENT APPLICATION AND  
REEMPLOYMENT AGREEMENT**

EMPLOYEE NAME \_\_\_\_\_

EFFECTIVE DATE OF RESIGNATION \_\_\_\_\_ DATE REEMPLOYED \_\_\_\_\_

REEMPLOYMENT OBLIGATION FROM \_\_\_\_\_ TO \_\_\_\_\_

INSTITUTION \_\_\_\_\_

DEPARTMENT \_\_\_\_\_

AGE \_\_\_\_ YEARS OF SERVICE \_\_\_\_\_ RETIREMENT PLAN \_\_\_\_\_

To participate in the University of North Carolina Phased Retirement Program (the "Program"), I understand that I hereby voluntarily resign my full-time employment with the University of North Carolina ("UNC")/ Fayetteville State University and give up my tenured status and accept a half-time, non-tenured phased retirement position. I further understand that I may elect to start receiving the benefits I have accrued under the Teachers' and State Employees' Retirement System ("TSERS") or the Optional Retirement Program ("ORP") but am not required to do so. Furthermore, all retirement benefits for which I am eligible shall be determined in accordance with the applicable Plan. I understand and acknowledge that my decision to participate in this Program is voluntary and irreversible .

Upon the acceptance of my application to participate in the Program, Fayetteville State University is obligated to offer me continued employment for a term of three (3) years beginning on \_\_\_\_\_. Such employment shall be on a half-time basis (or the equivalent thereof). Compensation during the period my phased retirement shall be one-half the full-time immediately prior to phased retirement based on my last 9-month contractual term employment, as applicable. However, subject to any limitations imposed by the State Retirement System, in subsequent years, I will be eligible for salary increments and merit pay increases based on annual evaluations.

I may also participate in all state or institution employee benefit programs for which I am eligible as a half-time employee or retiree. Those programs include Social Security and Medicare Tax Payroll Deduction, Federal and State Income Tax Payroll Deduction, Workers' Compensation, Liability Insurance, State Health Plan, NC Flex Benefits and Deductions, Accidental Death and Dismemberment Insurance, Dental Plan, Life Insurance, Leave, Accident, Sickness and Cancer Insurance, Voluntary Supplemental Retirement, Other Payroll Deductions as approved by the University, Credit Union Deductions, and Parking Permit. I understand that I will not be eligible to participate in the 401(k) program.

During my phased retirement, I will continue to be subject to performance reviews as before. I also understand that I will remain subject to The Code and Policies of the University of North Carolina and Fayetteville State University. In addition, without expressly or constructively terminating this Agreement, Fayetteville State University may place me on temporary leave with pay and/or reassign my duties during or as a result of any investigation or disciplinary action involving Fayetteville State University. Such

authority shall be invoked only in exceptional circumstances when my department or division head determines that such action is in the best interest of Fayetteville State University. Further, nothing in the Program, its guidelines or this Agreement shall in any way be interpreted to provide me with greater rights, claims or privileges against Fayetteville State University and/or The University of North Carolina regarding continued employment than otherwise provided in The Code and Policies of the University of North Carolina and Fayetteville State University. The specific duties which I shall perform under this agreement are as follows:

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I also understand that, in order to be eligible to participate in the Program, I must:

- be a full-time tenured faculty member;
- have at least five years of full-time service at the constituent institution of the University of North Carolina at which I am currently employed;
- be age 62 or older if a member of "TSERS" or 59 ½ or older if a participant in the "ORP";
- be eligible to receive retirement benefits through either TSERS or the ORP, as applicable;
- vacate any full-time administrative or staff positions that I occupy, if any;
- have an Application and Agreement that has been signed by the Provost following (a) an evaluation of the conditions referenced in the Program Summary enclosed with this Agreement and UNC Policy 300.7.2, and (b) if such conditions are met as determined by such officer, the development of a "work plan" to be mutually agreed upon between Fayetteville State University and me and incorporated as part of this Agreement; and
- execute and not revoke this Agreement and the General Release attached to it.

At the conclusion of the three-year phased retirement employment period, neither Fayetteville State University nor the University of North Carolina has any obligation to offer me additional employment.

This Agreement may be terminated at any time upon the mutual written agreement of the parties.

\_\_\_\_\_  
Signature of Eligible Faculty Member

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Department Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Dean of School/College

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Provost and Vice Chancellor for Academic Affairs

\_\_\_\_\_  
Date

## **ATTACHMENT C**

### **BENEFITS, PRIVILEGES AND SERVICES WHILE PARTICIPATING IN THE PHASED RETIREMENT PROGRAM**

- Health Insurance
  
- Long Term Care Insurance
  
- NC Flex Benefits (Pre-tax Benefits)
  - Dental
  - Vision Care
  - Cancer
  - Accidental Death & Dismemberment Insurance
  - Group Term Life Insurance
  - Health Care Flexible Spending Account
  - Dependent Day Care Spending Account
  
- Educational Benefits
  - N. C. Teachers' and State Employee' Retirement Program
  - UNC Optional Retirement Program
  - Supplemental Retirement Plans (but not the 401k program)
  
- Direct Deposit
  
- Workers' Compensation
  
- University Library Privileges
  
- University Holidays