

POLICY

THE UNIVERSITY OF NORTH CAROLINA PHASED RETIREMENT PROGRAM

I. PURPOSE.

The University of North Carolina Phased Retirement Program (the "Program") is designed to provide an opportunity for eligible full-time tenured faculty members ("Eligible Faculty Members") to make an orderly transition to retirement through half-time (or equivalent) service. 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 entirely voluntary and will be entered into by a written agreement between an Eligible Faculty Member and the institution. The Program, first announced in January 1998, was approved as a continuing benefit for UNC faculty by the Board of Governors in May 2001. The Program is subject to the employing institution having in place supplemental procedures and participation standards ("guidelines"). 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.

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. Participating faculty must be at least age 50, have at least five years of full-time service at his or her current institution, and be eligible to receive a retirement benefit under either TSERS or the ORP. Faculty are individually responsible for providing to the institution 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.

B. Once made, a decision to enter the Program is binding.

C. If an Eligible Faculty Member and the employing institution tentatively agree to the faculty member's participation and "work plan," the decision to enter or not enter the

Program rests with the Eligible Faculty Member. 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 participation in the phased retirement program.

D. Eligible Faculty Members do not have an absolute right to participate in the Program. Departments, schools, or institutions may limit participation in the Program based on three 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.

E. An application to enter the Program must be submitted to the Eligible Faculty Member's Department or Division Head. It is subject to final approval by the Institution's Chief Academic Officer.

F. The Program has been made a continuing benefit of the University, subject to reservation by the University Board of Governors of the right to modify, suspend, or discontinue the Program. Eligible Faculty Members may timely seek to enter the Program for the number of years uniformly specified by the employing institution for all of its participating faculty.

III. TERMS AND CONDITIONS.

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

1. Upon entering the Program, Eligible Faculty Members give up tenure. They terminate full-time employment and contract for a period of half-time service to their institution. Half-time responsibilities may vary by institution and among departments in the same institution. 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). Under either pattern the Program enrollment period begins with the fall semester. 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 the half-time service ("work plan") must be set forth in a UNC Phased Retirement Application and Reemployment Agreement (the "Agreement").

2. In conjunction with the Agreement executed under the Program an Eligible Faculty Member must execute a waiver of rights and claims under the Age Discrimination in Employment Act (the "ADEA") and other laws (the

- “Release”). The Release must fully comply with the requirements for knowing and voluntary waivers as provided in the ADEA. After the Agreement is drafted, it must be delivered to the Eligible Faculty Member and the Eligible Faculty Member has no fewer than forty-five (45) calendar days within which to consider the Release. Eligible Faculty Members are encouraged to consult an attorney prior to executing the Release. The Release does not become effective and enforceable for a period of seven (7) calendar days following its execution, and during such period the Eligible Faculty Member may unilaterally revoke the Release. If the Eligible Faculty Member elects to revoke the Release within the seven-day period, the Eligible Faculty Member must immediately be restored to the same full-time employment status as the faculty member held prior to execution of the Release, and the Agreement becomes null and void. Revocations must be in a writing personally signed by the faculty member and must be effected by personal delivery or posting to the office or official to whom the prior application to participate in the Program had been submitted.
3. Participating Faculty Members initially receive a salary equal to fifty percent (50%) of the salary they received prior to phased retirement during their last nine- or twelve-month term of employment incident to full-time service. Compensation 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.
 4. Participating Faculty Members will remain subject to The Code of The University of North Carolina.
 5. 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.
- B. Eligible Faculty Members who elect into the Program will retain their professorial rank and the full range of responsibilities, rights, and benefits associated with it, except for tenured status. (The employing institution, however, will keep records of participation so as to note those faculty who are in Phased Retirement [PR].) The employing institution shall develop a list of employee benefit plans or programs in which Eligible Faculty Members may participate during the phased retirement period.

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 if applicable procedures require that 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.

V. PHASED RETIREMENT PROGRAM DOCUMENTS.

Current Office of the President documents related to the Phased Retirement Program, including the Phased Retirement Program Application and Employment Agreement and the Phased Retirement Program General Release, are available from the UNC Office of the President Division of Academic Affairs, Legal Affairs, or Human Resources. The documents are also available on the UNC Office of the President Division of Human Resources web site:

<http://www.northcarolina.edu/content.php/hr/benefits/retirement/phased/phased.htm>