

## APPENDIX LL

### DRAFT

#### **Report to the Personnel and Tenure Committee UNC Board of Governors**

**November 13, 2003**

#### **Update on Continuing UNC Phased Retirement Program For Tenured Faculty and Senior Faculty Surveys**

#### **UNC Phased Retirement Program:**

##### **Background**

In May 2001, the UNC Board of Governors adopted the recommendations of the Innovations in Faculty Work Life Committee that the Phased Retirement Program for Tenured Faculty be continued as a benefit for UNC faculty. The Phased Retirement Program was originally implemented in 1998 for a five-year trial period at the 15 constituent institutions of the University of North Carolina where tenure exists.

The program was designed “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 has three major goals:

- better personnel planning—institutions will be able to anticipate position changes and plan for them at an earlier time;
- 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. (*UNC Policy Manual*, 300.7.2.1 [G])

Phased Retirement enables full-time tenured faculty who meet eligibility requirements to relinquish tenure and enter into a contract to work half time for 50% of their salary during their last year of full-time employment. To be considered eligible for participation in the program, faculty must meet the following criteria:

- tenured full-time faculty member;
- at least 50 years old;
- at least five years of service at the current institution; and
- eligible to receive retirement benefits either through the North Carolina Teachers and State Employees Retirement System (TSERS) or under the UNC Optional Retirement Program (ORP).

The Board's policy allows each institution to set caps on participation in order to ensure the quality of academic programs and to define the length of the phased retirement contract period for all faculty (contracts can range from one and five years, although all campuses now have either a two- or three-year contract). Responsibilities and schedules for participating faculty are individually negotiated at the campus level.

Since the Board approved the continuing Phased Retirement Program, the Office of the President has revised the documents used by campuses to develop agreements with individual faculty, and each campus has revised its institutional guidelines to comply with the features of the continuing program.

## Trends in Participation in the Phased Retirement Program

The table below shows the number of faculty members entering the Phased Retirement Program in the first five years of the program:

First-Time Phased Retirement Participants 1998 Through \*2002

	1998	1999	2000	2001	2002*
ASU	4	6	3	15	3
ECU	16	17	8	8	2
ECSU	--	--	2	4	--
FSU	1	1	--	--	--
NCA&T	1	1	--	--	1
NCCU	6	--	2	4	1
NCSU	13	9	15	15	6
UNC-A	--	4	2	1	--
UNC-CH	9	7	20	20	13
UNC-C	7	2	7	7	7
UNC-G	6	4	8	3	3
UNC-P	3	3	2	2	6
UNC-W	5	3	12	8	3
WCU	6	8	16	4	11
WSSU	2	--	1	--	--
UNC Summary	79	65	98	91	56

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Some of the numbers included in the table have been revised from previous reports, based on corrected numbers requested from the campuses. 2002 numbers have not yet been checked by the campuses. \*

Entry into the program has varied each year: seventy-nine faculty members entered the program in the first year (1998), increasing to nearly 100 faculty in 2000 and 2001, then declining to 56 in 2002. The increase in 2000, the third year of the trial program, may reflect decisions by faculty to commit to Phased Retirement in case the program was not continued beyond the trial period. The dramatically lower number of faculty entering the program in 2002 (56) probably reflects the declining value of ORP retirement accounts, as a result of general declines in the stock market and a slower economy.

Retirement trends among UNC faculty have been analyzed by Professor Robert Clark of NCSU (a former member of the IFWL Committee) and his colleagues. Based on analysis of UNC personnel data files, they conclude the following:

- The Phased Retirement Program has accounted for an additional 1.5-2% of UNC faculty retiring in each year since 1998.
- Phased Retirement Program participants have represented 20-30% of UNC faculty retirees each year since the program began.
- Phased Retirement Program participants accounted for 22% of all UNC faculty retiring between 1997-98 and 2000-01.

(Steven G. Allen, Robert L. Clark, and Linda S. Ghent, "Phasing Into Retirement," [2002]).

It is clear that the Phased Retirement Program has had an impact on retirement decisions by UNC faculty, even though the total number of participants has been relatively small: 389 through 2001-2002.

According to Allen, Clark and Ghent's analysis of the age structure of tenured faculty members at UNC institutions, in 2001 51% were age 50 or older; 31% were age 55 or older. Should a large percentage of these faculty members to decide to retire in one or two academic years, their departure would create significant staffing challenges for UNC institutions. Phased Retirement, which allows institutions to anticipate retirements, offers campuses one tool for enhanced personnel planning in the face of the impending departure of a large faculty cadre.

### **Surveys of Senior Faculty and Phased Retirees**

In order to learn more about the retirement plans and late-career concerns of faculty members, UNC is collaborating on a survey of senior faculty members with the

American Association of Higher Education (AAHE) and two other consortia of higher education institutions: the campuses of the University of Minnesota and the Associated New American Colleges, a group of nineteen mid-sized independent colleges. Survey design, administration, and analysis have been supported by the TIAA-CREF Institute.

The purpose of this survey is to gather the perceptions of faculty who are 50 years of age or older about their late career and retirement aspirations, plans, and issues. The survey requests demographic information and asks questions about finances, faculty work life, professional development needs, and retirement plans, including questions about what may influence faculty members' decisions to delay their retirements or to retire earlier than they may have planned. Survey findings will be used to develop tools to improve planning for the late career and retirement by individual faculty members and participating institutions. The findings will also assist institutions, AAHE and the TIAA-CREF Institute to design programs beneficial to faculty and their colleges and universities. A report analyzing the responses of faculty members will be prepared and circulated widely within the higher education community, including to UNC campuses, AAHE, the TIAA-CREF Institute, and the higher educational media.

In addition, UNC has developed a survey specifically for participants in the Phased Retirement Program who are still working on UNC campuses. This survey is being administered at the same time as the Survey of Senior Faculty and will gather information about such issues as faculty members' decision to enter the program, the benefits available to them during their participation, their work and other activities while enrolled in the program, and suggestions for improving the information provided to faculty who are considering enrolling in the program and the enrollment process.

Responses to these two surveys, which are being administered on-line, will be accepted through November 9, 2003.\*\* Through the rest of the academic year, Academic Affairs staff and their collaborators will analyze responses to the two surveys and develop reports for the President and the Board of Governors. As a result of this analysis, the IFWL Committee and Academic Affairs may propose revisions to the Phased Retirement Program to the Personnel and Tenure Committee during 2004. In addition, UNC campuses will be better positioned to anticipate the professional needs and retirement goals of a majority of their faculty members.

\*\*The surveys may be viewed at the following sites:

Survey for faculty age 50 and over not participating in Phased Retirement:

<http://www.viewpoints.org/northcarolina>

Survey for faculty participating in Phased Retirement:

<http://www4.ncsu.edu/~sgallen/phaseret.htm>

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