

COMMITTEE ON PERSONNEL AND TENURE

July 8, 2004

TENTATIVE AGENDA

1. Election of Officers
2. Minutes of the June 7, 2004 special meeting.
3. *Recommendations for Administrative Appointments
4. *Recommendations for Conferral of Tenure
5. Salary Increases
6. Proposed Revisions to Guidelines and Policies on “University Teaching Awards” and “The Phased Retirement Program”
7. Delegation of Authority for Salary Resolution 2004-2005
8. Follow-up to June 7, 2004 Special Meeting
9. Other Business

*The Committee will discuss these items in Closed Session.

SPECIAL MEETING OF THE COMMITTEE ON PERSONNEL AND TENURE

June 7, 2004, at 1:00 p.m. in the Board Room, General Administration Building,
910 Raleigh Road, Chapel Hill, NC

Minutes of Special Meeting June 7, 2004

Committee members present at the meeting included: Mr. John W. Davis III, Mr. James G. Babb, Mr. Brent D. Barringer, Mr. C. Clifford Cameron, Mr. John F.A.V. Cecil, Dr. Dudley E. Flood, Mr. Peter Keber, and Dr. Patsy B. Perry. Board of Governors members included: Mr. G. Irvin Aldridge, Mr. Jonathan L. Ducoté, Mr. Charles H. Mercer, Jr., and Dr. Priscilla Taylor. Mr. Bert Collins, Mr. Ray S. Farris, Ms. Hannah D. Gage, Mr. Peter D. Hans, Ms. Adelaide Daniels Key, Mr. G. Leroy Lail, and Mrs. Cary C. Owen attended via teleconference. Office of the President staff attending were: President Molly Corbett Broad, Dr. Gretchen M. Bataille, Mr. James B. Milliken, Mr. Charles Waldrup, Ms. Leslie Winner, Ms. Joni Worthington, and Ms. Lisa Adamson. Chancellor Wade Hobgood of North Carolina School of the Arts attended a portion of the meeting via teleconference. Mr. Chris Coletta and Ms. Gillian Bolsover, of the *Daily Tar Heel*, Eric Ferrari of the *Herald Sun*, and Ms. Jane Stancill of the *News and Observer* also attended a portion of the meeting.

Mr. Davis began by explaining that the reason for this special meeting was to discuss the issue of administrative compensation for the chancellors, the vice chancellors, the president, and the members of the president's staff. Mr. Davis referred to the compilation of salary data that showed the current salaries for these administrators, as well as projected salaries based on certain criteria and a list of suggested questions (*Attachment 1*), that had been sent to all members of the Board of Governors. Mr. Davis invited the Committee members and those Board of Governors members who were attending via teleconference to discuss their ideas concerning this issue. Many indicated their support in providing chancellors with compensation that is competitive in today's marketplace and that reflects a sense of fairness. Some Board members asked for additional clarification of the peers used for salary comparisons for each campus and how they were selected. There was some concern regarding the use of private institutions in the peer groups for the University of North Carolina at Chapel Hill and North Carolina State University. Dr. Bataille discussed the methodology used, and explained the reasons for the selection of the peers for each group of UNC institutions. It was agreed that Dr. Bataille would provide comparable salary information at the July 2004 meeting to the Committee and the Board of Governors for UNC-Chapel Hill and North Carolina State University that omitted private institutions as peers.

Members agreed that the issue of "compensation" concerns more than salary, and includes such items as deferred compensation, benefits, contracts, the use of private funds to supplement salaries, and retreat rights, among others. It was acknowledged that such issues had been discussed by the Committee during the past four years, but that budget constraints had prevented these discussions from developing into any actions.

Members discussed the fact that four of the chancellors' salaries were below the minimum of their salary range. It was also noted that other administrators' salaries were below the minimum of the salary ranges and that it was important to address this issue as well.

Committee members agreed that salary increases should be applied fairly, but not necessarily equally. The President stated that any salary increases she might request would be based on job content and job performance. There was a question of how the salary ranges were determined for the Office of the President and Dr. Bataille referred to the Atwell Report, commissioned by the Board of Governors in 2000, which provided the methodology for determining the appropriate salary levels for the President and Office of the President's staff.

A Board member asked about chancellors receiving payment for serving as members of corporate boards. Leslie Winner explained that there were regulations governing outside activities and that all state employees must report such activities on an annual basis. She noted that it was required that chancellors use personal vacation time when attending such meetings.

It was noted that other than a \$625 salary increase for all employees in 2001-2002, the chancellors and the President had not received any salary increase in four years. The same was true for many vice chancellors and Office of the President staff. Dr. Bataille told the Committee that many of the campuses were able to grant salary increases to faculty members using campus-initiated tuition increase funds during past years and that many had done so.

The Committee discussed the difficulty in obtaining additional funding for salary increases for the chancellors and other top administrators, but concluded that there was a need to address salary inequities.

The following Motions were made:

- 1) Adopt as a guiding principal that the chancellors' salaries should be at the 25th percentile as a minimum, subject to availability of funds and performance reviews;
- 2) Reaffirm the 80th percentile as a goal for chancellors of appropriate seniority and performance;
- 3) Endorse the salary ranges for the vice chancellors and, if job content and performance warrant it; chancellors should bring vice chancellors within the range as funds are available to do so; and
- 4) Affirm the intent to move the salary of the President toward the 25th percentile, and encourage the President to take the ranges into account in making salary recommendations for vice presidents, subject to job content and performance.

All four Motions were seconded for recommendation for approval by the Board of Governors at the July 9, 2004 meeting. All four Motions passed unanimously.

Mr. Davis asked for a motion to go into Closed Session "to establish or instruct the staff or agent concerning the negotiation of the amount of compensation or other terms of an employment contract; to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee; to hear or investigate a complaint, charge, or grievance by or against a public officer or employee."
[N.C.G.S. §143.318.11(a)(5)&(6)]

*The meeting was **moved into closed session.***

(The complete minutes of the Closed Session are recorded in Appendix A.

The Committee returned to open session.

The minutes of the May 13, 2004 meeting were approved as distributed.

Pursuant to the *Delegation of Authority* granted by the Board of Governors at the May 13, 2004 meeting, a Motion was made to ratify the actions taken in closed session. The Motion passed unanimously.

The Committee discussed finding ways to engage other Board of Governors' members in a further discussion on the issue of administrative compensation, and considered adding additional time to the regular Committee meeting to discuss this matter further with Board of Governors members.

There was a brief discussion on the matter of allowing the President the authority to grant salary increases of less than 15% to Office of the President staff without seeking approval of the Board of Governors' members. It was agreed that this matter would be on the July agenda.

As there were no further items for discussion, the meeting was adjourned.

Mr. John F.A.V. Cecil, Secretary

Attachments

**Committee on Personnel and Tenure
Special Meeting
June 4, 2002**

Administrative Compensation

Purpose of the meeting: The Committee on Personnel and Tenure has received a considerable amount of information about administrative compensation policies, actual salaries, and readings about what is being done in other states and systems. Among the material is information about deferred compensation, contracts, use of foundation or other private funds, and information about the UNC salaries and the compensation philosophy endorsed by the Board of Governors. This meeting will focus on one aspect of this information—addressing the current salaries of senior administrators. This group includes chancellors, vice chancellors, the president, and the vice presidents. Decisions made in response to the following questions will be dependent on funds available; however, the decisions can establish core principles regarding administrative salaries.

Questions for Discussion:

1. Should all senior administrators be compensated at least at the minimum of the approved salary ranges? Should any other “floor” for salaries be considered?

See attached copies for reference. The total cost to bring all senior officers to the minimum of the range is \$344,096. The total cost to bring all senior officers to the 25th percentile is \$590,582.

2. Should the Board of Governors reaffirm the 80th percentile as the target salary for those administrators who are high-performing and have demonstrated merit over time?

The 80th percentile has not been viewed as a hiring salary but rather as an aspirational salary. High performing administrators who have provided exemplary service should be able to reach this level.

Adopted 04/29/94
Amended xx/xx/xx

Guidelines on University Teaching Awards

These guidelines contain a summary of the steps to be taken by the constituent institutions to implement the policy amended by the Board of Governors on , on University Teaching Awards.

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Implementation of Teaching Awards by the Constituent Institutions

I. System-wide Awards

1. Each institution should have developed ed detailed, written procedures for nominating one faculty member annually to receive the Board of Governors Award for Excellence in Teaching.
2. The selection of the nominee, who must meet the eligibility criteria established by the Board, shall be made by a campus-wide selection committee.
3. The name of the institution's nominee, along with convincing supportive evidence (e.g., a portfolio), must be submitted to the President through the chancellor of the nominating institution by February 1 of each year.
4. Portfolios must include:
 - A brief written statement which articulates each finalist's teaching philosophy and methods used to achieve educational goals;
 - Copies of peer evaluation of teaching;
 - Statements by colleagues and former students of the instructor who have provided letters of support for the nominee;
 - A copy of the nominee's resume or curriculum vitae;
 - A current photograph of the nominee.

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Other materials may be included in the portfolio at the discretion of the campus. These materials will be returned to the campus after the awards ceremony.

5. The Board of Governors committee charged with overseeing the Teaching Awards process will review the documentation and recommend the names of recipients to the Board of Governors.
6. Once the selection has been made and the recipient of the annual Board of Governors Award for Teaching Excellence has been announced, a summary of the supporting documentation should be made available to all of the campus community. (The documentation could be placed in the campus library.)

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7. The \$7,500 ~~award~~ paid to a recipient of a Board of Governors Award for Excellence in Teaching, must be in addition to, and not in lieu of, any salary increases (for merit or other reasons) to which an individual recipient may be entitled.

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II. Institutional Awards

1. The internal allocation of funds provided for institutional awards must be consistent, ~~institutional procedures as required~~ by the ~~Board in Policy 400.3.63300.X.X-~~ Eligibility criteria for the awards on the various campuses (i.e., length of service and tenure status, etc.) are to be determined by appropriate committees at the appropriate levels.
2. Each institution must file an annual report ~~by June 15~~ to the Board of Governors through the President on the internal distribution and use of these allocations for teaching awards.

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III. Evaluation of Program of Awards

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The Board committee responsible for overseeing the Awards for Teaching Excellence will periodically evaluate the policy ~~(400.3.6)~~ (300.X.X), revise it as appropriate and recommend changes to these guidelines to the President as appropriate.

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Adopted 03/24/94
Amended xx/xx/xx

UNIVERSITY TEACHING AWARDS

Introduction

At its September 1993 meeting, the Board of Governors adopted a report on *Tenure and Teaching in the University of North Carolina*. The report, prepared jointly by the Board's Committee on Personnel and Tenure and its Committee on Educational Planning, Policies, and Programs, reaffirmed the Board's insistence that teaching is the primary responsibility of each of the 16 constituent institutions of the University. To underscore the importance of teaching and to encourage, identify, recognize, reward, and support good teaching within the University, the Board adopted a set of six specific recommendations, including the following:

That the Board of Governors create annual, systemwide teaching awards with monetary stipends which are designated "Board of Governors Awards for Excellence in Teaching."

I. Annual Awards for Teaching Excellence,

Governors,

The Board of Governors will allocate \$250,000 each year for the Awards for Teaching Excellence with one half of the fund (\$125,000) to be used each year for a system-wide awards program and the other half (\$125,000) to be used for allocations to campuses for teaching awards.

Each year the chair of the Board of Governors will appoint a special committee, or designate a standing committee such as the Committee on Personnel and Tenure, to provide coordination and oversight for the teaching awards programs.

The program of awards will be evaluated and revised periodically.

II. System-wide Awards

Number of Awards

There shall be a total of 16 Board of Governors Awards annually. One recipient shall be nominated from each of the 16 constituent institutions.

Nature of Awards and Recognition

Each recipient of a Board of Governors Award for Excellence in Teaching will receive a citation and a one-time award of \$7,500. Presentation of the award will be made at an appropriate event to be attended by recipients and their guests, members of the Board of Governors, the President and vice presidents of the University, the chancellors or their designees, and other guests.

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¶ In November, Chairman Poole appointed the following persons to serve as an *ad hoc* Committee on University Teaching Awards: Lois Britt, Earl Danieley, and Valeria Lee, who are members of the Personnel and Tenure Committee; Charles Evans, Ellen Newbold, and Harold Webb, who are members of the Planning Committee; Joel Schwartz, director of the Center for Teaching and Learning at UNC-Chapel Hill; Ben Ward, associate director of the Institute for College and University Teaching d ... [1]

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C. Eligibility for Selection

Any faculty member who has earned tenure at the institution and has taught at the institution for at least seven years is eligible. The recipient must have demonstrated excellent or exceptional teaching ability over a sustained period of time. Potential nominees must be teaching in the academic year in which they are selected.

No faculty member will be eligible to receive this award more than once while teaching at any UNC institution.

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¶ The selection of nominees for a Board of Governors'

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III. Institutional Teaching Awards

A. A total of \$125,000 will be allocated each year to the 16 constituent institutions to establish additional faculty awards for teaching excellence.

B. Each institution should develop procedures for establishing awards and selecting recipients supported by the Board's allocation.

C. In establishing these awards, the Board gave special emphasis to the smaller institutions with more limited resources and to those institutions which did not have teaching awards.

In keeping with this objective the following seven institutions are allocated \$9,500 each: Elizabeth City State University, Fayetteville State University, North Carolina Central University, North Carolina School of the Arts, University of North Carolina at Asheville, University of North Carolina at Pembroke, and Winston-Salem State University, with the other nine constituent institutions being allocated \$6,500 each for teaching awards.

IV. Guidelines for Implementing the Awards for Teaching Excellence

The President will issue guidelines for the nomination and selection of system-wide teaching awards and the allocation of funds for institutional teaching awards.

The chairman of the board was asked to appoint a committee to work out the details.

In November, Chairman Poole appointed the following persons to serve as an *ad hoc* Committee on University Teaching Awards: Lois Britt, Earl Danieley, and Valeria Lee, who are members of the Personnel and Tenure Committee; Charles Evans, Ellen Newbold, and Harold Webb, who are members of the Planning Committee; Joel Schwartz, director of the Center for Teaching and Learning at UNC-Chapel Hill; Ben Ward, associate director of the Institute for College and University Teaching at Western Carolina University; and Ken Wilson, professor of Sociology at East Carolina University and past chairman of the UNC system-wide Faculty Assembly. Mrs. Britt and Mr. Evans were designated as co-chairs.

The committee was given two major assignments as follows:

1. to make recommendations for establishing a program of annual system-wide teaching awards to be made by the Board of Governors; and
2. to make recommendations concerning implementation of legislation passed during the 1993 Session of the General Assembly which called upon the Board of Governors to allocate \$250,000 from overhead receipts each year of the 1993-95 biennium for "establishing faculty awards for excellent teaching with special emphasis on those campuses that do not have such a recognition system."

To carry out that two-fold task, the committee has held three meetings. It has considered carefully the findings and conclusions of the report on *Tenure and Teaching in the University*, comments and suggestions provided by chancellors and chief academic officers, the criteria and procedures for teaching awards currently in place in various campuses, and other materials. Professors Schwartz, Ward, and Wilson have provided valuable insight and experience.

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In order to design a satisfactory program of teaching awards and to ensure that the designated portion of overhead receipts be spent wisely, the committee has chosen to outline the features of a system-wide teaching awards program and to propose general guidelines for the use of overhead receipts to establish teaching awards at constituent institutions in the 1994-95 academic year.

The committee recommends the following policies and procedures regarding teaching awards:

A.

That the principal features of the system-wide Board of Governors'

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Excellence in Teaching be initiated this year and fully implemented in the 1994-95 academic year.

- B. That general guidelines be adopted this year for the establishment of teaching awards to be made at the 16 UNC campuses during the 1994-95 academic year.

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this year and next year from overhead receipts

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Committee on Teaching Awards, consisting of at least five (5) persons

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Committee on Teaching Awards will review the documentation and recommend the names of recipients to the Board of Governors. The documentation submitted in support of a nominee should include details of the nominee's achievements and contributions in teaching.

Each institution in the UNC system is requested to develop detailed, written procedures for recommending one faculty member annually to receive a Board of Governors'

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Award for Excellence in Teaching. Selection procedures may vary for each campus, but, to provide some consistency across institutions and to expedite the process, the board offers the following general guidelines:

General Guidelines for Campus Selection Committees

1. **Establish a campus-wide selection committee and initiate the selection process early in the fall term. Establish timely dates so that the institution will be able to submit its nominee for the award before March 1.**
2. **Faculty, students, administrators, and alumni should be invited to nominate persons for consideration by the campus selection committee.**
3. **Screen nominations to identify two or more finalists to be considered for nomination by the institution for the award. All finalists must be tenured faculty members who have been at their present institution for at least seven years and who are teaching in the academic year in which they are selected.**

4. Ask each finalist at the institutional level to submit a portfolio of materials for the selection committee's review. The portfolio should include, but is not limited to, the following materials:

A brief written statement (approx. 4 pp.) which articulates each finalist's teaching philosophy and methods used to achieve educational goals.

Copies of syllabi and other relevant course materials from three different courses that the faculty member has taught.

A summary of student ratings of courses that have been evaluated over the previous two years.

Copies of any peer teaching evaluations that may be available.

A copy of the nominee's resume or curriculum vitae.

Names of two or three colleagues and of former students of the instructor from whom the selection committee may request letters of support.

5. The selection committee may also collect additional data on each finalist's teaching effectiveness, including evidence such as:

Videotaping of classes.

Direct classroom observation by committee members.

Telephone surveys of alumni and of students currently enrolled in the instructor's classes.

6. The name of the institution's nominee, along with the supporting portfolio, must be submitted by the chancellor to the President of the University by March 1.

7. *Once the selection has been made, and the recipient of the annual Board of Governors'*

Award for Teaching Excellence has been announced, a summary of the supporting documentation should be made available to all of the campus community. (The documentation could be placed in the campus library.) This is to assure students, faculty, and alumni that the selection committee's decision was based solely upon a record of accomplishments over a sustained period of time, and that the recipient has indeed demonstrated excellence in teaching.

Recommendations for Allocation of Funds to Establish Teaching Awards at the Institutions

To implement the recent legislation (Chapter 321, Part 15, Sec. 89 (c) of the 1993 Session Laws), the committee recommends the following:

That the internal allocation of these funds by the institutions be consistent with the following general guidelines:

1. These funds shall be in addition to, and not in lieu of, those resources already used for teaching awards at the institution.
 2. Careful consideration must be given to filling gaps in the current system of awards, i.e., to establishing a campus-wide award where there is none and school/college awards where there are none. Awards may also be established at division or departmental levels where feasible and appropriate.
 3. Individual teaching awards made from these allocations should range from a minimum of \$250 to a maximum stipend of \$2,500 per recipient.
 4. The first awards using these new allocations are to be made in the 1994-95 academic year.
- D. That each institution file an annual report to the Board of Governors through the President on the internal distribution and use of these allocations for teaching awards.
- E. That these allocations be reviewed and reassessed biennially

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Adopted --/--/04

ADMINISTRATIVE GUIDELINES

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OF

THE 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 service (or its equivalency) for a predetermined number of years. It is completely voluntary and the terms of an Eligible Faculty Member’s participation will be implemented by written agreement between the enrolling faculty member and The University of North Carolina (“the University”). The Program will be available for application on a continuing basis beyond the original period of five years (which, otherwise, was to end with the 2002-2003 academic year), and Eligible Faculty Members or faculty members who become eligible may elect annually to seek to enroll in the Program during the enrollment life of the Program, with active participation to commence with the fall semester next following acceptance by the institution for participation.

II. ELIGIBILITY.

Except as set out in Part III, below, the Program is available to all full-time tenured faculty members who (1) have five years of full-time service at the constituent institution of the University at which he or she is currently employed (“the Institution”), (2) are age 50 or older, and (3) are eligible to receive retirement benefits through either the Teachers’ and State Employees’ Retirement System (“TSERS”) or the Optional Retirement Program (“ORP”). Tenured faculty occupying full-time administrative or staff positions are not eligible to participate in the Program until they vacate such positions. Thus, services rendered while in phased retirement will be only those teaching, research, and administrative duties under faculty appointment.

The Phased Retirement Program contemplates actual retirement and reemployment of participating faculty on part-time status for a limited period. For those who have not yet reached “normal retirement age” retirement must be demonstrated by a clear break in service of at least 30 days between cessation of full-time employment and return to institutional employment under the Program. For purposes of the Program, “normal retirement age” is the age at which the participating faculty member would have first satisfied an age-and/or-service requirement for “service” (unreduced) retirement if enrolled in the Teachers’ and State Employees’ Retirement System (TSERS). Under TSERS “unreduced” retirement is available if one is age 60 with 25 years of credited service time, if one is age 65 with five years of credited service, or if one has 30 years of credited service, at whatever age. If a person has achieved any one of these

three service levels, the person has reached "normal retirement age" and need not undertake a break in service prior to entering the Phased Retirement Program.

It is the individual faculty member's responsibility to insure that the Institution has all information necessary for it to determine the eligibility of the applicant 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.

III. LIMITATIONS ON ELIGIBILITY.

The Program provides that the institutions may limit participation in the Program as follows:

- (1) An institution may establish departmental or school and/or institutional caps on faculty participation in the Program.
- (2) A department, school, or institution may deny an application to participate in the Program in response to a *bona fide* finding that financial exigencies of the employing institution prohibit further enrollment in the Program. This finding must be based on quantifiable budget constraints of the affected institution and consistent with Section 605A. of the Code.
- (3) A department, school, or institution may also deny an application to participate in the program upon a finding that granting the application would substantially weaken academic quality or disrupt program sequence. This finding should be supported by external measures of program quality such as accreditation standards. (See Section IV [2] below).

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All enrollments in the Program shall commence with the fall semester of the academic year next following execution of an agreement between the Institution and the participant for PRP employment whether or not services are performed during the fall semester.

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IV. INSTITUTIONAL PROGRAM GUIDELINES.

Each institution must develop Institutional Guidelines for its implementation of the Program ("Institutional Guidelines"). Once developed, or when substantively amended, each institution's Institutional Guidelines must be forwarded to the President for the President's approval.

Each set of Institutional Guidelines shall include, or be accompanied by, an official description of any of the following participation policies adopted by the institution:

- (1) a list of any caps on participation referencing the level (department, school, or institution) to which a cap pertains. A cap should be applied with reference to predetermined, non-subjective criteria such as length of service or percentage of

faculty. The cap of an institution and/or a department or school must be applied consistently to all eligible faculty timely seeking to commence enrollment in the Program the same fall semester. (See Sections V. and VI.A., below.) A cap may be an absolute number or a formula that produces a number; the cap should be consistent over a substantial period of years, not less than five.

- ~~(2)~~ a detailed description of any limitations the department, school, or institution places on participation because of financial exigencies. This section should include specific references to the budget constraints which prohibit participation and to the means to determine that such exigencies exist. The limitation with respect to constraints of financial exigencies of an institution and/or a department or school must be applied consistently to all eligible faculty timely seeking to commence enrollment in the Program the same fall semester. (See Sections V. and VI.A., below.)

- (3) a detailed description of any departmental, school, or institutional limitations on the number of eligible faculty who can participate in the Program based on preservation of academic quality. The description should include reference to objective factors which require limitations on participation; e.g., shortage of professors in a department or school, required number of faculty necessary for the department or institution to operate, student/faculty ratios, etc. These factors should not be based in any way on age or the expected retirement of specific faculty members. The limitation with respect to preservation of academic quality of an institution and/or a department or school must be applied consistently to all eligible faculty timely seeking to commence enrollment in the Program the same fall semester. (See Sections V. and VI.A., below.)

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(3)

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- (4) A list by faculty rank, age, and department (but without name) of those faculty eligible and those ineligible to participate in the Program. This list should include those faculty ineligible to participate because they currently occupy full-time administrative positions; their listing should include both faculty and administrative titles. Faculty are individually responsible for providing to the Institution age and service data needed to determine their Program eligibility.
- (5) the number of academic years that participants will be allowed to remain on phased retirement. One uniform time period must be adopted by the institution with the same number of years for all participants, between one and five, and may not vary by department or school within the Institution. Participation in the Program may not be extended or renewed beyond completion of those years.
- (6) a detailed description of the procedures that the Institution will use to ensure that Eligible Faculty Members are informed about the Program.
- (7) a detailed description of the procedures the Institution will use to receive, review, and approve applications for participation.

- (8) a **schedule of potential services** for the institution or for each department or school if they differ among departments or schools. The services that comprise a faculty member's individual **work plan** under the Program will be drawn from this schedule. A typical work plan will likely call for services to be rendered over the two regular-term semesters of the academic year. The work plan may call for services over all 12 months of the participation year, as often occurs under research professorships. However, no work plan may include duties incident to summer school curricula.

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V. DISTRIBUTING INFORMATION ON THE PHASED RETIREMENT PLAN.

The following materials should be prepared and distributed to every tenured Faculty Member who appears eligible or likely to become eligible for the Program.

- The UNC Phased Retirement Program Policy (UNC Policy Manual 300.x.x)
- A letter announcing the Program
- A copy of the Model University of North Carolina Phased Retirement Application and Reemployment Agreement
- A copy of the Model Phased Retirement Release
- A Chart reflecting information regarding persons who are eligible and those who are ineligible for the Program. (See example at Section VI.E.2., below.)

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At the time of each distribution of the Program materials to Faculty the institution should place a notice of the Program in an institutional newsletter or other organ of general circulation among faculty that invites faculty who believe they may be eligible, to inquire at an identified institutional office about their Program eligibility.

The Institution should distribute these materials by **September 1** of the calendar year preceding the academic year in which it appears that the Faculty Member could first **apply** to participate in the Program.

A Faculty Member may apply for the Program not earlier than eleven (11) months prior to commencement of the first semester of Program participation and not later than six (6) months prior to that semester.

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For purposes of this Program a semester will be deemed to commence on the date that faculty rendering services under an individual work plan are required to begin performing services with respect to the pertinent semester.

VI. APPLICATION PROCEDURES.

A. Time Periods.

Faculty group meetings should be held or at least made available at each institution for all persons eligible to elect into the Program. Persons who plan to apply to participate in the Program should meet with the officials appointed or designated by their

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institution to answer questions about the Program. Faculty may then approach their respective department chair or school dean to negotiate participation and their half-time work plan for the phased retirement period. When this negotiation has been completed, the electing Eligible Faculty Member will be provided a completed Phased Retirement Application and Reemployment Agreement (the "Agreement") and a ~~Release~~ (the "Release") to consider and sign. As required by the Age Discrimination in Employment Act ("ADEA"), the person shall have at least forty-five (45) calendar days to execute and return the Agreement and the Release to the Institution. The forty-five day period begins with the date of the Institution's "final offer." (The **date of the final offer** is the date on which the Institution physically delivers to the faculty member the completed, but as yet unsigned, Agreement and Release, or the date on which the documents are posted to the faculty member; the postmark date or date of receipt for postal handling of the documents shall be prima facie evidence of the date of final ~~offer~~.)

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Persons electing to participate in the Program also have the right under the ADEA to revoke the Agreement and the Release anytime within seven (7) calendar days of the date both documents are fully executed by the parties. An election to participate in the Program does not become final until after that date. Revocations shall be in a writing personally signed by the affected faculty member and shall be effected by personal delivery of the revocation, or by submission of it for postal delivery to the office or official to whom the prior application to participate in the Program had been submitted. (The **date of revocation** is the date on which the faculty member physically delivers the revocation to the appropriate institutional officer or office or the date on which the revocation is posted to that officer or office; the postmark date or date of receipt for postal handling of the revocation shall be prima facie evidence of the date of the revocation.)

If the Agreement and the Release are effectively revoked, the Agreement is void.

B. Questions and Answers.

There are sure to be numerous questions about the Program. Each institution shall designate specific officials who will be the only persons authorized to respond to these questions. They will likely be Human Resource personnel, such as the campus Benefits Officer or other Personnel Department staff. The number of individuals appointed for this purpose should be kept to a minimum. The more individuals an institution authorizes to answer questions, the greater the risk that an institution's answers to questions will not be uniform. Each institution must ensure that the information provided faculty members is accurate and consistent. This may be aided by presentations at scheduled Program orientations, like the faculty group meetings suggested in section VI.A., above. These faculty and administrative personnel designated to provide Program information should be told not to respond to interpretive policy questions about the operation of the Program and, instead, advised to refer such questions to a single designated official of the Institution.

Institutions may seek assistance from representatives in the UNC Office of the President Divisions of Academic Affairs, Legal Affairs, or Human Resources. This assistance is intended to be a source of information for each institution's Program officials, not as a hotline for faculty members.

Deleted: To help each institution, in turn, the following persons are authorized to be consulted about the Program: Dr Betsy Brown, Associate Vice President for Academic Affairs; Ms. Kitty McCollum, Associate Vice President for Human Resources and University Benefits Officer; and Dr. Charles Waldrup, Associate Vice President for Legal Affairs.

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A frequent question will likely be, “Should I apply to participate in the Program?” Faculty members should be advised that the decision to seek to enter the Program is a personal one and one they will have to make on their own. An institution **SHOULD NOT** advise a faculty member to seek or not seek to participate in the Program. For example, a Program officer should not say, “If I were in your shoes, I would seek to participate,” or “I think this is a good opportunity for you since you are close to retirement age.”

The following do’s and don’ts also may be helpful:

DO

- Spend as much time with the faculty member as necessary to fully explain the Program.
- Answer any question the faculty member has about the operation of the Program or the eligibility and disqualification provisions of the Program.

DON’T

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- Provide an opinion to a faculty member on whether he or she should seek to participate in the Program.
- Indicate to a faculty member that anything about his or her current position and work at the institution will change if he or she does not seek to participate in the Program.
- Give out names of faculty members who are participating or not participating in the Program.
- Discuss the effect that a faculty member’s decision may have on another faculty member’s opportunity to participate in the Program.
- Discuss or mention in any fashion or form age, race, gender, national origin, disability, creed, color, military service, sexual orientation, or religious affiliation. These circumstances should play no part in information the institution provides regarding the Program.

C. Participation Limits or Caps.

Some departments, schools, or institutions may have approved limits or caps on the number of Program participants independent of limitations based on financial exigency or compromise of academic quality. If the department, school, or institution receives more qualified applications for the Program than it has available spaces, it should select participants based on non-subjective criteria, e.g., their employment start date at the Institution (that is, by institutional seniority, with the qualified person having the most institutional seniority being selected first).

D. Work Plans.

The Program permits Eligible Faculty Members to work half-time (or its equivalent) for half-time compensation. Each institution is responsible for developing an individual half-time work plan with faculty who wish to participate in the Program. These agreements should be between an institutional officer designated for this purpose (such as a dean or department chair) and the Eligible Faculty Member.

Before beginning discussions with Eligible Faculty Members, each institution should devise a half-time schedule of potential services. The schedule may vary by department or school but should always cover the complete range of contracted faculty activities, for example, teaching, research and creative activities, service, advising, writing of grants, and publications. The schedule should be as detailed as possible and may be used as an attachment to the agreements with Eligible Faculty Members accepted to participate in the Program.

Once the duties and arrangements with an Eligible Faculty Member are fully determined, the agreement to participate in the Program must be stated in writing in a formal Agreement (see Attachment C) and co-signed by the faculty member, the chair of the employing department, dean of the school or division, and the Chief Academic Officer. In cases where the Institution and the Eligible Faculty Member cannot agree on a half-time plan, the Eligible Faculty Member will not be allowed to participate in the Program. Once an Agreement is finalized, the parties by mutual accord may still terminate the Agreement at any time.

Each institution should strive to make the Agreements as uniform as possible within each department or school. The Agreements must be based on the objective needs of the employing department, school, or institution. Under no circumstances should “deals” be made to encourage faculty members to accept the Program. Likewise, each institution must not take unacceptably harsh positions to dissuade a faculty member from participating.

E. Agreement and Release.

1. Procedure.

The last step in the application process is to obtain a Release from the electing Eligible Faculty Member. The requirements for a valid release are set out in detail under the ADEA and, thus, it is mandatory that each institution follow the steps outlined below:

- a. After an Agreement is completed and executed, the electing Eligible Faculty Member should also execute a Release. Both documents should be retained as part of the Agreement and Release Package.
- b. The Agreement and Release Package should contain:
 - (i) The letter announcing the Program;
 - (ii) The Program Summary;

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(iii) The Agreement;

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(iv) The Release; and

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(v) The job title and age Chart for the institution and the department or school.

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It is essential to the validity of the Agreement and the Release that all of this Package has been provided to the Eligible Faculty Member when he or she is offered the completed Release for execution.

- c. The Eligible Faculty Member has at least forty-five (45) calendar days from the time he or she receives the Agreement and Release Package to execute the Release. The Eligible Faculty Member should be encouraged to use the full 45 days and to consult an attorney. Under no circumstances should the Eligible Faculty Member be requested or pressured to return the package in a shorter period.
- d. The Eligible Faculty Member may sign the Release before the end of the 45-day period if he or she so desires. Again, the Eligible Faculty Member should be encouraged by the institution to utilize the full 45-day period.
- e. Once the Eligible Faculty Member signs the Agreement and the Release, he or she has seven (7) calendar days to revoke them. Consequently, an Eligible Faculty Member's Agreement may not be binding until almost two months after he or she receives the Agreement and the Release to execute.

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2. The Job Title and Age List.

The ADEA requires that for the release of age discrimination claims to be valid the Release must include the job titles and ages of all individuals eligible for the Program, and the ages of all individuals in the same job classification or organizational unit who are not eligible. The Chart each institution must attach to the Agreement and Release Package is meant to satisfy this requirement.

Each institution is responsible for preparing this Chart, showing eligibility/ineligibility for the institution as a whole by department or school. The Chart should be in the format of the Example set forth below. The Chart must reflect the faculty members by job title and age. The Chart should also include as persons ineligible to participate those tenured faculty members who meet the eligibility requirements but who are disqualified for one of the reasons identified under the Program, as well as tenured faculty members who do not meet the basic eligibility requirements. Data appearing initially on the Chart were required to reflect projected age and service as of August 1, 1998. **The Chart should be updated each year as of August 1, reflecting projected age and service as of the next August 1, to the extent known or reasonably predictable.**

Deleted: Upon each update, the Chart should be forwarded to the Senior Vice President for Academic Affairs.

Example

Job title*	Age*	Number Eligible*	Number Ineligible*
History Professor	60	2	0
“ “	59	0	1
[This age 59 professor is under admin. appoint. so also give admin. title.]			
Assoc. History Professor	51	1	1
“ “ “	43	0	2
“ “ “	41	0	1
<u>Subtotal</u> (History Dept.)		3	5
Latin Professor	62	1	0

TOTAL (Institution)	103		237

* This Chart is based upon current institutional information. However, if any error or omission is detected, it should be promptly reported to the appropriate academic department or school. Faculty are individually responsible for providing age and service data needed to determine their Program eligibility.

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This Chart should be prepared by individuals not involved in any other aspect of the institution's implementation of the Program. The age data used to prepare the Chart should not be made available to any person who is involved in determining limits on participation in the Program or who is developing individual agreements under the Program. This information is very sensitive and should be treated accordingly.

Deleted: VII. ONGOING IMPLEMENTATION OF THE PROGRAM.¶

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The Board of Governors originally instituted the Program for a five-year period, ending with the 2002-2003 academic year, but determined to study and monitor the Program to decide whether it should continue after that time. On May 11, 2001, the Board of Governors, acting on the recommendation of the President, who was supported by the report of April 20, 2001, from the University's Innovations in Faculty Work Life Committee, adopted the Phased Retirement Program as a "continuing benefit for faculty at the 15 UNC constituent institutions offering tenure, with the Board of Governors reserving the right to modify, suspend, or discontinue the program, subject to appropriate notice and procedures within the University."

VII. Implementation of the Program**A. Applications.**

Applications to participate in the Program will be taken in two different formats, depending on the situation.

- (1) Where There Are Openings Available Under a Quota Or Openings Without Limitation.

In institutions, departments, or schools with openings available under a preset participation limit or cap larger than the number of applicants or which do not have a limitation on the number of participants, timely applications will be accepted on a first come, first eligible basis. When an Eligible Faculty Member submits an application for the Program the application shall be processed in the manner described in Sections VI.D. and E., above.

- (2) Where Number of Applicants Exceeds Openings Available Under Quota Or Other Institutional Limitation After Announcement of Such Limitation.

Where the pertinent institution, department, or school has established, pursuant to Sections III. and IV., above, a limitation on PRP participation by means of a cap, a bona fide finding of restricting financial exigency, or the need to deny participation to preserve academic quality or program sequence integrity, the Institution shall limit its consideration of applications for positions in such restricted positions to those applications timely submitted as required under Section VI.A., above. If, under these conditions, more timely applications are received than spaces are available, the Institution shall cease accepting applications for the pertinent positions and shall announce to all Eligible Faculty members who had timely submitted a relevant application that each is to have a period of two weeks (14 calendar days) from the date of the institutional announcement to submit the Eligible Faculty Member's written response, conveying a determination to continue pursuing or to cease pursuing the corresponding Phased Retirement position. (The **date of institutional announcement** and the **date of faculty response** shall each be determined with reference to their date of physical delivery to the addressed party, their postmark date, or date of receipt for postal handling, whichever is earliest.)

The Institution shall promptly and appropriately acknowledge its receipt of all faculty responses. The seniority procedures established in Section VI.C., above, shall then be used with respect to all applications that continue viable.

B. Data.

The data discussed in Section VI.E.2., above, must be updated for the Application and the Release to remain valid. The Chart's revision date should appear in the upper right hand corner. A Chart will be deemed current with respect to an application if the Chart has been updated as of the August 1 next preceding the date on which the application is timely received from a faculty member.

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.

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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.

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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 its "work plan," the decision to enter or not enter the Program rests with Eligible Faculty Members. 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.

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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.

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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 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.

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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.

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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.~~

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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>

POLICY

THE UNIVERSITY OF NORTH CAROLINA PHASED RETIREMENT PROGRAM

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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

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

July 9, 2004

Recommended Delegations on Academic Salary Resolution for 2004 – 2005

The General Assembly will be acting on the budget bill that provides for academic salaries for 2004 – 2005. The Personnel and Tenure Committee asks that you delegate to this Committee, as you have done in past years, authority to pass a salary resolution that provides requirements and procedures consistent with the appropriations act and with University practice for carrying out the academic salary policies for 2004 – 2005 and to the President, the authority to implement the resolution. The Committee will give to all members of the Board timely notice of any meeting called to consider these matters.