



SUBJECT: PHASED RETIREMENT PROGRAM

I. PURPOSE

The purpose of the Phased Retirement Program of Southern Utah University is (1) to encourage staffing flexibility, consistent with overall university and individual department needs, and (2) to provide faculty and staff an opportunity to devote increased time to personal interests by partially retiring, or retiring in planned stages, while continuing to provide service to the university in their area of greatest expertise.

II. REFERENCES

Policy and Procedures 5.35, TIAA/CREF Plan and Options

Policy and Procedures 5.36, State Retirement System

Policy and Procedures 5.10, Early Retirement Incentive Program

III. DEFINITIONS

- A. "Retirement" means the full or partial termination of regular, compensated employment and the initiation of retirement benefit payments or annuities under an applicable retirement program.
- B. "Early Retirement Incentive Program" means an arrangement for retirement before age 65 or full retirement age with payments as provided in a written contract between the university and the retiree.
- C. "Phased Retirement Program" means an arrangement for partial retirement, or retirement in planned stages, as provided in a written contract between the university and the faculty or staff member, consistent with the provisions of this policy.

IV. GENERAL POLICIES

- A. The Phased Retirement Program is available to employees of the university who are at least 58 years of age and have completed at least seven years of continuous service for the university immediately prior to participation in the Phased Retirement Program, and who are eligible for and enrolled in one of the retirement programs offered by the university. (Eligible employees who apply and are approved for the Phased Retirement Program are no longer eligible to apply for the University's Early Retirement Program.)



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- B. Participation in the Phased Retirement Program is not an entitlement or a right automatically available to all persons who meet the eligibility criteria, but is subject to administrative approval and approval of the terms and conditions reflected in a written contract specifying the arrangements under which the individual will be placed in phased retirement status.

While university administrators will give consideration to all requests to participate in the Phased Retirement Program, the nature of the working assignment of the individual may not lend itself to a reduced schedule or a reduction in responsibilities, and other practical considerations (e.g., impact of existing phased retirement participants on the department, lack of office space, or funding considerations, etc.) and may preclude approval of Phased Retirement proposals.

- C. The individual who enters the Phased Retirement Program must agree to a reduced FTE (Fulltime equivalent) employment status with the university, with the clear understanding that the total FTE percentage for all services performed for the university as an employee cannot thereafter be increased, although it may be decreased.
- D. For an individual to enter a Phased Retirement Program, the FTE percentage assignment for that employee must be reduced by at least one-fourth (i.e., to a level of .75 or less, depending on current FTE) over the same or a reduced appointment period (i.e., a nine-month appointment may not be extended to twelve months, but a twelve-month appointment may be reduced to nine months). The FTE level initially agreed upon may later be reduced in decrements of .25 FTE or more by an addendum to the contract. Phased Retirement Programs may be approved by the dean/director, and the cognizant vice president for a maximum of two years in length.
- E. Unless specific provisions to the contrary are included in an individual's Phased Retirement Agreement with the university, that person will be entitled, for the duration of the agreement, to the same status and employment related benefits as he/she had attained prior to the effective date of the agreement, except benefit premiums will be charged and annual and sick leave will be earned on a pro-rata basis according to the percent of time in the phased retirement agreement.
- F. Participants in the Phased Retirement Option Program are entitled to financial incentive payments to compensate for the reduced retirement contributions resulting from a reduction in the FTE assignment. The financial incentive is the difference between what the university contributes to the participant's retirement fund before and after the phased retirement takes effect. The financial incentive



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amount will become part of the phased retirement agreement and will not be adjusted because of any subsequent salary increases unless a new formal agreement between the parties is executed.

V. INFORMATION ON PHASED RETIREMENT APPLICATION PROCEDURES

Application procedures for the Phased Retirement Program may be obtained from the Human Resources Office.

VI. INFORMATION ON RELATED BENEFITS

Additional information regarding health care benefits available to participants in the Phased Retirement Program may be obtained from Human Resources Office.