

The background of the slide is a photograph of the Appalachian State University campus. It features several large, multi-story brick buildings with many windows. In the foreground, there are green lawns, trees with autumn-colored leaves, and a few parked cars. In the distance, a large mountain is visible under a clear sky. The overall scene is a typical university campus setting.

# Phased Retirement Unpacked

*Presented by  
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# Phased Retirement



- **Developed by the UNC System for eligible full-time tenured faculty members to transition to retirement**
- **Half-time or equivalent service for maximum of 3 years**
- **Goals of phased retirement**
  - Promote renewal of professoriate to ensure institutional vitality
  - Provide additional flexibility and support for faculty members nearing retirement
- **Voluntary (participant can terminate with mutual agreement of both parties)**

# Who is Eligible?

- **Full-time tenured faculty members at the time of application.**
- **At least five years of full-time service at AppState.**
- **Eligible to receive retirement benefits through either TSERS or the ORP and**
  - 62 years or older (TSERS); or
  - 59 ½ or older (ORP)
- **Applicant's age and service longevity confirmed as of August 1 following submission of an application for participation. For this year, it is August 1, 2024.**



# Who is NOT Eligible?

- **Non-tenure track faculty**
- **Tenure track faculty who have not attained tenure as of the application date**
- **Faculty occupying administrative positions unless they vacate the administrative or staff position**



# Eligibility Examples

- **Tenured Associate Professor birthdate of July 31, 1962, and hire date of August 1, 2019**
  - Tenured faculty member
  - As of 8/1/2024, age is 62 and years of service are 5
  - *Eligible under TSERS and ORP*
- **Assume same facts above except Associate Professor is non-tenured, but plans to apply for tenure during the 2023-2024 academic year**
  - Non-tenured at the time of application
  - As of 8/1/2024, age is 62 and years of service are 5
  - *Not Eligible*

# Eligibility Examples (cont.)

- **Tenured Professor with birthdate of August 2, 1962, and hire date of August 1, 2019**
  - Tenured faculty member
  - As of 8/1/2024, age is 61 with 5 years of service
  - *Not Eligible under TSERS*
  - *Eligible under ORP*
- **Tenured Professor with birthdate of June 3, 1958, and hire date of August 15, 2019**
  - Tenured faculty member
  - As of 8/1/2023, age is 66 with 4 years of service
  - *Not Eligible*

# Am I Guaranteed to be Accepted in the Phased Retirement Program if I am Eligible?

**Eligible Faculty Members do not have an absolute right to participate in the Program. Rather, departments, schools or the University may limit participation in the Program based on various conditions:**

- Finding that financial exigencies prohibit enrollment in the Program
- Further enrollment in the Program will substantially weaken academic quality or disrupt program sequence
- Department, school or University may establish a cap or limit on the number of Eligible Faculty Members who may enter the Program.



# Benefits

- **Effective date is July 1, 2024**
- **Salary is 50% of full time salary received immediately prior to phased retirement (e.g., based on the Faculty Member's prior nine- or twelve-month contractual term, as applicable)**
  - Compensation paid during phased retirement is paid over twelve (12) months regardless 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 (not during the 1<sup>st</sup> year) of Program participation based on annual evaluations





# Health Insurance During Phased Retirement

- **Health insurance benefits will continue, PROVIDED you choose to receive a monthly benefit from your retirement carrier (TSERS or ORP), who can advise you on the minimum and maximum monthly amounts.**
- **Your plan coverage converts from Appalachian State University's policy to the state retiree health group**
  - Non-Medicare eligible
    - Auto enrolled in plan prior to entering Phased Retirement (70/30 or 80/20)
    - Benefits remain the same - only have to meet one deductible per fiscal year
  - Medicare eligible (65 or older)
    - Placed in Medicare Advantage Plan – administered by Humana
    - Any covered dependents who are Medicare-eligible will also be mapped to Medicare Advantage Plan
    - **Must elect Medicare Part B**
- **The State Medical Plan will remain as your primary payer for all claims until you reach age 65. At age 65, Medicare becomes your primary coverage, and the State Medical Plan becomes secondary.**

# Cost of Health Insurance in Phased Retirement

- If you were hired prior to October 1, 2006, your retiree health insurance is free
- If you were hired after October 1, 2006, and have worked more than 10 years, but less than 20 years you must pay 50% of your health care premium
  - If you work 20 or more years, the retiree health plan is free.
  - If you have worked 10 years or less, then you must pay 100% of your health care premium.



# Supplemental Benefits During Phased Retirement

**Eligible Faculty Members participating in the Program are eligible to participate in the following employee benefit plans or programs:**

- Participation in all NCFlex supplemental benefit plans
- Continued participation in any supplemental retirement plans (401(k), 403(b), 457)
- Deductions to the NC State Employee's Credit Union



# University Specific Benefits During Phased Retirement

- **Retain professorial rank**
- **Professional liability insurance**
- **Retain University Email Account**
- **University Library privileges**
- **Parking permit at half price**
- **20% discount for REGULAR season (only) athletic tickets (not for individual games or for post-season contests).**
- **Free access to University Recreation facilities (Mt. Mitchell, Quinn, and Student Recreation Center)**
- **Office space, if teaching**



# Additional Terms and Conditions

- **Eligible Faculty Members give up tenure in the Program**
  - Retain professorial rank and full range of responsibilities, rights, and general benefits associated with it, except for tenured status or as otherwise modified pursuant to an Eligible Faculty Member's agreed-to "work plan"
  - May not serve on committees that require members be tenured
  - Maintain same academic freedoms and responsibilities as other faculty members
  - Maintain access to all grievance and appeal procedures normally available
- **Terminate full-time employment and contract for a period of half-time (or equivalent) service to the University**
  - Half-time responsibilities may vary by department
  - Participants can work no more than .75 FTE and work no more than 30 hours in any given semester
  - Due to the Affordable Care Act, it is not permissible to work 1 FTE for one semester and 0 FTE for the other semester.

# Additional Terms and Conditions (cont.)

- **Maintain high levels of professional commitment to AppState**
- **Remain subject to The Code and Policies of The University of NC and AppState**
- **AppState may place a Participating Faculty Member on temporary leave with pay and/or reassign a Participating Faculty Member's duties**
  - During or as a result of any investigation or disciplinary action
  - Invoked only in exceptional circumstances when the Participating Faculty Member's department or division head determines that such action is in the best interests of AppState
- **Program does not provide a Participating Faculty Member with greater rights, claims or privileges**





# What Steps Do I Take To Apply?

- **Discuss with your department chair your intentions of pursuing phased retirement**
- **Determine “work plan” with department or division head detailing the half-time responsibilities (to be included in Agreement)**
  - Teaching, research and service assignments during phased retirement period
  - Obtain approval of department/division head and applicable personnel committee
- **Submit the Application via [Google Forms](#) no later than **January 19, 2024**, noting that the work plan must be submitted within the application**
- **Provost will approve or deny the application**

# After Approval of the Application

- **The Reemployment Agreement and Release document will be drafted**
  - The Reemployment Agreement is signed first by the appropriate administrators via DocuSign (YOUR signature will be the last obtained)
  - The Release form and instructions will be delivered to you by email at the time the Reemployment Agreement is sent for approvals
  - You will have forty-five (45) days to consider the Reemployment Agreement and Release document
    - **It is at this point that the decision to continue is up to you**
- **Carefully review the terms (consider consulting an attorney) and execute the Reemployment Agreement and Release document within 45 days of receipt of the approved Reemployment Agreement in DocuSign**
- **Sign the Reemployment Agreement via DocuSign; sign the Release document and have it notarized**
- **Deliver the notarized Release document to Talana Bell in Academic Affairs in person or by US/campus mail**
- **You have the right under ADEA to revoke the Reemployment Agreement and Release document within seven (7) calendar days of the date both documents are fully executed by all parties**
- **Once the 7-day revocation period passes, the election to enter Phased Retirement is final**
- **Make an appointment with the HR Office in March to initiate retirement paperwork**

# Revocation Procedures

- **Revocations must be in writing and personally signed by you**
- **You must personally deliver or mail the revocation using United States Postal Service to the office or official to whom the prior application had been submitted**
- **Email is NOT an acceptable revocation notice**
- **If you elect to revoke the Reemployment Agreement and Release document within the 7-day revocation period, both agreements are void**
- **In such circumstances, you will continue in your same full-time employment status as you held immediately prior to the execution of the Release document**



# Frequently Asked Questions

1/2/2024

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# Am I Required to Receive a Monthly Retirement Benefit From My Retirement Carrier to Participate in the Program?

- You are not required to receive benefits under TSERS or ORP
- However, you will not receive University-paid State Health Plan benefits





# What happens when I turn 65?

- You will be placed in Medicare Advantage Plan – administered by Humana
- Medicare becomes your primary coverage, and the State Medical Plan becomes secondary
- **AS A PHASED RETIREE YOU MUST ELECT MEDICARE PART B WHEN YOU TURN AGE 65.** Please contact Social Security to complete this enrollment. The closest Social Security Offices are located in Wilkesboro and Hickory
- **YOU DO NOT NEED TO ELECT MEDICARE PART D** as the prescription drug benefits through the State Medical Plan are considered to be better than those offered by Medicare



# Can I Begin Phased Retirement In January Instead of July?

- **No, unfortunately, you must enter Phased Retirement in July (beginning of the fiscal year)**
- **The reason is to align the academic needs of AppState and to ensure proper coverage for course loads**



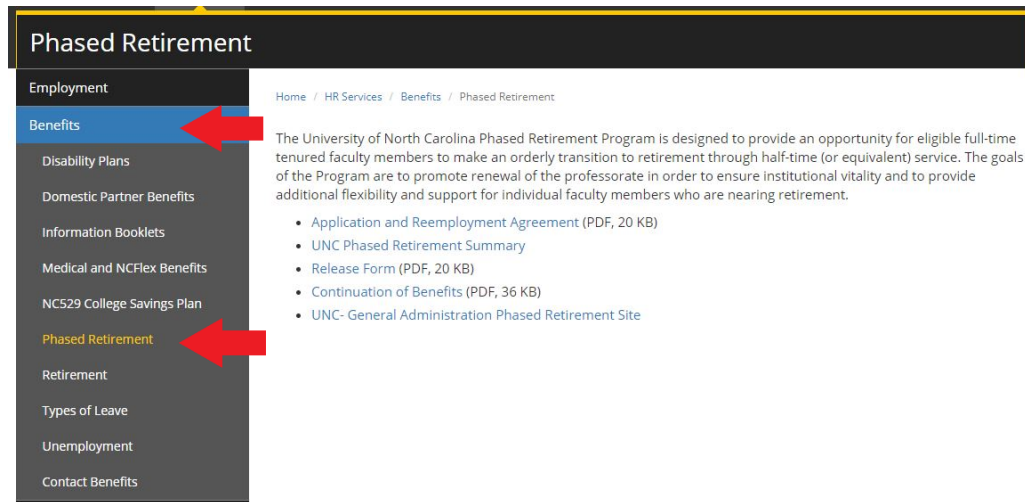
# What if I decide I want to fully retire after I begin Phased Retirement?

**Since the program is voluntary, you can terminate the Agreement as long as all parties agree to terminate. However, you will not be reinstated to your faculty role prior to the effective date of the Agreement.**

# Where can I find more information and forms?

- Refer to HR's website below

<https://hr.appstate.edu/hr-services/benefits/phased-retirement>



- You can also reference The Code and UNC Policy Manual, Chapter 300, section 300.7.2

I plan to apply for tenure in this academic year and am 63 years old with 9 years experience.

## Can I elect to take Phased Retirement?

**No. Only tenured faculty are eligible for Phased Retirement. Since the faculty member is not tenured at the time of application (Fall semester 2023), they would not be eligible in this academic year. However, if the faculty member attains tenure during the 2023-2024 academic year (to take effect July 1, 2024), they can apply for Phased Retirement during Fall semester 2024 for an effective date of July 1, 2025.**



# Questions ???

1/2/2024

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# Thank You!



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