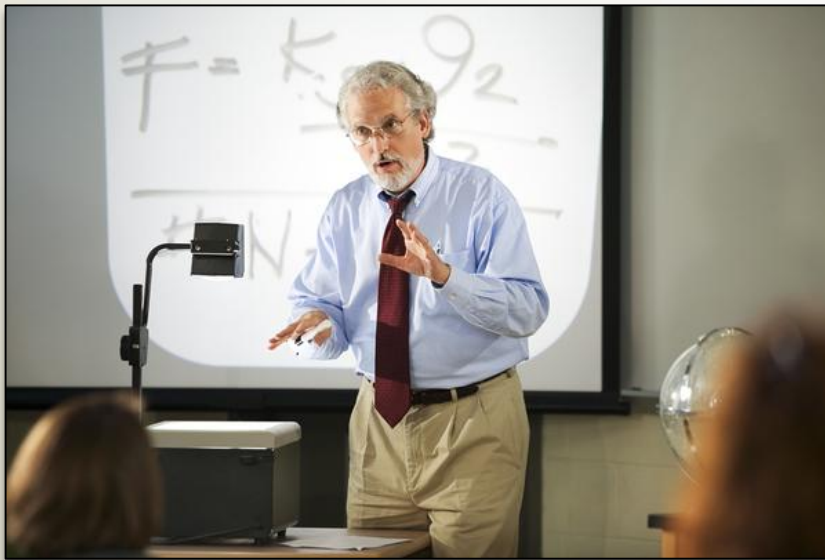


# What is Phased Retirement?

An opportunity for Eligible Faculty Members to make an orderly transition to retirement through half-time service.



# Who are “Eligible Faculty Members”?

- Multi-Year Contract faculty members on at least a 5-year contract. (Visiting Faculty are not eligible.)
- At least age 62 and at least five years of contributory participation in **TSERS** and be eligible for a retirement benefit.

**OR**

- At least age 59 1/2 at least five years of contributory participation in the **ORP** and be eligible for a retirement benefit.
- Must have at least five years of full-time service at current institution.

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**NOTE: Faculty who occupy full-time administrative or staff positions are not eligible unless they vacate such positions.**

# How Does Phased Retirement Work?

Eligible Faculty Members may contract for half-time reemployment with UNCSCA for a period of **2** years.

- May teach a full schedule for one semester  
**OR**
- May teach a half schedule for both semesters



# How Does Phased Retirement Work?

An application to enter the program must be made **not more than eleven months (11)** but **at least six (6) months** before the effective date of the phased retirement period and submitted to the Dean, subject to final approval by the Provost.





# Terms & Conditions

- Participants must resign from full-time employment.
- Participants relinquish Multi-Year Contract status.
- Participants contract for a period of half-time service.
- Teaching, creative activity/research, and service assignments during the phased retirement period are individually negotiated.
- Details of the half-time service shall be set forth in a “UNC Phased Retirement Application and Reemployment Agreement”.

A magnifying glass with a black handle and a silver rim, positioned over the title text.

# Terms & Conditions

- Eligible Faculty Members will continue to receive fifty percent (50%) of their full-time salary during the last 9- or 10-month term of full-time employment.
- Participants shall be eligible for salary increments and merit pay based on annual evaluations after the first year of participation and subject to any limitations imposed under TSERS.
- Eligible Faculty Members will remain subject to The Code of The University of North Carolina.



# Terms & Conditions

- Eligible Faculty Members will also continue most benefits/payroll deductions.
- Eligible Faculty Members will retain their professorial rank and the full range of responsibilities, rights, and benefits associated with it, except for Multi-Year Contract status.
- The employing institution will maintain a record of phased retirement participants.

# General Guidelines

## An Eligible Faculty Member participating in the Phased Retirement Program . . .

- May terminate his or her phased retirement and enter full retirement at any time upon the mutual agreement of the parties.
- Does not enjoy the benefits of Multi-Year Contract status.
- Is expected to maintain a high level of professional commitment to the University.



# Phased Retirement Program

Eligible Faculty Member may elect to **receive** or **delay** receiving a TSERS/ORP benefit.



# Phased Retirement Program Receiving TSERS Benefit



## UNIVERSITY PAYCHECK

(50% of salary during last 9- or 10-month term of full-time employment)

- Deductions/Benefits Continued
- Federal & State Taxes
- FICA
- Workers' Compensation
- Liability Insurance
- NC Flex
- 403(b) Tax Sheltered Annuities
- 457 Deferred Compensation
- Other University Benefits

# Phased Retirement Program Receiving TSERS Benefit

## Deductions/Benefits Discontinued

- TSERS Contributions
- TSERS Death Benefit (no longer applies after 180 days from end of full-time employment)
- TSERS Disability Income Plan
- Health Insurance – active plan
- Liberty Mutual Supplemental Disability
- 401(k) Supplemental Retirement Annuity



# Phased Retirement Program



## TSERS CHECK

### Deductions

- Federal & State Taxes (up to \$4,000 State tax exemption) Bailey exemption
- Health Insurance (if applicable)
- TSERS Optional Life Insurance

# TSERS Earnings Limitations

If you are reemployed on a part-time, interim, temporary, or contractual basis, or are otherwise engaged to perform services on any basis that does not require membership in TSERS, your retirement payment will be stopped if your earnings during any calendar year are more than the greater of the following:

**50% of compensation, excluding terminal payments, reported to TSERS during the 12 months of service preceding the effective date of retirement.**

**OR**

These amounts are increased each year based on the percentage increase in the Consumer Price Index.

**NOTE:** The retirement payment will be stopped on the first day of the month *following the month* in which your earnings exceed the greater of the two limits and will not start again until January 1 of the year after your benefit is stopped.

# Social Security Earnings Limitations



The Social Security earnings limitations are as follows:

- At age **62 to 'full retirement age,'** the annual earnings limit is reduced. Once you exceed this limit, \$1 in benefits is deducted for each \$2 above the cap.
- 'Full retirement age' and older, the annual earnings limit is not reduced. Contact Social Security for specific information.

# Phased Retirement Program

## Receiving ORP Benefit

### UNIVERSITY PAYCHECK

(50% of salary during last 9- or 10-month term of full-time employment)

#### Deductions/Benefits Continued

- Federal & State Taxes
- FICA
- Workers' Compensation
- Liability Insurance
- NC Flex
- 403(b) Tax Sheltered Annuities
- 457 Deferred Compensation
- Other University Benefits







# Retiree Health Insurance

**Were you first employed before or after October 1, 2006?**

## **If Before:**

5 years of service the state will pay for your individual coverage under one of the health plans.

## **If After:**

20 years of service the state will pay for your individual coverage under one of the health plans.

10 but less than 20 years of retirement service credit, you will have to pay 50% of the cost for your coverage.

and with five but less than 10 years, you will have to pay the full cost for your coverage.

***In all cases, the full cost of dependent coverage, if elected, must be paid by you.***