

UNC School of Arts

Phased Retirement Program for Tenured Faculty

Explanation of Deductions and Benefits for Phased Retirement

Type of Deduction	Disposition of Benefit or Deduction	Deductions Taken Form		
		UNCSA 50% Income	TSERS Income	ORP Income
FICA (OASDI)	Deduction Continues	Yes	No	No
FICA (Medicare)	Deduction Continues	Yes	No	No
Federal Taxes	Deduction Continues	Yes	Yes, deduction can be withheld. If contributions were made prior to July 1, 1982 and if a retirement service credit was purchased, a portion of TSERS is not subject to Federal Taxes	Yes, except contributions made prior to July 1, 1982 are not subject to Federal Tax. Earnings on employee contributions made prior to July 1, 1982, as well as Employer contribution and earnings are subject to Federal Taxes
State Taxes	Deduction Continues	Yes	Yes. The amount of retirement income subject to state income tax is the same amount subject to federal tax less an exclusion as large, in some cases, as \$4,000. If you had five or more years of creditable service toward retirement as of August 12 1989, your TSERS retirement benefit, no matter what amount, is exempt from NC State income tax while your reside in North Carolina.	Yes, except if you were enrolled in ORP on or before August 12, 1989, your ORP retirement benefit, no matter what the amount, is exempt from North Carolina, while your reside in North Carolina.

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		UNCSA 50% Income	TSERS Income	ORP Income
TSERS or ORP	Benefit Ceases	No	No	No
TSERS Death Benefit	Benefit Ceases	N/A	N /A	N/A
Health Insurance (State Health Plan of North Carolina)	Benefit Continues	Yes, but only if you do not begin retirement income from TSERS or ORP. Since phased retirement is a 50% assignment there is no university contribution to the insurance.	Yes. Individual coverage is paid by TSERS. Dependent coverage can be deducted from your retirement check.	No. Individual coverage is paid by TSERS. Dependent coverage is available, with payments made by the individual to the State Health Plan. Retiree is responsible for paying premiums directly to BCBS.
Disability Income Plan of	Benefit Ceases	N/A	N/A	N/A
Supplemental Disability	Benefit Ceases	No	No	No
Supplemental Disability (The	Benefit Ceases	No	No	No
Health Care Spending	Benefit Continues	Yes	No	No
Dependent Day Care Account	Benefit Continues	Yes	No	No
Vision Insurance (EyeMed)	Benefit Continues	Yes	No	No
Dental (Metlife)	Benefit Continues	Yes	No	No
Voluntary Group Term Life	Benefit Continues Conversion	Yes	No	No

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Voluntary Group Term Life Ins. (ING)	Benefit Continues	Yes	No	No
AD&D Insurance (AC Newman)	Benefit Continues	Yes	No	No
AD&D (Reliance Standard)	Benefit Continues	Yes	No	No
Cancer Insurance (American Heritage Life)	Benefit Continues	Yes	No	No
Critical Illness Plan (MetLife)	Benefit Continues	Yes	No	No
401K	Benefit Cases	No	No	No
403(b)	Benefit Continues	Yes	No	No
457	Benefit Continues	Yes	No	No
Worker's Compensation	Benefit Continues	No deduction when actively employed	N/A	N/A
Gym and Pool Privileges	Benefit Continues	Yes	No	No
Direct Deposit	Continues	Yes	Yes	Yes

