

To: Legislative History

Policy Owner(s): Director of Benefits, Human Resources

Date: November 29, 2022

Re: Policy 5-309: Phased Retirement Program

Changes to Policy 5-309: Phased Retirement Program

The University made the following changes to Policy 5-309: Phased Retirement Program:

- Added language that a phased agreement may be entered for up to three years and amended to extend if needed – this has been done in practice for the past several years
- Added optional phased retirement under URS rules and included URS requirements that must be met, including waiving additional retirement contributions and adding that the University will instead pay URS the amortization rate (see Utah Code Title 49, Chapter 11, Part 13, Phased Retirement)
- Updated the process for requesting phased retirement
- Updated a section regarding benefits during phased retirement
- Added subheadings for ease of reference

The specific additions to and deletions from the policy are shown in context below.

Proposed University of Utah Regulation Revision

General Regulation Information	
Regulation proposed for enactment/revision	Policy 5-309: Phased Retirement Program
Policy owner(s)	Wendy Poppleton, Director of Benefits
Policy officer(s)	Jeff Herring, Chief Human Resource Officer and Michael Good, Senior Vice President for Health Sciences
Contact person(s)	Wendy Poppleton
Other related regulations with proposed revisions	None
Planned effective date of revisions	Upon approval of the Board of Trustees
Brief (1-2 sentence) description of revisions and reason for revision	Allows employees enrolled in Utah Retirement Systems plans to participate in phased retirement under the URS rules. Adds provision that agreements are generally approved for up to 3 years and may be amended to extend the agreement based on the needs of the department.

Consultation and Approval	
Groups and Stakeholders Consulted	
Human Resources Policy Committee	
Senate Advisory Committee on Academic Policy	
Required Approval Steps and Date (if applicable)	
Council of Academic Deans (if applicable)	Not Applicable
Institutional Policy Committee	October 14, 2022
Academic Senate Executive Committee	October 17, 2022
Vice President or Designee	Approved
Academic Senate (if applicable)	November 7, 2022 (information calendar)
Board of Trustees (if applicable)	December 13, 2022

Policy 5-309: Phased Retirement Program

Revision #~~1~~2. Effective date: ~~February 14, 1992~~December 13, 2022

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I. Purpose and Scope

A. Purpose.

The purpose of the Phased Retirement Program of the University of Utah is (1) to encourage staffing flexibility, consistent with overall University and individual department needs, and (2) to provide ~~Faculty and Staff~~Employees 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.

B. Scope.

~~[reserved]~~

[This policy applies to all University Employees. Section III.E., Optional URS Phased Retirement applies only to Employees enrolled in a URS Retirement Plan who wish to retire under the URS Phased Retirement Plan authorized by Utah Code, Title 49, Chapter 11, Part 13.](#)

II. Definitions

The following definitions apply for the limited purposes of this policy and any associated regulations.

[A. The definitions of "Benefits-eligible Position", "Employee", "FTE", "Faculty", and "Staff" as provided in Policy 5-001 apply for purposes of this policy.](#)

~~A. "Early Retirement Incentive Program" means an arrangement for retirement before age 65 with payments as provided in a written contract between the University and the retiree.~~

~~B. "Faculty" is defined in Policy 5-001.~~

~~C. "FTE" is defined in Policy 5-001.~~

[B. D. "Phased Retirement" or "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~~ MemberEmployee, consistent with the provisions of this policy.](#)

C. ~~E.~~ "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.

~~F. "Staff" or "Staff Member" is defined in Policy 5-001.~~

D. "URS Phased Retirement" means the Phased Retirement described in Section III.E in which the Employee begins collecting benefits through a URS Plan during the Phased Retirement.

E. "URS Plan" means the plans available through Utah Retirement Systems, established and administered by the State of Utah and governed by Utah law. The URS Plans include the Public Employees Noncontributory Retirement System, Public Employees Contributory Retirement System, 401(k) Plan, Public Safety Retirement System, Tier 2 Public Employees Noncontributory Retirement System, and Tier 2 Public Safety Retirement System.

III. Policy

A. ~~General Policies~~ Eligibility

1. The Phased Retirement Program is available to Employees of the University who are at least 55 years of age and have completed at least five 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.
2. 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~~ 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., lack of office space or laboratory facilities) and may preclude approval of Phased Retirement proposals.

B. Phased Retirement Requirements.

1. ~~3. The individual~~An Employee who enters the Phased Retirement Program ~~on a permanent basis~~ must agree to a reduced FTE 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.
2. ~~4.~~ For an individual to enter ~~a Phased Retirement Program~~, on either a one-year trial basis (see Section ~~VIII. below~~D) or a ~~permanent~~non-trial basis, 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. Exceptions to the limitations specified in this paragraph must have the approval of the cognizant vice president.
3. A Phased Retirement Agreement may be entered into for up to three years including time in a trial phased retirement described in Section III.D. However, a Phased Retirement Agreement may be amended to extend the end date based on the needs of the Employee's department.
4. ~~5.~~ 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~~they had attained prior to the effective date of the agreement.

C. Financial Incentive

1. ~~6.~~ Participants in the Phased Retirement Program (not including the URS Phased Retirement) 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 amount the University contributes to the participant's retirement fund before and after the ~~phased-retirement~~Phased Retirement takes effect. The financial incentive amount will become part of the ~~phased retirement~~Phased Retirement agreement and will not be adjusted because of any subsequent salary increases unless a new formal agreement between the parties is executed.
2. ~~7.~~ In unusual situations, and with the specific approval of the cognizant vice president, an additional financial incentive amount may be granted to the Employee in return for an accelerated ~~phased-retirement program~~Phased Retirement Program. Such additional incentive amounts will not be treated as salary increases as referred to in Section III.~~AC.6-above~~1.

D. ~~B.~~ One-Year Trial Option

1. Phased Retirement may be approved on a one-year trial basis in the form of a partial leave of absence at reduced pay. In such cases, however, the ~~Faculty or Staff Member~~Employee will not be permitted to initiate payment of full retirement benefits from a retirement program. The payment of the retirement benefits may be initiated only when the ~~Faculty or Staff Member~~Employee enters ~~upon~~ either full or partial retirement on a ~~permanent~~non-trial basis.

E. Optional URS Phased Retirement

1. The University offers URS Phased Retirement to willing, eligible retirees enrolled in a URS Plan as authorized by Utah Code, Title 49, Chapter 11, Part 13. The URS Phased Retirement allows an Employee enrolled in a URS Plan to begin benefit payments from the URS Plan.

2. A one-year trial option is not available for an Employee electing URS Phased Retirement.
3. An employee who qualifies under Section III.A. and is enrolled in a URS Plan may participate in URS Phased Retirement under this Section III.E., or Phased Retirement under Sections III.B. through III.D.
4. An Employee interested in URS Phased Retirement shall follow the processes outlined in Section III.F.
5. For an Employee to enter URS Phased Retirement and be eligible to begin benefit payments from their URS Plan, the Employee must meet the conditions required by Utah Code Title 49, Chapter 11, Part 13, Phased Retirement, including:
 - a. the Employee must be eligible to retire based upon the specific age and service credit requirements for the Employee's URS Plan;
 - b. the Employee must retire with URS;
 - c. prior to the Employee's retirement date, the Employee shall complete and submit all documents required to participate in the URS Plan to URS;
 - d. the Employee shall reduce their FTE to 50%;
 - e. the Employee waives the Employee's right to future retirement contributions and instead, the University will pay URS the current amortization rate; and
 - f. the Employee is eligible for the same University Employee benefits (other than retirement contributions) as any other part-time (50% FTE) Employee.

F. ~~G.~~ Procedures

1. Ordinarily, an individual who wishes to be considered for participation in the Phased Retirement Program should submit a written request to the department chair/head or director at least six months in advance of the date

upon which partial retirement is to be initiated. After consultation with the dean or cognizant vice president, the department chair/head will advise the applicant whether the request has tentative approval. Denial of a request does not preclude the approval of a subsequent request. ~~If it appears reasonably likely that the request will be approved, the applicant should be encouraged to proceed with the application.~~

2. In the case of joint appointments, both chairs/directors must receive the written request and consult with their cognizant dean/director/vice president.
3. Upon receiving tentative approval, the applicant should ~~make an appointment with the~~contact the appropriate Human Resources ~~Benefits~~-Department to ~~obtain complete details of~~request that a draft Phased Retirement,~~including the various retirement options that may be elected. With the assistance of human resources a formal request should be made to the appropriate retirement program (TIAA/CREF or Utah State Retirement) for specific financial estimates as to the amounts of retirement income under the option chosen.~~ agreement be prepared.
- ~~4.~~ Upon receipt of the necessary retirement data, the applicant should initiate discussions with human resources and the cognizant department chair/head or director for the purpose of drawing up a contractual agreement between the individual and the University for phased retirement.
- ~~4.~~ ~~5.~~ Upon completion of the discussions described in paragraph ~~C~~ above, a tentative contract should be completed. The tentative contract ~~The draft~~ Phased Retirement agreement should then be submitted through reporting channels to the cognizant vice president for review and approval or modification.
- ~~5.~~ ~~6.~~ After such modifications as may be necessary to obtain vice presidential approval, a formal contractual agreement will be signed by the individual, the dean/director, and the cognizant vice president.

G. ~~D. Information on Related~~ Benefits During Phased Retirement

~~1. Additional information regarding health care benefits available to participants in the Phased Retirement Program may be obtained from the Human Resources Benefits Department. A brochure entitled "Guide for Phased Retirement Option" is also available from human resources.~~

1. Except for an Employee on a URS Phased Retirement, Employees on an approved Phased Retirement are eligible for all University Employee benefits as if they were a full-time Employee (Employees on a URS Phased Retirement are eligible for non-retirement benefits as a part-time Employee).
2. Paid leave time is prorated based on the phased FTE.
3. Employees on an approved Phased Retirement may withdraw funds from their University retirement plan accounts. For Employees with a One-year Trial option, this option is not available.
4. Employees who enter into Phased Retirement pursuant to Section III.E., may not receive retirement contributions during URS Phased Retirement

Sections IV- VII are for user information and are not subject to the approval of the Academic Senate or the Board of Trustees. The Institutional Policy Committee, the Policy Owner, or the Policy Officer may update these sections at any time.

IV. Policies/ Rules, Procedures, Guidelines, Forms and other Related Resources

- A. Policies/ Rules. [*reserved*]
- B. Procedures, Guidelines, and Forms. [*reserved*]
- C. Other Related Resources. [*reserved*]

V. References

- A. Utah Code, Title 49, Chapter 11, Part 12, Post Retirement Employment Restrictions Act

[B. Utah Code, Title 49, Chapter 11, Part 13, Phased Retirement](#)

[C. Policy 5-001: Employee Definitions](#)

~~A. Policy 5-001: Employee Definitions~~

~~B. Policy 5-112: Retirement~~

~~C. Policy 5-302: Retirement Programs~~

VI. Contacts

The designated contact officials for this Regulation are

- A. Policy Owner(s) (primary contact person for questions and advice): Director of Benefits ~~for~~ Human Resources
- B. Policy Officer(s): ~~Vice President for~~ [Chief](#) Human Resources [Officer](#)

See Rule 1-001 for information about the roles and authority of policy owners and policy officers.

VII. History

Revision History.

- A. Current version. Revision ~~4~~2.
 - 1. [Presented to the Academic Senate for information November 7, 2022, and approved by Board of Trustees December 13, 2022, with effective date of December 13, 2022.](#)
 - 2. [Legislative History](#)
 - 3. ~~2~~-Editorial Revisions
- B. [Previous versions.](#)
 - 1. [Revision 1. Effective Date. February 14, 1992 with Editorial Revisions October 11, 2011.](#)
 - 2. [Revision 0. Effective Date November 15, 1991](#)

