

## Policy 5-309: Phased Retirement Program

### I. 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 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 5-001](#): Employee Definitions

[Policy 5-112](#): Retirement

[Policy 5-302](#): Retirement Programs

[Policy 5-306](#): Early Retirement Incentive Program

### III. Definitions

- 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](#).
- D. "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.

- 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](#).

#### IV. General Policies

- A. 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.
- 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., lack of office space or laboratory facilities) and may preclude approval of Phased Retirement proposals.
- C. The individual 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.
- D. For an individual to enter a Phased Retirement Program, on either a one-year trial basis (see Section V. below) or a permanent 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.

- 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.
- F. Participants in the Phased Retirement 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 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.
- G. 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. Such additional incentive amounts will not be treated as salary increases as referred to in paragraph F above.

## **V. One-Year Trial Options**

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 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 enters upon either full or partial retirement on a permanent basis.

## **VI. Procedures**

- A. 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.
- B. In the case of joint appointments, both chairs/directors must receive the written request and consult with their cognizant dean/director/vice president.
- C. Upon receiving tentative approval, the applicant should make an appointment with the Human Resources Benefits Department to obtain complete details of 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.
- D. 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.
- E. Upon completion of the discussions described in paragraph C above, a tentative contract should be completed. The tentative contract should then be submitted

through reporting channels to the cognizant vice president for review and approval or modification.

- F. 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.

## VII. Information on Related Benefits

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.

## VIII. Contacts

Policy Owner: Questions about this Policy and any related Rules, Procedures and Guidelines should be directed to the [Director of Benefits for Human Resources](#).

Policy Officer: Only the [Vice President for Human Resources](#) or his/her designee has the authority to grant exceptions to this Policy.

## IX. History

Editorially revised: October 11, 2011

Editorial changes were made to this document to reflect the changes in employee definitions as set forth in [Policy 5-100](#).

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Approved: Academic Senate 11/4/91;

Board of Trustees 11/15/91.