North Carolina State University
2012-2015
Phased Retirement Program

Frequently Asked Questions (FAQs) from Faculty Members

Q: What are the basics of the Phased Retirement Program (PRP)?

A: The NC State Phased Retirement Program (PRP) allows full-time, tenured faculty members who meet certain age and service criteria the opportunity to change to a half-time employment status and receive retirement benefits, simultaneously. Such employment consists of a change to half-time employment status and salary based on the final year of full-time service. Upon entering the Phased Retirement Program tenure is relinquished in exchange for a three year fixed term Phased Retirement Program contract.

Q: Who is eligible for the PRP?

A: Current tenured faculty members with at least five (5) years of full-time NC State University service who participate in the Teachers' and State Employees' Retirement System (TSERS) are eligible to apply for the PRP if they are at least age 62 upon entering the Phased Retirement Program and are eligible to receive a benefit from the TSERS plan.

Current tenured faculty members with at least five (5) years of full-time NC State University service who participate in the Optional Retirement Program (ORP) are eligible to apply for the PRP if they are at least age 59 1/2 upon entering the Phased Retirement Program and are eligible to receive a benefit from the ORP plan.

Q: I participate in the TSERS retirement system. Is a mandatory break in service required if I am accepted and enter into the Phased Retirement Program?

A: The Phased Retirement Program is exempt from mandatory break-in-service requirements.

Q: I think I am eligible for the PRP but did not receive a PRP eligibility for enrollment letter. What should I do?

A: You may contact Program Coordinator Joe Williams or your Benefits Consultant.

Q: Is it possible for a faculty member to receive a PRP eligibility for enrollment letter and not be eligible to participate?

A: Yes, a faculty member may receive a letter if personnel data assumptions are not correct for a faculty member. The determination of who receives a PRP enrollment letter assumes the date of birth (DOB) in the personnel database is correct. It also assumes the Fall personnel data file submitted annually by NC State to the Office of the President (there is no spring personnel data file) represents employment for the entire academic year. The DOB may be incorrect or there may have been a break in service by a faculty member that is not reflected in the fall-only personnel data file. If either assumption is incorrect, there is a possibility a letter was sent to a faculty member who is not eligible since data files do not present a full and complete picture of employment history. For this reason, after a faculty member submits an application to his/her department head, there will be a verification of the individual's eligibility criteria by reviewing each individual's personnel data.

Q: How do I apply for the PRP?

A: Section 5 of the Phased Retirement Program for Tenured Faculty Regulation explains the application and enrollment process in detail. The following steps summarize the application process:

1. Faculty member applies by submitting an **unsigned** Phased Retirement Program Application and Reemployment Agreement ("Agreement") to his/her department head.
2. The department head will confer with the faculty member, and propose the three year, half-time PRP work plan.
3. The department head will prepare and sign the Agreement and pass it to the dean for consideration.
4. If approved, the dean will sign the agreement and submit it to the HR-Benefits Department who will in turn, request review and approval by the provost.
5. If approved, the provost will mail the Agreement, along with a UNC Phased Retirement Program 2012-2015 General Release ("Release") via certified mail, to the faculty member's home address on record.
6. The faculty member reviews the Agreement and Release, signs the Release in the presence of a Notary Public, and returns both documents to the HR-Benefits Department.

Q. What is the deadline for applying?

A. Interested faculty members must apply for the PRP no earlier than eleven (11) months prior to commencement of the first semester of PRP participation and not later than six (6) months prior to that date. The application review period for faculty to apply for the 2012-2015 PRP term is September 15, 2011 through February 15, 2012.

Q: What should I read to learn more about the PRP?

A: The Phased Retirement Program for Tenured Faculty Regulation is a source to answer policy and operational questions.
For PRP documents, guidelines, information about retirement, benefits continuation and other items of interest please visit the HR Benefits web site.

Q: If I have questions after I read the Phased Retirement Program guidelines and benefits information, who do I contact?

A: Contact PRP Program Coordinator Joe Williams or your Benefits Consultant.

Q: Can I start the PRP in January?

A: No, the PRP follows the academic year. The transition date from full time to half time employment is July 1 for all PRP participants.

Q: How much do I earn while on Phased Retirement?

A: You earn 50% of your full-time base salary just prior to entering the program.

Q: How long will I be re-employed under PRP?

A: The re-employment period for PRP is up to three academic years.

Q: How will I be notified if I am approved for the PRP?

A: You will receive written notification of acceptance into the Program, following submission of all finalized documents to the HR-Benefits Department.

Q: Can I revoke my Phased Retirement Program Application?

A: A faculty member has the right to revoke the Agreement and Release anytime within seven (7) days of the date both documents are fully executed by all parties. A written, signed statement of intent must be submitted to the department head.

Q: If I revoke my Agreement and Release, do I still have my full-time faculty position?

A: The eligible faculty member will continue in his or her same full-time employment status as held immediately prior to the execution of the Agreement and the Release.

Q: Does a revocation of the Agreement and Release prevent me from applying for the program in future years?

A: The faculty member may apply for the Program in subsequent years.

Q: If I apply for the PRP, am I guaranteed participation?

A: No. Section 4.2 of the Phased Retirement Program for Tenured Faculty Regulation explains that financial exigency and academic program compromise considerations are the means by which a PRP applicant may be denied entry to the PRP.

Q: Why do I relinquish my tenure?

A: Tenure is relinquished because those who enter the Phased Retirement Program are considered retired faculty members.

Q: If I enter into the PRP and decide I no longer wish to participate, what steps do I take?

A: By written, mutual agreement, both parties (NC State department/college and PRP participant) may terminate the agreement at any time.

Q: How do I apply for emeritus status?

A: Consult with your Department Head as emeritus status is initiated by their recommendation. This is outlined under Emeritus Faculty Status Procedures.

Q: What is the impact of choosing to change to emeritus status?

A: A PRP participant may request to be awarded emeritus status (e.g., Professor Emeritus) effective during his/her PRP three years of re-employment, or, a PRP participant may choose to remain with the current rank (e.g., Professor). The option is being given since faculty place varying degrees of importance on having or not having emeritus status.

Q: Does a retired endowed faculty member's emeritus rank continue to include the name of the endowment, e.g., if a former full-time professor was ranked as "IBM Professor", is the emeritus rank "IBM Professor Emeritus" or "Professor Emeritus"?

A: The faculty member can choose either (using the example above) "IBM Professor Emeritus" or "Professor Emeritus."

Q: What are the salary and source(s) of the salary for a retiring endowed faculty member who will be re-employed at NC State post-retirement, either through the PRP or through a post-retirement re-employment arrangement with the department head (non-PRP)? Can the half-time salary of a PRP assignment or part-time non-PRP arrangement include funds from the endowment?

A: Endowment funds are returned to the dean upon the endowed faculty member's retirement and should be used to make a new hire in the endowed position. The endowment funds may not be used for the re-employment of the retired faculty member. If the retiring endowed faculty member enters the PRP, then PRP guidelines apply and PRP salary can be no greater than 50 percent of the former full-time salary in the endowed position and must be funded using existing college funds without using the endowment funds. If the endowed faculty member is re-employed via an individually developed post-retirement arrangement, i.e., non-PRP, the department head and dean are responsible for determining the salary level and funding source(s) from within existing college funds without using the endowment funds.

Q: Why is no salary increase awarded during the first year of PRP?

A: The PRP participant is eligible for salary increases and merit pay based on annual evaluations after the first year of PRP participation (salary increases are prohibited during the first year). Participants retired from the Teachers' and State Employees' Retirement System (TSERS) are responsible for closely monitoring earnings so not to go over the allowable earnings limitation with the State Retirement System.

Q: If a faculty member decides to enter PRP employment and *delay* receiving a retirement benefit, will the university still pay for the employee's medical insurance?

A: The state of North Carolina pays the cost of medical insurance for full time (.75 time or greater), active or officially retired employees. PRP participants who choose to defer retirement benefits until a later date are responsible for paying the full cost of health insurance premiums via payroll deduction.

Q: If I defer TSERS retirement until a later date, how is my sick leave affected?

A: For members of the State Retirement System (TSERS), sick leave earned while full-time may be used in the retirement calculation if retiring within five years of leaving full-time employment.

Q: Do PRP participants accrue sick leave and annual leave?

A: 12-month faculty members entering the Phased Retirement Program will receive a lump sum payout of accrued leave time to include a maximum of 240 annual leave hours and all bonus leave accumulated. Phased Retirement Program Participants do not earn leave time.

Q: Do faculty in the PRP participate in departmental activities as before?

A: Participation of PRP faculty in departmental activities is at the discretion of the department head with the exception of those areas in which participation is limited to tenured faculty and other policies or regulations govern.

Q: Is there a limit on how much summer school and other supplemental pay can be earned while participating in the Phased Retirement Program?

A: Phased Retirement Program participants who retire from the Teachers' and State Employees' Retirement System are subject to an allowable earnings limitation rule that if exceeded, may place the retiree in jeopardy of having retirement benefits suspended. Regular salary, summer school and supplemental payments are examples of compensation that count toward the TSERS earnings limitation.

Q: How is Summer Session pay calculated and how does it affect my PRP work plan?

A: Phased Retirement Program participants are encouraged to review the Summer Salary for EPA Employees regulation.

PRP participants retired from TSERS are strongly cautioned as the amount of money earned for teaching Summer Session courses could jeopardize the monthly TSERS retirement benefit. TSERS retirees should contact their Benefits Consultant for assistance.

Q: How much am I paid for doing summer research outside my PRP work plan?

A: Summer research salary outside of the regular PRP work plan is negotiated between the PRP participant and dean or department head. Unlike summer school teaching funds (administered institutionally), summer research is a "local" college decision. As does Summer Session pay, additional compensation for research is applied towards the earnings limit for TSERS retirees.

Q: How do I apply for my retirement benefits once I am approved for PRP?

A: The NC State Retirement Guide provides information and instructions for retiring from NC State University. Immediately following receipt of the PRP acceptance letter, Program participants should contact Joe Williams to initiate the retirement process.

Q: What are my retirement benefit payment options?

A: Information about retirement benefit payment options can be found in the NC State Retirement Guide, the Teachers' and State Employees' Retirement Handbook (TSERS) or from an ORP representative.

Q: How do I find out how much creditable service I have with TSERS?

A: TSERS account information including years of service can be obtained through TSERS' on-line ORBIT portal (On-line Retirement Benefits through Integrated Technology). Age and service Information can be found in the retirement eligibility section of the NC State Retirement Guide.

Q: Do I still make payroll contributions to TSERS or the ORP while on PRP?

A: TSERS and ORP contributions will cease effective with the transition to the Phased Retirement Program; however, you may continue participation in the 403(b) or 457 supplemental retirement plans.

Q: If I attain age 70 ½ while participating in the Phased Retirement Program, do I have to take a required minimum distribution from my university-sponsored supplemental retirement plan?

A: Specific rules apply to age 70 1/2 required minimum distributions. Because tax related circumstances vary by individual, please contact a tax advisor or supplemental plan vendor for details.

Q: What benefits and other payroll deductions will continue while on PRP?

A: You may continue participation in the following benefit plans via payroll deduction: supplemental retirement plans (403b and 457), NCFlex benefits (dental, vision, flexible spending account, etc), Hyatt Legal, Long Term Care and Travelers Insurance. Those enrolled in the MetLife Group Term Life plan will receive information directly from MetLife regarding continuation of coverage and payment options. Payroll deductions for parking, gym locker fees, charitable contributions and State Employees' Credit Union will also continue. Review the PRP Benefits Continuation Options for details.

Q: How will being re-employed in the PRP impact my parking permit?

A: Parking and Transportation Policy indicates PRP employees retain their permit and gate card, and continue to pay the regular permit rate for the duration of the three-year PRP assignment. Upon full retirement, you may apply for a retirees' parking permit.

Q: Can I earn money outside my PRP contract with the University?

A: TSERS participants who retire and return to work as NC teachers or State employees are subject to an "Earnable Allowance Limit" and are encouraged to review the "Reemployment After Retirement" section of the Teachers' and State Employees' Retirement Handbook.
earnable allowance limit. Set by TSERS, the limit is increased on January 1 each year by the percentage increase in the Consumer Price Index."

Members of the Optional Retirement Plan are not subject to this limit.

Questions From Deans and Department Heads

Q: Why did I, as a dean or department head, receive the PRP eligibility for enrollment letter?

A: All academic deans and department heads receive the PRP eligibility for enrollment letter so they have access to the same materials PRP-eligible faculty members receive. A department head is the negotiating party with an applying faculty member. It is important that both parties receive, read, and understand the same PRP information. As the NC State Phased Retirement Program for Tenured Faculty Regulation explains, after the faculty member and department head sign a PRP application, it is sent to the dean for signature.

Q: Can I receive a list of all eligible faculty members for this year and future years?

A: No. Office of the President's review of the Age Discrimination in Employment Act (ADEA) indicates that individual age-related data cannot be shared with any administrative party involved in the PRP workplan negotiation process; therefore, deans and department heads will not receive such information. To ensure compliance with ADEA regulations, the Office for University Planning & Analysis prepares ADEA information rather than the HR Benefits Office or Office of the Provost.

Q: A faculty member in my department may be eligible and should have received a PRP eligibility for enrollment letter but did not. What do I do?

A: Contact Joe Williams or your Benefits Consultant for eligibility research and verification.

Q: Is it possible for a faculty member to receive an eligibility-for-enrollment letter and not be eligible?

A: Yes. It is assumed the date of birth in the personnel database is correct. It is also assumed the fall personnel data file submitted annually by NC State to the Office of the President (there is no spring personnel data file) represents employment for the entire academic year. In fact, there may have been a break in service by an individual that is not reflected in the fall-only personnel data file; therefore, the determination of who receives a PRP eligibility for enrollment letter is based on several data assumptions. There will be a few letters sent to faculty who are not, in fact, eligible since data files do not present a full and complete employment history. For this reason, after a faculty member submits an application to his/her department head, there will be a verification of the individual's eligibility criteria.

Q: When do the 45-day review and 7-day revocation time periods begin?

A: Section 5.4 of the Phased Retirement Program for Tenured Faculty Regulation explains that upon department head, dean and provost approval, the faculty member will be provided via certified mail, finalized versions of both the Agreement and Release to consider and sign. As required by the Age Discrimination in Employment Act (ADEA), the faculty member will have up to forty-five (45) calendar days to sign and return the Agreement and the Release to the HR-Benefits Department. Section 5.5 of the Phased Retirement Program for Tenured Faculty Regulation explains that once an application is fully executed, the commitment to enter the PRP becomes irreversible if no written revocation is submitted from the faculty member to the department head within the seven (7)-calendar day revocation period.

The 45 day review period begins as of the date of certified mail receipt, while the 7 day revocation period begins as of the date all parties (dean, department head and faculty member) have signed the agreement.