North Carolina State University is a land-grant university and a constituent institution of The University of North Carolina

Office of the Provost and Executive Vice Chancellor

NC STATE UNIVERSITY

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MEMORANDUM

To: Eligible NC State Faculty

From: Warwick Arden
Provost and Executive Vice Chancellor

Date: August 31, 2011

Subject: **NC State's Phased Retirement Program (PRP) 2012-2015**

According to institutional data, you may be eligible or will become eligible for the Phased Retirement Program (PRP) period beginning 2012 through 2015. (Participation is contingent upon verification of eligibility).

ELIGIBILITY

Full-time tenured faculty members with at least five (5) years of NC State University service who participate in the Teachers' and State Employees' Retirement System (TSERS) or Optional Retirement Program (ORP) are eligible to apply for the PRP participation if they:

1. are at least age 62 [for TSERS participants] or at least age 59 ½ [for ORP participants] upon entering the Phased Retirement Program; and

2. are eligible to receive a benefit under the TSERS or ORP plans.

A break in service is not required prior to entering PRP because the ages listed above meet the "normal retirement age" for the purposes of this program.

Note: EPA administrators or professionals who hold tenure and faculty rank are eligible to participate in the PRP after both vacating the administrative or EPA professional position and returning full-time to a tenured faculty position.

APPLICATION PERIOD

Applications for the 2012-2015 PRP will be accepted no sooner than **September 15, 2011** and no later than **February 15, 2012.** Participation may be accepted on a first-come, first-served basis.

GUIDELINES & PROCEDURES

PRP information and other related documents as follows, can be found at:
http://www.ncsu.edu/human_resources/benefits/prp.php

- Phased Retirement Program for Tenured Faculty, Regulation 05.57.01
- UNC Phased Retirement Application & Re-employment Agreement Form
- UNC Phased Retirement Program General Release Form
- Phased Retirement Program Guidelines for 2012-2015
- Frequently Asked Questions about the PRP

Read all PRP materials closely to ensure full understanding of the following principles and procedural aspects of the application process.

1. You do not have an absolute right to participate in the PRP. NC State academic departments may limit participation in the PRP in response to bona fide financial exigencies, or if an individual's participation would substantially weaken academic quality or disrupt program sequence. The limitation with respect to constraints of financial exigencies will be applied consistently to all eligible faculty seeking to commence enrollment in the PRP the same fall semester.

2. You must apply for the PRP not 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.

3. If you are accepted into the PRP and decide to participate, you relinquish permanent tenure, terminate your current full-time position, and formally retire. In return, NC State contracts with you for half-time (.5 FTE) re-employment for up to three (3) years at a amount equal to fifty percent (50%) of the salary you received during your last academic or fiscal-year appointment, minus any administrative supplement, if applicable. The salary is paid over the fiscal period (twelve months) beginning July 1, 2012.

4. You negotiate individually with your academic department head to determine your specific PRP work plan duties [summer school duties are not included].

5. Upon entering the PRP, you continue to be subject to performance reviews. You are eligible for salary increases in the 2nd & 3rd years of the PRP, based on merit. PRP participants who retire in TSERS are subject to the TSERS yearly earnings limit. You are responsible for obtaining your annual earnings limit and informing your department head if a salary increase will jeopardize receipt of your monthly retirement benefits from TSERS. You may log on to TSERS online system, ORBIT, to access your earnable allowance limit.

6. As a PRP participant you may participate in all employee benefit programs for which you are eligible. Mandatory retirement plan contributions will cease.

7. If you are accepted into the PRP and decide to participate, you will sign a "Release" form as a condition of PRP participation. As required by the Age Discrimination in Employment Act (ADEA), you are allowed at least forty-five (45) calendar days to execute and return the "Agreement" and the "Release". The forty-five day period begins on the date of delivery to the faculty member, as evidenced by the return receipt signed upon delivery. You are encouraged to consult with your legal counsel and/or financial advisors before making a decision to enter the PRP.

8. Once the Agreement and Release are signed by all parties, PRP does not become final until after the 7-day revocation period. A decision to enter the PRP is binding once made; however, phased retirement may be terminated if mutually agreed upon by both you and NC State administration.

9. A faculty member who enters the PRP retains his or her professorial rank and the full range of responsibilities and rights associated with it except for the status of permanent tenure; as a faculty member without tenure, a faculty member on phased retirement is no longer eligible to vote with their Departmental Voting Faculty in reappointment, promotion and tenure cases. A PRP participant is subject to annual performance reviews and is eligible for salary increases and merit pay based on annual evaluations after the first year of PRP participation (any salary increase for a PRP participant would be subject to any limitations imposed under TSERS). A PRP participant will continue to be subject to policies, regulations and *The Code* of The University of North Carolina and NC State University.

10. Enrolling eligible faculty members may elect to begin receiving the benefits they have accrued under either the N.C. Teachers' and State Employees' Retirement System ("TSERS") or the UNC Optional Retirement Program (the "ORP"), but they are not required to do so; however, so long as an eligible faculty member does not receive a monthly retirement benefit, he or she will not receive the Retiree health benefits provided by the State (if eligible).

INFORMATION SESSIONS

Decisions regarding retirement can be complex. The PRP is designed to facilitate a transition to retirement by allowing you to continue to participate in academic life and in the mentoring of students, while preparing for the future.

You will be notified of upcoming PRP information sessions designed especially to answer questions you may have after reading the available materials. You may contact Joe Williams, Human Resources – Assistant Director of Benefits, at 919/515-4318 or joe_williams@ncsu.edu if you have questions or need assistance.

cc: Deans
Academic Department Heads
Thomas H. Stafford, Jr., Vice Chancellor Student Affairs