

## Phased Retirement Guidelines

The Washington State University Phased Retirement Plan is a program designed to give WSU Retirement Plan (WSURP) participants an opportunity to reduce their regular appointments to pursue personal or professional interests while gradually phasing into retirement over a period of years. It is intended to provide individual career flexibility, while also providing the University with a tool to address long-range personnel resource management.

Approved participants of the Phased Retirement Plan will experience a reduction in the WSU pay due to the reduced appointment. Under this plan they are able to address this reduced salary, if needed, by being granted the ability to take a retirement annuity payment or withdrawal from their TIAA account(s).

During the period of the agreement, they will continue to maintain eligibility for employer-provided benefits, including health insurance, as well as accrue additional retirement benefits from their reduced appointment that will be available upon full retirement from the University. In planning for income needs during phased retirement, it is important to review all sources of retirement income to determine eligibility for receiving payments, the taxability of the payments, and when it would be most advantageous to begin drawing these payments. This can be done with the assistance of HRS Benefit personnel, TIAA representatives, or independent financial advisors.

Phased retirement is intended to support the University's excellence. It permits the University to retain the services and contributions of faculty and staff who participate in the WSURP while enabling participants to remain in their profession and to build additional financial security for the future.

The WSURP Phased Retirement Plan is a voluntary and mutually agreed upon arrangement between the University and the participant. At any time, upon request by the President or his designee, the Plan may be reviewed and modified without affecting already existing contracts/agreements.

All information presented in this plan must remain aligned to legislation, laws, rules and regulations from federal, state, local and institutional governance. This Plan is subject to change in order to maintain compliance with both Internal Revenue Service and Social Security Administration rules.

**ELIGIBILITY CRITERIA FOR REQUEST TO PARTICIPATE**

Participation in the Phased Retirement Plan at Washington State University is voluntary and mutually agreeable to both the University and to employees of the University who participate in the WSURP and whose positions meets the specifications as identified below:

<b>Retirement Plan:</b>	Washington State University Retirement Plan (WSURP)
<b>Status:</b>	Maintain at least a 50% permanent appointment with Washington State University
<b>Service:</b>	55 years of age with at least 10 years of cumulative service to WSU
<b>Position:</b>	Hold a position that can reasonably be handled on a less than full-time basis without materially altering the expectations and responsibilities inherent in the position or title, and without adversely affecting the area or program, or the cost relating thereto
<b>Budget:</b>	The initial arrangement for a reduction in effort is contingent upon budgetary feasibility as determined in the annual budget preparation immediately prior to the effective date of the contract
<b>Academic Impact:</b>	No detrimental impact to Washington State University programs/students

**CONTRACT**

A written agreement setting forth mutually agreeable terms and conditions of an individual’s phased retirement agreement will be signed by the participant, the authorized Appointing Authority and Vice President, Chancellor and/or the President or Provost. It will contain the following elements:

**Length of contract:**

Phased retirement contracts for half-time service or more are typically limited to seven years. Extensions may be renewed on a year-by-year basis if agreed to by all parties.

Phased retirement contracts are not available for less than half-time service.

**Reduction in Appointment**

The written agreement will indicate the effective date of entry into the program, and what the appointment will be reduced to throughout the agreement. A meaningful reduction in effort is required in order to qualify under a phased retirement agreement. It will specify the proportion of the phased retirement appointment, e.g. - 50, 60, 75, 80, or 85 percent, and/or 9, 10, or 11

months. All reductions must be approved in writing by the appropriate Appointing Authority before being presented to the authorized Vice President, Chancellor, or the President or Provost.

It is possible to specify in the agreement to periodically reduce the percent of effort or length of appointment, or initially reduce the effort to a certain percent or length of appointment and remain at that level until full retirement. The appointment cannot go below fifty percent.

The percent of effort/length of appointment may not be increased except in unusual circumstances and only with the written support by the Appointing Authority and approval of the authorized Vice President, Chancellor, and/or the President or Provost.

### **Salary**

The salary during phased retirement is calculated at the appropriate percentage of the full-time base salary of the employee's position held just prior to entering phased retirement. The participant may receive periodic salary increments provided these increments follow current Washington State University policy.

## **PROCEDURE**

### **Preliminary Process**

Several months ahead of the formal request, persons considering Washington State University's Phased Retirement Plan should informally discuss with their administrative unit head, the professional staff in HRS Benefits, and other appropriate persons, the advantages and implications of a reduced appointment.

### **Request Process**

The faculty member or employee wishing to participate in the Phased Retirement Plan will submit a request, in writing, to their department chair, director and/or other administrative head. The written request should include the desired percent of effort, the desired effective date and duration of the phased retirement, and an explanation of why this desired reduced effort and phased retirement would not materially alter the expectations and responsibilities inherent in the position.

### **Approval Process**

1. The department chair, director or other administrative unit head will consult with the faculty member/employee and other appropriate members of the department to evaluate the request in terms of planning, personnel needs,

- phased retirement plan costs, space and support requirements for the applicant and potential replacement(s), and other pertinent factors.
2. The chair, director or other administrative head will submit a report of the unit recommendation and a preliminary listing of the proposed contract terms to the applicable Appointing Authority. The faculty member/employee will receive a copy of this recommendation.
  3. The Appointing Authority will review the proposed contract terms and the departmental or unit recommendation and will make a determination based on the facts and merits of the recommendations. The request is then sent to the HRS Benefits Director who reviews the request to ensure the individual and proposal agreement meet the phased retirement plan criteria.
  4. The HRS Benefits Director will submit the request to the WSU Division of the Attorney General's Office. The Attorney will draw up the formal Phased Retirement Agreement containing the provisions specified in this policy, in coordination with the HRS Benefits Director and the Appointing Authority. The agreement is presented to the Provost and/or President for final approval, or applicable Vice President, which is final. Only the applicable Appointing Authority and Provost or President or applicable Vice President may authorize exceptions to the provisions of the Phased Retirement Plan. Any exception to the policy must be in writing and signed by all parties.
  5. The agreement is returned to the faculty member/employee for review and signature. It is then routed for other applicable signatures and the agreement is put into place.

The employing department/area is responsible for making applicable adjustments to the appointment throughout the phased retirement plan. HRS will process the final personnel action form for the full retirement from the University.

## **EMPLOYEE BENEFITS DURING PERIOD OF AGREEMENT**

### **Retirement Contributions**

Participants in the phased retirement plan remain eligible for the University's percentage contribution to the WSURP defined contribution plan, and are also responsible for making the participant contribution. Both parties will contribute to the retirement benefits program at the same percentage as when the participant was on a full-time salary.

Example:

An employee is approved to participate in the Phased Retirement Plan at a 50% appointment.

Regular salary: \$60,000

Reduced salary: \$30,000

WSURP Contribution (based on 10% contribution rate) made by both the University and Participant:  $10\% \times \$30,000 = \$3,000$

### **Medical, Dental, Life and Disability Insurance**

Participants with appointments of 50% or greater will continue to receive the University's regular contributions toward medical, dental, life and disability insurance plans.

Employee premiums will also continue, with premiums for the optional disability plans being based on the participant's reduced salary.

### **Social Security**

Contributions to Social Security will continue on the reduced appointment. Those participants qualifying for Social Security retirement benefits may be eligible to draw those benefits while on phased retirement beginning at age 62 or any later date. In determining eligibility for benefits, the participant should consult a Social Security office.

### **Tuition Waiver Benefits**

The participant continues to enjoy tuition remission benefits in accordance with current Washington State University policy for full-time employees.

### **Annual and Sick Leave**

For those appointees on phased retirement with titles/appointments that accrue sick leave and/or annual leave credit, those benefits continue under the same pro rata conditions as for permanent part-time employees.

### **Sabbaticals and Leaves of Absence**

Participants in the Phased Retirement Plan are not eligible for sabbaticals since that benefit is available only to full-time employees.

Participants in the Phased Retirement Plan are eligible to participate in shared leave and FMLA leave in the same pro rata conditions as for permanent part-time employees.

## **UNIVERSITY STATUS OF PARTICIPANT**

### **Tenure**

A tenured faculty member who participates in the Phased Retirement Plan shall continue to be deemed a tenured member of the faculty for the specific length of time indicated in the phased retirement agreement.

### **Promotion**

The academic participant remains eligible for consideration for promotion. Such advancements shall be assessed on the same basis as for full-time appointees.

### **Faculty Senate Voting Privileges**

Voting privileges are subject to the rules and regulations of the bylaws and constitution of the Faculty Senate.

### **Non-Teaching Assignments**

For the purpose of a faculty phased retirement contract, the department chair/director and dean will consider non-teaching duties as well as courses taught in defining a full-time faculty load and percentages thereof. In developing the provisions of the contract, the academic participant and the Dean or other administrative unit head may negotiate the type and amount of non-teaching assignment expected of the participant, consistent with the reduced assignment.

### **Space and Support Requirements**

Required office, laboratory space, secretarial service, computer use, and other support services may be made available. These services will be negotiable in developing the provisions of the contract.

The University's intent is to provide appropriate laboratory and office space, but exigencies of space and facilities use may not always permit this.

### **Employment Policies and Procedures**

The participant continues to operate under the stipulations of the employment policies and procedures for their employment type, except as otherwise provided in this policy.