

University of North Carolina at Chapel Hill

Phased Retirement Program

Frequently Asked Questions (FAQs) from Faculty Members

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

A: The UNC Phased Retirement Program (PRP) allows full-time, tenured faculty members who meet certain age and service criteria the opportunity to retire and change from full-time to half-time employment at the university for three (3) years. PRP employment consists of a half-time workload and a half-time salary. Upon entering the Phased Retirement Program, the faculty member relinquishes tenure 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 University of North Carolina at Chapel Hill 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 University of North Carolina at Chapel Hill 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: No, 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 Joe Williams, Senior Director of Benefits, Leave Administration & Total WellBeing at 919-843-7874 or by email at joe_williams@unc.edu

Q: Is it possible for a faculty member to receive notification of PRP and not be eligible to participate?

A: Yes, a faculty member may receive information on PRP if personnel data is not accurately denoted for a faculty member at the time communication is sent. Each individual's eligibility criteria is verified by Human Resources at the time the faculty member submits an application for the program.

Q: How do I apply for the PRP?

A: The following steps summarize the application process:

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1. Faculty member applies by submitting an **unsigned** Phased Retirement Program Application and Reemployment Agreement (“Agreement”) to their department head.
2. The department head will confer with the faculty member and propose the three-year 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 via scan/email to Joe Williams, Senior Director of Benefits in OHR, at joe_williams@unc.edu who will in turn, request review and approval by the Provost.
5. If approved by the Provost, OHR Benefits will email the approved Agreement, along with a UNC Phased Retirement Program 2024-2027 General Release form back to the faculty member requesting phased retirement.
6. Finally, the faculty member reviews the Agreement and Release, **then signs** the Release in the presence of a Notary Public, and returns both documents via email back to Joe Williams, Senior Director of Benefits in OHR, at joe_williams@unc.edu

Q: What is the deadline for applying?

A: The application review period for faculty to apply for the 2024-2027 PRP term is **November 15, 2023 through February 16, 2024**.

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.

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

A: Contact Joe Williams, Senior Director of Benefits, Leave Administration and Total WellBeing in the UNC OHR office at 919-843-7874 or email at joe_williams@unc.edu

Q: Can I start Phased Retirement in January?

A: No, the PRP starts on July 1 to commence with the academic year each August.

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. One-half of salary for active employment is a faculty member's base salary, exclusive of any supplements received for special assignments, summer school, or summer research/overload for the purpose of the Phased Retirement Program. The State Retirement System, however, uses actual earnings subject to retirement contributions as the basis for its test of one-half salary. With this being said, there may be a difference between the one-half salary that an eligible faculty may receive from UNC Chapel Hill under the Phased Retirement Program and

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the State Retirement System's definition of one-half of final salary. It may be possible that a faculty member's one-half salary amount may be lower than the amount that the State Retirement System uses to determine if a faculty member has exceeded the 50% earnings limit. In some cases, for example, a faculty member may have received supplements for additional employment or summer school that may increase the State Retirement earnings limit, but these supplements will not increase the base pay for the purpose of calculating one-half of base pay.

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: PRP participants may earn summer salary (9-month faculty) and additional compensation (9 and 12 month faculty) for tasks outside their work plans. One exception: no summer salary for TSERS participants in the second summer school session of the summer they enter the PRP. TSERS faculty are responsible for staying within the allowable earning limitations. TSERS faculty should obtain this information annually through the Retirement System. The UNC System Office also notes the importance of abiding by the conditions under which the PRP was grandfathered by the legislature and was not made subject to the 6 months break in service required of other retirees.

Phased Retirement Program participants who retire from the Teachers' and State Employees' Retirement System are subject to an [allowable earnings limitation \(see page 30\)](#) rule, that if exceeded, may place the retiree in jeopardy of having retirement benefits suspended.

Q: Do I get salary increases while in 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 as not to go over the [allowable earnings limitation \(see page 30\)](#) with the State Retirement System.

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 an email notification of acceptance into the Program, following submission of all finalized documents to the UNC Benefits Team. Once the Provost finalizes approval of your application, the form is sent to you for your signature as a final step, along with a general release document that you must sign in front of a Notary.

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 (the PRP application and general release). A written, signed statement of intent to revoke 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

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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. 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 (UNC Chapel Hill department/school and PRP participant) may terminate the agreement at any time.

Q: When do I receive emeritus status?

A: A PRP participant will receive emeritus status at the end of phased retirement.

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 are .5 FTE, 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 (if applicable) affected?

A: For members of Teachers and State Employees 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 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

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the exception of those areas in which participation is limited to tenured faculty and other policies or regulations govern.

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

A: Immediately following receipt of the PRP acceptance/approval letter, a Benefits Consultant will be assigned and will assist PRP participants with the retirement process.

Q: What are my retirement benefit payment options?

A: Information about retirement benefit payment options can be found in the [State Employees' Retirement Handbook \(TSERS\)](#) or from an ORP representative.

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 UNC 403(b) or UNC 457 supplemental retirement plans.

Q: If I attain age 72 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 72 required minimum distributions. Typically, while working, some RMD can be delayed. But, because tax related circumstances vary by individual, please contact a tax advisor 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). Those enrolled in the Securian Life plan will receive information directly from Securian Life regarding continuation of coverage and payment options as a retiree. Payroll deductions for parking, gym locker fees, charitable contributions and State Employees' Credit Union will also continue. Those in the Phased Retirement Program will want to negotiate the parking with the home department's Parking Coordinator if work is being done on campus.
