



POLICY MANUAL

GENERAL

Number 368

Subject: Phased Retirement Program

Covered Employees: Benefit Eligible Employees

Date of Origin: September 1, 2002

Date of Revision(s): January 12, 2018

Effective Date: January 12, 2018

368.1 POLICY

Where the University determines that there is sufficient benefit to a department, employees may be granted the opportunity to participate in the USU Phased Retirement Program. The purpose of the Phased Retirement Program of Utah State University is to encourage staffing flexibility, consistent with overall University and individual department needs, and to provide covered employees with an opportunity to partially retire or retire in planned stages, while continuing to provide service to the University in their area of expertise.

368.2 REFERENCES

[Utah State University Policy 361 Retirement Plans and Retirement Benefits](#)

[Utah State University Policy 349 Early Retirement Incentive Program](#)

[Utah Code Title 49-12-204 Higher Education Employees' Eligibility Requirements](#)

368.3 PROVISIONS

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. The term of the phased retirement period will be clearly defined in the Phased Retirement Agreement, but will in no case extend beyond three years.

Participation in the Phased Retirement Program is not an entitlement or a right, but is subject to administrative approval. An employee who wishes to be considered for participation in the Phased Retirement Program must submit a written request to the Department Head or Director as soon as possible in advance of the date upon which partial retirement is to be initiated. After consultation with the Dean and/or Vice President, the Department Head or Director will advise the applicant whether the request to begin drafting the agreement has been pre-approval. Denial of a request does not preclude the approval of a subsequent request.

While University administrators will give consideration to all requests to participate in the Phased Retirement Program, the nature of the working assignment of the employee may not lend itself to a reduced schedule or a reduction in responsibilities. In addition, other practical considerations (e.g., impact of existing phased retirement participants on the unit or department, lack of office space or laboratory facilities, funding considerations, etc.) may preclude approval of Phased Retirement requests (e.g., impact of existing phased retirement participants on the unit or department, lack of office space or laboratory facilities, funding considerations, etc.).

The employee who enters the Phased Retirement Program agrees to a reduced FTE (full time equivalent) employment status with the University, with the understanding that the total FTE percentage for all services performed for the University cannot thereafter be increased, although it may be decreased. If the FTE drops below .5, benefits will cease.

The terms and conditions reflected in a written Phased Retirement Agreement specifying the arrangements under which the employee will be placed in phased retirement status require administrative approval by the Department Head/Director, Dean/Vice President, and Provost/President. Employees on academic year appointments may only initiate phased retirement on January 1 or July 1 unless a different date is mutually agreed upon in writing by the Department Head/Director, Dean/Vice President, and the Provost/President.

In the case of joint appointments, all appropriate Department Heads/Directors must receive the request and consult with their Dean or Vice President.

Any subsequent amendments to the agreement, must receive signed approval of the Department Head/Director, Dean/Vice President, and Provost/President.

368.4 FULL-TIME EQUIVALENT REQUIREMENTS

For an employee to enter the Phased Retirement Program, the FTE percentage assignment for that employee must be reduced by at least one-fifth (i.e. to a level of .8 FTE or less, depending on current FTE) over the same or a reduced appointment base period (i.e. an academic year base [nine month] appointment may not be extended to 10, 11, or 12 months, but a fiscal year base [12 month] appointment may be reduced to nine months). University assignments in addition to the appointment base period (e.g. one or two month summer semester assignments, extra contractual assignments paid by the

University, extension course assignments, and any other ancillary assignment) will NOT be considered as part of the base period assignment for calculation of the phased retirement. The FTE level initially agreed upon may later be reduced by an addendum to the contract. The FTE level cannot be increased.

368.5 PHASED RETIREMENT INCENTIVES

5.1 Employee Benefits: Participants in the Phased Retirement Program are entitled, for the duration of the agreement, to the same status and employment related benefits at the same level attained prior to the effective date of the agreement, except that annual and sick leave (if applicable) will be earned on a pro-rata basis according to FTE.

5.2 Financial Incentive: Participants in the Phased Retirement Program will receive 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 on the appointment base period, before and after the phased retirement takes effect. The financial incentive will be in the form of additional salary payment to be contributed to a University sponsored supplemental retirement account for those participants on a defined contribution retirement plan. If the participant is part of the Utah Retirement System (URS) defined benefit plan, the participant will continue to earn service credit. The phased retiree will be allowed to begin withdrawals from the phased retiree's employer funded plan where such an arrangement is allowable under state and federal law.

5.3 Salary Payments: Salary payments during the phased retirement period will be the salary base just prior to phased retirement multiplied by the FTE percentage defined in the Phased Retirement Agreement. This portion of the salary may be increased during the period of phased retirement based on University guidelines for annual salary increases.

368.6 RESPONSIBILITY

6.1 Department Heads and Directors

Responsible for notifying and coordinating with the Office of Human Resources on any approved request for phased retirement in order to facilitate the necessary documentation to complete the process.

6.2 Employees

Responsible for requesting participation in the Phased Retirement Program, by notifying their appropriate Department Head or Director, in a timely manner, of their desire to engage in the Phased Retirement Program, and for coordinating with the Office of Human Resources in the completion of the Phased Retirement Agreement.

6.3 Office of Human Resources

Responsible for assisting the department and employee by advising, drafting, and implementing the Phased Retirement Agreement.