

Phased Retirement Program
A Retirement Transition Program for Instructional Faculty

James Madison University

Effective
January 2020

PURPOSE

The Phased Retirement Program is a voluntary program that allows eligible faculty members to transition from active full-time employment to retirement by reducing their workload and income gradually over a defined and mutually agreed upon period of time. This program will afford faculty members the opportunity to gradually transition into retirement, both financially and psychologically, as well as provide opportunities for retiring faculty to serve as mentors to incoming faculty, providing continuity and future success for the department/college. Participation in the Phased Retirement Program is voluntary for both the university and the faculty member. Faculty are not entitled to a Phased Retirement Agreement, and the approval to participate is entirely at the discretion of the university.

DEFINITIONS

Contractual Right to Continued Employment

For the purposes of this policy, a contractual right to continued employment refers to a faculty member who has a contract with no termination date (tenure) or with a termination date more than one year in the future.

Instructional Faculty

Instructional faculty members have responsibilities that include teaching, research and service as the majority of their duties.

Years of Service

To qualify for the Phased Retirement Program, instructional faculty must have 120 months of full-time employment with the university. There may be breaks in service and the total service years may consist of any combination of full-time classified, instructional and A&P employment at the university. Periods of part-time employment are not counted.

KEY ELEMENTS

Eligibility

This policy applies to instructional faculty only. To be eligible to participate in the Phased Retirement Program, the employee must:

1. Be a full-time employee employed in a non-classified instructional faculty position (or be on leave from such full-time status) at the time the application to participate is made, and at the time of the start of the phased retirement agreement.
2. Be at least sixty (60) years of age.
3. Have at least ten (10) years of full-time service with the university at the time of the start of the phased retirement agreement.
4. Have a contractual right to continued employment as defined herein at the time of the start of the phased retirement agreement.
5. Satisfy any additional criteria established by the president or board relating to participation under the Phased Retirement program.

Duration

A faculty member participating in the Phased Retirement Program can gradually reduce their workload over a one (1) to three (3) year period immediately preceding retirement. The maximum duration of a Phased Retirement Agreement is three (3) years. At the end of the agreement, the faculty member must retire.

Effort

A faculty member participating in the Phased Retirement Program can reduce their effort to one of two levels over the duration of the Phased Retirement Agreement as follows:

- 75% effort (30 hours per week)
- 50% effort (20 hours per week)

Once the faculty member's effort is reduced, effort may not be increased.

Application to Participate/Letter of Intent to Retire

A faculty member may apply and if granted approval, participate in the Phased Retirement Program. To apply, a faculty member should submit a Letter of Intent to Retire to their AUH at least 1 year prior to the anticipated start date of the Phased Retirement Agreement if he/she wishes to be considered for the Phased Retirement Program. The letter should propose a date in which the faculty member's phased retirement period would begin and should also state the date in which the faculty member will retire. The faculty member and their AUH will complete the Phased Retirement Agreement. Phased retirement agreements, if approved, may begin at the start of an academic semester.

Phased Retirement Agreement

If the Letter of Intent to Retire is approved by the AUH, the faculty member and the AUH will complete a Phased Retirement Agreement that will include the following elements:

1. The faculty member's retirement date. Retirement will result in the participant's:
 - a. Permanent conclusion of full-time employment with the university.
 - b. Permanent ineligibility for active VRS membership on account of employment by the university.
 - c. Permanent ineligibility for contributions to the accounts of ORP (Optional Retirement Plan) program participants by the university.
2. Terms of what the faculty member's workload will consist of over the phased retirement period (i.e. instruction only without scholarship and service duties, more research and service with less instruction duties, etc.). The duration, duties and effort of the faculty member during the phased retirement period are to be determined and mutually agreed upon between the department and the faculty member prior to the start of the agreement.
3. The faculty member's reduced salary amount.

Salary and Benefits

During the phased retirement period, the faculty member's salary will reduce as their workload and effort reduces. The faculty member will remain eligible for salary increases including merit and state raises during the phased retirement period. The faculty member will not be eligible for inversion and/or compression salary adjustments. The faculty member will remain eligible for benefits during the phased retirement period as follows:

- 75% effort (30 hours per week): the university will continue to pay the employer portion of health insurance and life insurance. The faculty member will remain eligible for employer paid life insurance and retirement benefits. Retirement contributions are based on a percent of salary; as salary reduces, retirement contribution will also reduce. Life insurance is based on a multiple of salary; as salary reduces, life insurance will also reduce.
- 50% effort (20 hours per week): the faculty member will be eligible for and offered health insurance, but will pay the full cost of the premium if enrolled. The faculty member will remain

eligible for employer paid life insurance and retirement benefits. Retirement contributions are based on a percent of salary; as salary reduces, retirement contribution will also reduce. Life insurance is based on a multiple of salary; as salary reduces, life insurance will also reduce.

ADDITIONAL TERMS

Code of Conduct

A faculty member who enters into a Phased Retirement Agreement is still subject to the Faculty Code of Conduct and Faculty Handbook.

Irrevocability

The decision by the faculty member to participate in the voluntary phased retirement program is irrevocable. Once a phased retirement contract is signed by all parties involved, the faculty member has committed to the retirement date as stated in the agreement, and this date cannot be extended or rescinded by the faculty member. A faculty member may, however, choose to retire sooner than the retirement date named in the agreement if he/she must do so for any reason. A faculty member is not entitled to appeal a denial to participate.

Leave

A faculty member in an active phased retirement agreement will not be eligible for Administrative Leave during the phased retirement period.

Performance

Consideration for initial and continued participation in a phased retirement agreement is contingent upon the faculty member's satisfactory performance. The university reserves the right to review the faculty member's phased retirement agreement at any time to evaluate departmental needs and/or the faculty member's performance and make adjustments or amendments as necessary. For faculty at 50% effort, unsatisfactory performance can result in termination at the end of the academic semester in which the faculty member was notified of unsatisfactory performance.

Policy 1333 (Retirement Incentive Plan for Faculty)

A faculty member who applies for and is granted participation in the phased retirement program will be ineligible for receiving the Supplemental Retirement Plan for Faculty (Retirement Incentive Plan for Faculty) and vice versa.

Promotion

A faculty member who enters into a Phased Retirement Agreement as an Associate Professor will not be eligible for promotion to Full Professor.

Record keeper

HR will keep the Phased Retirement Agreement original, Academic Affairs will be responsible for keeping a copy of the Phased Retirement Agreement in addition to a document that outlines the duties of the faculty member during the duration of the agreement.

Tenure

A faculty member in phased retirement at 75% effort will retain tenure. A faculty member in phased retirement at 50% effort chooses to relinquish tenure at the commencement of the Phased Retirement Agreement.