

# HRCR 1

Office of the President  
June 12, 2007

Members, Board of Trustees:

PROPOSED REVISION TO ADMINISTRATIVE REGULATION: PHASED  
RETIREMENT POLICY AND PROGRAM

Recommendation: that the Board of Trustees approve changes to the University of Kentucky Phased Retirement Policy and Program as defined in Administrative Regulation (AR) II-1.6-2. Changes to the program include adding new provisions to extend the phased retirement benefit to staff employees and a general reformatting of the regulation.

Background: At its April 24, 2007 meeting, the Board of Trustees approved a wide-ranging work-life strategy, which included several changes to employee benefits. One component of the strategy was to extend the Phased Retirement Program to staff employees.

New provisions for staff phased retirement are similar to those contained in the current regulation for faculty phased retirement. Major components of the phased retirement program for staff include:

- Employees must have fifteen (15) years of regular full-time service (consecutive if hired after July 1, 1997);
- Employees must be at least sixty (60) years old;
- Employees will retain full-time status for benefits;
- Retirement contributions are based on actual prorated base salary;
- Accumulated retirement funds may be accessed during phased retirement;
- Phased retirement is available for a maximum of five (5) years; and
- Phased retirement is not a right but must be requested by the employee and approved by the department up through the appropriate executive vice president or provost.

The formatting changes are necessary to update the regulation to conform to the current university administrative organization, clarify the language to make it more reader-friendly, and make it consistent with other university regulations.

A revised copy of AR II-1.6-2 is attached. Proposed additions are underlined; proposed deletions are lined through.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_

<b>UNIVERSITY OF KENTUCKY</b>  <b>ADMINISTRATIVE REGULATIONS</b>	IDENTIFICATION AR II-1.6-2	PAGE 1
	DATE EFFECTIVE <u>12/10/02/07</u>	SUPERSEDES REGULATION DATED 4/30/96 3/4/97 <u>12/10/02</u>

**PHASED RETIREMENT POLICY AND PROGRAM**  
 (Approved by the Board of Trustees)

I. Policy Purpose

The Phased Retirement Program is designed to provide an opportunity for eligible full-time tenured faculty ~~employees and staff members~~ employees to make an orderly transition to retirement through part-time service. It is entirely voluntary and will be implemented by written agreement between faculty employees or staff employees ~~members~~ and the University. The Program is ~~ongoing~~ ongoing, but may be eliminated at any time by the University.

II. Eligibility and Approval

A. The Phased Retirement Program is available to all regular full-time tenured faculty ~~employees~~ members and staff employees who have completed fifteen (15) years of regular full-time ~~faculty~~ service (in accordance with AR II-1.6-1) at the University of Kentucky and who are age sixty (60) or older by the commencement of their phased retirement. Individuals who have already taken regular retirement are not eligible for phased retirement under this program.

B. A decision to request a phased retirement appointments rests entirely with individual ~~faculty employees~~ members. Phased retirement that is requested and approved shall commence at the beginning of the first fiscal year following approval of the request and execution of a written agreement.

C. The Phased Retirement Program does not create an absolute right of ~~faculty and staff employees~~ members to a phased retirement. Phased retirement appointments must be requested by eligible ~~faculty employees~~ members but shall be granted only when such appointments are in the best interests of the University.

III. Requests for Phased Retirement

~~A.D.~~ Faculty Requests

1. A faculty employee shall submit a request for a phased retirement appointment to the educational unit administrator at least six (6) months before the date upon which such appointment would become effective unless the affected educational unit administrator and the dean agree to accept a later submission.

The request shall include a completed, signed, and notarized phased retirement agreement and its attendant paperwork.

2. The educational unit administrator shall review the request and make a recommendation to the dean. The dean shall review the request and recommendation of the educational unit administrator and make a recommendation to the Provost. The Provost shall have final approval authority.

~~A faculty request for phased retirement shall be submitted to the department/division and college for initial endorsement, shall be reviewed and recommended by the appropriate dean, community college president or director, and is subject to final approval by the Provost. A request for phased retirement shall be submitted at least six (6) months before the date upon which such appointment would become effective, unless a later submission of such a request would be totally acceptable to the affected department and college.~~

#### B. Staff Requests

1. A staff employee shall submit a request for a phased retirement appointment to the supervisor of the administrative unit to which the employee is assigned at least three (3) months before the date upon which such appointment would become effective, unless the affected supervisor and senior administrator agree to accept a later submission. The request shall include a completed, signed, and notarized phased retirement agreement and its attendant paperwork.

2. The supervisor shall review the request and make a recommendation to the appropriate senior administrator; (e.g., vice president or associate vice president). The senior administrator shall review the request and recommendation of the supervisor and make a recommendation to the appropriate executive vice president, Provost, or President. The executive vice president or Provost shall have final approval authority.

#### IV.HH. Terms and Conditions

A.—Phased retirement appointments under this Program shall be subject to the following terms and conditions:

A.1. Phased retirement appointments involve a reduction of employment from full-time to half-time. Such appointments for faculty employees may consist of full-time work for one-half of a regular appointment period (e.g., full-time work for one semester of an academic year appointment) or half-time work for a full regular appointment period

(e.g., half-time work in each of the two semesters of an academic year appointment). InstructionTeaching, research, and service assignments under such an appointment shall be determined by agreement between the faculty employeemember and the educational unit adminstrator~~a department/division chair, a dean/community college president, or a director of an academic unit~~ and shall be set forth in detail in the written phased retirement agreement. Phased retirement appointments for staff employees shall normally consist of a half-time workload throughout the fiscal year or duration of the agreement.

B.2. The salary of an faculty or staff employeemember on a phased retirement appointment shall be reduced by fifty 50 percent (~~50%~~) from the salary such faculty employeemember would have received but for the election of phased retirement under this program. FacultyeEmployees members electing phased retirement appointments shall not be eligible for proportional merit salary increases during the period of their phased retirement program. The calculation of disability benefits for a A faculty employeemember on a phased retirement appointment shall be based on considered for disability benefits on the basis of the equivalent of the faculty employee's full-time salary such faculty member received as a full-time faculty member immediately before electing at the onset of the phased retirement appointment under this program. A fFaculty eEmployees member electing the Phased Retirement Program may access their retirement plan funds, without separating from the University, after the effective date initiating their participation in the Phased Retirement Program.

C.3. Phased retirement under this program shall not exceed five (5) years in duration. Faculty eEmployeesmembers who request and receive phased retirement appointments shall agree in writing to accept full retirement from the University no later than five (5) years after the commencement of reduced employment under this program. The agreement to retire at the end of the reduced employment period is irrevocable once executed, (except that as provided in subsection IV A below).Nothing in this regulation shall preclude eligible faculty and staff employees from electing regular retirement from the University at any point in time during the phased retirement period (even though such employees may have executed an agreement requiring retirement at some point in the future). Nothing in this regulation shall preclude a post-retirement appointment of an individual who has elected phased retirement under this Program.

D. Faculty employees on phased retirement appointments willshall have the same academic freedoms and responsibilities as other faculty employees. Faculty and staff employees on phased retirement appointments will have access to all grievance and appeal procedures available to other employees.

## V. Retirement and Other Employee Benefits

A. ~~B.~~ Retirement Contributions

The University's contributions to retirement for an ~~faculty~~employees on phased retirement appointments, and the faculty ~~employee's~~members' contributions as well, shall be based upon their actual (i.e., reduced) salaries during their periods of reduced employment. Employees electing the Phased Retirement Program may access their retirement plan funds, without separating from the University, after the effective date initiating their participation in this ~~Phased Retirement P~~program.

B. Disability Benefits

The calculation of disability benefits for an employee on a phased retirement appointment shall be based on the equivalent of the employee's full-time salary at the onset of the phased retirement appointment.

C. Vacation and Other Leave

Faculty employees ~~members~~ on phased retirement appointments are entitled to fifty percent (50%) of the paid vacation leave to which they would have been entitled had they not elected phased retirement under this Program. Staff members shall accrue temporary disability leave and vacation leave in proportion to their reduced full-time equivalency (FTE).

D. Other Benefits

In all other respects, such ~~faculty~~ employees ~~members~~ on phased retirement appointment shall be entitled to the employee benefits normally offered to regular full-time faculty ~~members~~ employees. FacultyEmployee privileges, such as parking and reduced-cost athletic tickets, will be made available to facultyemployees on phased retirement appointments as if they were on full-time regular full-timefaculty appointments. Requests for travel expenses and support services for facultyemployees on phased retirement appointments shall be considered and evaluated under normal processes. An ~~faculty~~ employee'smember's use and occupancy of office or lab space shall not be adversely affected by electing to accept a phased retirement appointment.

References:- KRS 164.220  
-AR II-1.601

IV.  
General Provisions

~~A.— Nothing in this regulation shall preclude eligible faculty and staff employees members from electing regular retirement from the University at any point in time (even though such faculty employees members may have executed an agreement requiring retirement at some point in the future). Nothing in this regulation shall preclude a post-retirement appointment of an individual who has elected phased retirement under this Program.~~

~~B.— Faculty employeesmembers on phased retirement appointments will have the same academic freedoms and responsibilities as other faculty employeesmembers, and Faculty and staff employees will have access to all grievance and appeal procedures available to other members of the facultyemployees.~~