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Office of the President
October 16, 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 (the program) as defined in Administrative Regulation (AR) II-1.6-2. The revisions make the program applicable to all full-time faculty and staff employees and allow more flexibility to the university in administering the program.

Background: At its June 12, 2007 meeting, the Board of Trustees approved revisions to AR II-1.6-2 to extend the Phased Retirement Program to staff employees. With the addition of staff employees to the Phased Retirement Program, it became apparent that certain groups of faculty employees, such as clinical title series faculty, were inadvertently omitted from eligibility under the current language of the regulation. Additionally, certain terms of the program require clarification to allow the University more flexibility in administering the program.

The revisions include:

- Eliminating “tenure” as a requirement for faculty eligibility for the Phased Retirement Program;
- Allowing more flexibility for the university and the faculty and staff employees regarding the start date for the phased retirement period;
- Clarifying that promotion is not available during the phased retirement period;
- Clarifying that the definition of “part-time” means .5 FTE and above for purposes of phased retirement.

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

Action taken: Approved Disapproved Other _____

UNIVERSITY OF KENTUCKY ADMINISTRATIVE REGULATIONS	IDENTIFICATION AR II-1.6-2	PAGE 1
	DATE EFFECTIVE 6/12/07	SUPERSEDES REGULATION DATED 4/30/96 3/4/97 12/10/02

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

I. Policy

The Phased Retirement Program is designed to provide an opportunity for eligible full-time ~~tenured~~ faculty and staff 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 or staff employees and the University. The Program is 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 and staff employees who have completed fifteen (15) years of ~~regular~~ full-time 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 appointment rests entirely with individual employees. Phased retirement that is requested and approved shall commence on the date agreed upon by the employee and the University and recorded in the written agreement. ~~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 employees to a phased retirement. Phased retirement appointments must be requested by eligible employees but shall be granted only when such appointments are in the best interests of the University.

III. Requests for Phased Retirement

A. 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.

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, Provost, or President shall have final approval authority.

IV. Terms and Conditions

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

A. Phased retirement appointments involve a reduction of employment from full-time to part-time, but not less than 50 percent FTE~~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), or no less than 50 percent FTE throughout the fiscal year or duration of the agreement. Instruction, research, and service assignments under such an appointment shall be determined by agreement between the faculty employee and the educational unit administrator and shall be set forth in detail in the written phased retirement agreement. Phased retirement appointments for staff employees shall normally consist of no less than 50 percent FTE~~half-time work~~ throughout the fiscal year or duration of the agreement.

B. The salary of an employee on a phased retirement appointment shall be reduced ~~by 50 percent~~ in proportion with their reduction in full-time equivalency (FTE) from the salary such employee would have received but for the election of phased retirement under this program. Employees electing phased retirement appointments shall not be eligible for promotion or proportional merit salary increases during the period of their phased retirement program.

C. Phased retirement under this program shall not exceed five (5) years in duration. Employees 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 nothing in this regulation shall preclude 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 shall 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. Retirement Contributions

The University's contributions to retirement for an employee on phased retirement appointment, and the employee's contributions as well, shall be based upon their actual (i.e., reduced) salaries during the period 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 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 on phased retirement appointments are entitled to ~~fifty percent (50%) of the paid~~ vacation leave in proportion to their reduced full-time equivalency (FTE) 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, employees on phased retirement appointment shall be entitled to the employee benefits normally offered to regular full-time employees. Employee privileges, such as parking and reduced-cost athletic tickets, will be made available to employees on phased retirement appointments as if they were on regular full-time appointments. Requests for travel expenses and support services for employees on phased retirement appointments shall be considered and evaluated under normal processes. An employee'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-1.6-01