

PR 6

Office of the President
December 10, 2002

Members, Board of Trustees:

APPROVAL OF ADMINISTRATIVE REGULATION AR II-1.6-2
PHASED RETIREMENT POLICY AND PLAN

Recommendation: that the following proposed amendment to Administrative Regulation II-1.6-2 relating to phased retirement for eligible full-time tenured faculty members be received for approval by the Board of Trustees.

Background: University policy currently permits faculty to enter a phased retirement agreement by which the faculty member reduces from full to half time assignment without loss of University benefits. In exchange, the faculty member agrees to fully retire no later than three years after the commencement of phased retirement. The program currently is available for full time faculty with fifteen years of service who are at least sixty-five years old. This revision reduces the age at which faculty members will be eligible to enter a phased retirement to sixty. Further, because of recent Supreme Court decisions, the Age Discrimination in Employment Act no longer applies to the University of Kentucky; the waiver specified for compliance with that Act is therefore unnecessary. Faculty who retire pursuant to this program are also eligible for post retirement appointment under the usual terms of such appointments.

Action taken: Approved Disapproved Other _____

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

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

I. PURPOSE

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

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II. ELIGIBILITY AND APPROVAL

A. The Phased Retirement Program is available to all full-time tenured faculty members who have completed fifteen (15) years of full-time faculty service at the University of Kentucky and who are age sixty 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.

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B. A decision to request phased retirement appointments rests entirely with individual faculty members.

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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.

Deleted: A request for phased retirement by any faculty member who satisfies the eligibility requirements set out in subsection II-A must be made:¶
¶ (1) during the period from July 1, 1996 to June 30, 1997 if such eligibility requirements are satisfied before July 1, 1996, or¶
¶ (2) within one (1) calendar year after satisfying such eligibility requirements if such requirements are satisfied on July 1, 1996 or thereafter.

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

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D. 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.

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III. TERMS AND CONDITIONS

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

1. Phased retirement appointments involve a reduction of employment from full-time to half-time. Such appointments 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). Teaching, research, and service assignments under such an appointment shall be determined by agreement between the faculty member and 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.

2. The salary of a faculty member on a phased retirement appointment shall be reduced by fifty percent (50%) from the salary such faculty member would have received but for the election of phased retirement under this program. Faculty members electing phased retirement appointments shall not be eligible for proportional merit salary increases during the period of their phased retirement program. A faculty member on a phased retirement appointment shall be considered for disability benefits on the basis of the salary such faculty member received as a full-time faculty member immediately before electing phased retirement under this program. A faculty 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.

3. Phased retirement under this program shall not exceed five (5) years in duration. Faculty members 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 as provided in subsection IV-A below).

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B. The University's contributions to retirement for faculty on phased retirement appointments, and the faculty members' own contributions as well, shall be based upon their actual (i.e., reduced) salaries during their periods of reduced employment. Faculty 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.

In all other respects, such faculty members shall be entitled to the employee benefits normally offered to regular full-time faculty members. Faculty privileges, such as parking and reduced-cost athletic tickets, will be made available to faculty on phased retirement appointments as if

they were on full-time regular faculty appointment. Requests for travel expenses and support services for faculty on phased retirement appointments shall be considered and evaluated under normal processes. A faculty member's use and occupancy of office or lab space shall not be adversely affected by electing to accept a phased retirement appointment.

IV. GENERAL PROVISIONS

A. Nothing in this regulation shall preclude eligible faculty members from electing regular retirement from the University at any point in time (even though such faculty 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 members on phased retirement appointments will have the same academic freedoms and responsibilities as other faculty members and will have access to all grievance and appeal procedures available to other members of the faculty.

Deleted: B. Each phased retirement agreement executed under this program shall include a waiver of rights and claims by the faculty member under the Federal Age Discrimination Act. Such waiver shall fully comply with the requirements for knowing and voluntary waivers provided in this Act. After a phased retirement agreement is drafted, it shall be delivered to the faculty member in question together with written statements that the faculty member shall have no less than forty five (45) days within which to consider the agreement and that he or she is advised to consult with an attorney prior to executing the agreement. In addition, each phased retirement agreement shall provide that the agreement shall not become effective and enforceable for a period of ten (10) calendar days following execution of the agreement and that during such period the faculty member may unilaterally revoke the agreement. In the event the faculty member elects to revoke the agreement within such ten (10) day period, the faculty member shall immediately be restored to the full-time employment status as a faculty member which existed prior to execution of the agreement.¶
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