

Phased Retirement Guidelines

Washington State University Phased Retirement Plan is a program designed to give University employees – faculty and administrative professional staff who participate in the WSU-Retirement Plan- an opportunity for pre-retirement reduction of full-time service while gradually phasing into retirement over a period of years. This Plan allows eligible personnel of the university to reduce their regular appointments to pursue personal or professional interests and to continue their academic and professional lives in gainful part-time employment. This Phased Retirement Plan provides an opportunity for individual career flexibility and forms an important part of the long-range personnel resource management of the University.

The Phased Retirement Plan is flexible and enables participants to have income for current financial needs - through part-time salary, retirement annuity payments, and other sources of income made possible because of the workload reduction - while allowing them to accrue additional retirement benefits that are paid upon full retirement. In planning for income needs during phased retirement, it is important to review all sources of retirement income to determine eligibility for receiving payments, the taxability of the payments, and when it would be most advantageous to begin drawing these payments. This can be done with the assistance of University officials, TIAA-CREF representatives, or independent financial advisors. Participants who retain appointments for greater than or equal to fifty percent time, continue to be eligible for applicable employee benefits including health insurance.

Phased retirement is intended to support the University's excellence. It permits the University to retain the services and contributions of senior faculty and administrative professional staff while enabling participants to continue to remain in their profession and to build additional financial security for the future.

The WSU Retirement Plan Phased Retirement Plan is a voluntary and mutually agreed upon arrangement between the University and the participant. At any time, upon request by the President, the Plan may be reviewed and modified without affecting already existing contracts.

The President may report periodically to the Board of Regents on the academic, personnel, and fiscal impact of the Phased Retirement Plan.

All information presented in this plan must remain aligned to legislation, laws, rules and regulations from federal, state, local and institutional governance. This Plan is subject to change in order to maintain compliance with both Internal Revenue Service and Social Security Administration rules.

ELIGIBILITY CRITERIA FOR APPLICATION TO PARTICIPATE

Participation in the Phased Retirement Plan at Washington State University is voluntary and mutually agreeable to both the University and to employees of the University who participate in the WSU Retirement Plan (TIAA) and whose positions are reasonably able to be handled on a less than full-time basis without materially altering the expectations and responsibilities inherent in the position or title, and without adversely affecting the area or program, or the costs relating thereto.

Criteria for participation in the plan, including the above, are as follows:

- Status: at least 50% permanent employment with Washington State University
- Service: 55 years of age with at least 10 years of cumulative service to WSU
- Position: holding a position that is reasonably able to be handled on a less than full-time basis without materially altering the expectations and responsibilities inherent in the position or title, and without adversely affecting the area or program, or the cost relating thereto.
- Budget: funds allocated to position held by incumbent. The initial arrangement for a reduction in time-base is contingent upon budgetary feasibility as determined in the annual budget preparation immediately prior to the effective date of the contract.
- Academic Impact: no detrimental impact to Washington State University programs/students

CONTRACT

A written agreement setting forth mutually agreeable terms and conditions of an individual's phased retirement arrangement will be signed by the participant and the authorized Vice President. It will contain the following elements:

Length of contract:

Phased retirement contracts for half-time service or more are typically limited to seven years. Extensions may be renewed on a year by year basis.

Phased retirement contracts are not available for less than half-time service.

Reduction in Time-Base

The written agreement will indicate the effective date of entry into the program. It will specify the proportion of the phased retirement appointment, e.g. - 50, 60, 75, 80 or 85 percent. All reductions must be approved in writing by the appropriate administrative unit head before being presented to the authorized Vice President.

It is possible to either periodically reduce the percent of effort, or initially reduce the effort to a certain percent and remain at that percent of effort until full retirement.

The percent of effort may not be increased except in unusual circumstances and only with the written support by the administrative unit head and approval of the authorized Vice President.

Salary

The salary during phased retirement is calculated at the appropriate percentage of the full-time base salary of the employee's position held just prior to entering phased retirement. The participant may receive periodic salary increments provided these increments follow current Washington State University policy.

EMPLOYEE BENEFITS

Retirement Plan

Participants in the phased retirement plan remain eligible for the University's percentage contribution to the pension plan. The University will contribute to the retirement benefits program at the same percentage as when the participant was on a full-time salary.

Example:

An employee decided to participate in the phased retirement plan at a 50% appointment.

Regular salary: \$60,000

Reduced salary: \$30,000

University Contribution (based on 10% contribution rate): $10\% \times \$30,000 = \$3,000$.

Employee contribution matches employer contribution, required via payroll reduction.

Health and Life Insurance

Participants with appointments of 50% or greater will continue to receive the University's, regular contributions toward health, optical, dental and life insurance plans as per all full-time employees.

Employee contributions towards disability plans may continue but benefits will be based upon the participant's reduced salary.

Social Security

Those participants qualifying for Social Security retirement benefits may be eligible to draw those benefits while on phased retirement beginning at age 62 or any later date. In determining eligibility for benefits, the participant should consult a Social Security office.

Tuition Remission Benefits

The participant continues to enjoy tuition remission benefits in accordance with current Washington State University policy for full-time employees.

Vacation and Sick Leave

For those appointees on phased retirement with titles that accrue sick leave and/or vacation leave credit, those benefits continue under the same pro rata conditions as for permanent part-time employees.

Sabbaticals and Leaves of Absence

Participants in the Phased Retirement Plan are not eligible for sabbaticals since that benefit is available only to full-time employees.

Participants in the Phased Retirement Plan are eligible to participate in shared leave and FMLA leave in the same pro rata conditions as for permanent part-time employees.

UNIVERSITY STATUS OF PARTICIPANT

Tenure

A tenured faculty member who participates in the Phased Retirement Plan shall continue to be deemed a tenured member of the faculty for the specific length of time indicated in the phased retirement agreement.

Promotion

The academic participant remains eligible for consideration for promotion. Such advancements shall be assessed on the same basis as for full-time appointees.

Faculty Senate Voting Privileges

Voting privileges are subject to the rules and regulations of the bylaws and constitution of the Faculty Senate.

Non-Teaching Assignments

For the purpose of a faculty phased retirement contract, the department chair and dean will consider non-teaching duties as well as courses taught in defining a full-time faculty load and percentages thereof. In developing the provisions of the contract, the academic participant and the Dean or other administrative unit head may negotiate the type and amount of non-teaching assignment expected of the participant, consistent with the reduced assignment.

Space and Support Requirements

Required office, laboratory space, secretarial service, computer use, and other support services may be made available. These services will be negotiable in developing the provisions of the contract.

The University's intent is to provide appropriate laboratory and office space, but exigencies of space and facilities use may not always permit this.

Faculty and Administrative Professional Handbooks

The participant continues to operate under the stipulations of the appropriate Handbook, except as otherwise provided in this policy.

PROCEDURES

Preliminary Process

Several months ahead of the formal request, persons considering Washington State University's Phased Retirement Plan should informally discuss with their administrative unit head, the professional staff in Benefit Services, and other appropriate persons, the advantages and implications of a reduced appointment.

Application Process

The University employee wishing to participate in the Phased Retirement Plan will submit a request, in writing, to the department chair and/or other administrative head. The written request should include no less than the desired percent of effort, the desired effective date and duration of the phased retirement, and an explanation of why this desired reduced effort and phased retirement would not materially alter the expectations and responsibilities inherent in the position.

Approval Process

1. The department chair or other administrative unit head will consult with the applicant and other appropriate members of the department to evaluate requests in terms of planning, personnel needs, phased retirement plan costs, space and support requirements for the applicant and potential replacement (s), and other pertinent factors.
2. The chair or other administrative head will submit a report of the unit recommendation and a preliminary listing of the proposed contract terms to the Dean or other administrative officer. The applicant will receive a copy of this recommendation.
3. The Dean or administrative officer will review the proposed contract terms and the departmental or unit recommendation and will forward it, together with a

personal recommendation, to the appropriate Vice President. The applicant will receive a copy of this recommendation.

4. The Vice President will make a determination based on the facts and merits of the recommendations. The Vice President's decision is final. Only the Vice President may authorize exception to the provisions of the Phased Retirement Plan. Any exception to the policy must be in writing and signed by both parties.

Development of the Formal Contract

If the request is approved by the authorized Vice President, the applicant will meet with the Vice President for Business Affairs or his/her designee to draw up a formal contract that will contain the provisions specified in this policy. Washington State University Legal Counsel will review all contracts.