

MEMORANDUM

TO: Eligible NC State Faculty

FROM: Warwick A. Arden, Executive Vice Chancellor and Provost 

SUBJECT: Phased Retirement Program 2022-2025

DATE: September 21, 2021

The Phased Retirement Program (PRP) is intended to facilitate retirement decisions by allowing eligible faculty the option to continue participation in academic life and mentoring of students while preparing for the future. PRP was first introduced in 1988 to allow eligible tenured faculty to receive retirement benefits and work part-time for NC State on a three-year academic contract.

You may be eligible or will become eligible for the 2022-2025 PRP period, according to institutional data. Participation is contingent upon verification of eligibility.

Eligibility

Full-time tenured faculty members with at least five (5) years of NC State University service who participate in the Teachers' and State Employees' Retirement System (TSERS) or Optional Retirement Program (ORP) are eligible to apply for the PRP participation if they:

1. are at least age 62 [for TSERS participants] or at least age 59 ½ [for ORP participants] upon entering the Phased Retirement Program by July 1, 2022; and
2. are eligible to receive a benefit under the TSERS or ORP plans.

A break in service for TSERS participants is not required prior to entering PRP because the ages listed above meet the "normal retirement age" for the purposes of this program.

Note: EHRA administrators or professionals who hold faculty rank are eligible to participate in the PRP after vacating the administrative or EHRA professional position and returning full-time to their tenured faculty position.

Application Period

Applications for the 2022-2025 PRP will be accepted no sooner than **September 23, 2021** and no later than **February 16, 2022**. Participation may be accepted on a first-come, first-served basis.

Guidelines and Procedures

PRP information and other related documents as follows, can be found at <http://go.ncsu.edu/prp>.

- Phased Retirement Program for Tenured Faculty, Regulation 05.57.01
- UNC Phased Retirement Application and Re-employment Agreement Form
- UNC Phased Retirement Program General Release Form
- Phased Retirement Program Guidelines for 2022-2025
- Frequently Asked Questions about the PRP
- Work Plan Template (Optional)

Please read all PRP materials closely to ensure full understanding of the following principles and procedural aspects of the application process.

1. You do not have an absolute right to participate in the PRP. NC State academic departments may limit participation in the PRP in response to bona fide financial exigencies, or if an individual's participation would substantially weaken academic quality or disrupt program sequence. The limitation with respect to constraints of financial exigencies will be applied consistently to all eligible faculty seeking to commence enrollment in the PRP the same fall semester.
2. The three-year PRP contract for 2022-2025 begins on July 1, 2022.
3. If you are accepted into the PRP and decide to participate, you relinquish permanent tenure, terminate your current full-time position and formally retire. In return, NC State contracts with you for half-time (.5 FTE) re-employment for up to three (3) years at an amount equal to fifty percent (50%) of the full-time base annual faculty salary you received immediately prior to phased retirement (based on your prior nine- or twelve-month contractual term, as applicable). The amount is paid over the 12-month fiscal period beginning July 1, 2022.
4. In November of 2020, the Phased Retirement Regulation 3.3.1 was revised to allow for summer school salary. PRP participants may earn summer salary (9-month faculty) and additional compensation (9- and 12-month faculty) per [NCSU REG 05.58.01 – Additional Compensation Paid through the University](#) with one exception: PRP participants in TSERS may not earn summer salary in the second summer school session during the summer they enter the PRP."
5. You negotiate individually with your academic department head to determine your specific PRP work plan duties. Feel free to utilize the optional work plan template.
6. Upon entering the PRP, you continue to be subject to performance reviews. You are eligible for salary increases in the 2nd and 3rd years of the PRP, based on merit. PRP participants who retire in TSERS are subject to the TSERS yearly earnings limit. Exceeding the TSERS earning limitation will jeopardize retirement benefits and health insurance for the remainder of the calendar year. You are responsible for obtaining your annual earnings limit and informing your department head if a salary

increase will jeopardize receipt of your monthly retirement benefits from TSERS. You may log on to TSERS' online system, ORBIT, to access your earnable allowance limit.

7. As a PRP participant you may participate in all employee benefit programs for which you are eligible as a half-time employee. Mandatory retirement plan contributions will cease.
8. If you are accepted into the PRP and decide to participate, you will sign a Release form as a condition of PRP participation. As required by the Age Discrimination in Employment Act (ADEA), you are allowed at least forty-five (45) calendar days to execute and return the "Agreement" and the "Release". The forty-five day period begins on the date of delivery to the faculty member, as evidenced by the return receipt signed upon delivery. You are encouraged to consult with your legal counsel and/or financial advisors before making a decision to enter the PRP.
9. Once the Agreement and Release are signed by all parties, PRP becomes final after a 7-day revocation period. A decision to enter the PRP is binding once made; however, phased retirement may be terminated if mutually agreed upon by both you and NC State administration.
10. A faculty member who enters the PRP retains his or her professorial rank and the full range of responsibilities and rights associated with it except for the status of permanent tenure; as a faculty member without tenure, a faculty member on phased retirement is no longer eligible to vote with their Departmental Voting Faculty in reappointment, promotion and tenure cases. A PRP participant is subject to annual performance reviews and is eligible for salary increases and merit pay based on annual evaluations after the first year of PRP participation (any salary increase for a PRP participant would be subject to any limitations imposed under TSERS). A PRP participant will continue to be subject to policies, regulations and The Code of The University of North Carolina and NC State University.
11. Enrolling eligible faculty members may elect to begin receiving the benefits they have accrued under either TSERS or ORP, but they are not required to do so; however, so long as an eligible faculty member does not receive a monthly retirement benefit, he or she will not receive the retiree health benefits provided by the State (if eligible).

Information Sessions

Decisions regarding retirement can be complex. The PRP is designed to facilitate a transition to retirement by allowing you to continue to participate in academic life and in the mentoring of students, while preparing for the future. Phased retirement information sessions will be held via Zoom on **Thursday, September 30, 10 a.m. - 12 p.m.**, and **Monday, October 4, 2-4 p.m.** [Register here to attend.](#)

You may also contact Margot Henion, UHR Benefits Consultant and Phased Retirement Manager, at 919-515-4319 or mlhenion@ncsu.edu if you have questions or need assistance.

cc: Deans
Academic Department Heads