

North Carolina State University Phased Retirement Program

Frequently Asked Questions (FAQs) from Faculty Members

Q: What are the basics of the Phased Retirement Program (PRP)?

A: The NC State Phased Retirement Program (PRP) allows full-time, tenured faculty members who meet certain age and service criteria the opportunity to retire and change from full-time to half-time employment at the university for three (3) years. PRP employment consists of a half-time workload and a half-time salary. Upon entering the Phased Retirement Program, the faculty member relinquishes tenure in exchange for a three year fixed term Phased Retirement Program contract.

Q: Who is eligible for the PRP?

A: Current tenured faculty members with at least five (5) years of full-time NC State University service who participate in the **Teachers' and State Employees' Retirement System (TSERS)** are eligible to apply for the PRP if they are at least age 62 upon entering the Phased Retirement Program and are eligible to receive a benefit from the TSERS plan.

Current tenured faculty members with at least five (5) years of full-time NC State University service who participate in the **Optional Retirement Program (ORP)** are eligible to apply for the PRP if they are at least age 59 1/2 upon entering the Phased Retirement Program and are eligible to receive a benefit from the ORP plan.

Q: I participate in the TSERS retirement system. Is a mandatory break in service required if I am accepted and enter into the Phased Retirement Program?

A: No, the Phased Retirement Program is exempt from mandatory break-in-service requirements.

Q: I think I am eligible for the PRP but did not receive a PRP eligibility for enrollment letter. What should I do?

A: You may contact Gareth Washington, University Benefits Director at 919-515-4318 or by email at ghwashin@ncsu.edu

Q: Is it possible for a faculty member to receive notification of PRP and not be eligible to participate?

A: Yes, a faculty member may receive information on PRP if personnel data is not accurately denoted for a faculty member at the time communication is sent. Each individual's eligibility criteria is verified by Human Resources at the time the faculty member submits an application for the program.

Q: How do I apply for the PRP?

A: Section 5 of the [Phased Retirement Program for Tenured Faculty Regulation](#) explains the application and reemployment process in detail. The following steps summarize the application process:

1. Faculty member applies by submitting an **unsigned** [Phased Retirement Program Application and Reemployment Agreement](#) ("Agreement") to their department head.
2. The department head will confer with the faculty member, and propose the three year, halftime PRP work plan.
3. The department head will prepare and sign the Agreement and pass it to the dean for consideration.
4. If approved, the dean will sign the agreement and submit it to the HR-Benefits Department who will in turn, request review and approval by the Provost.
5. If approved, the provost will mail the Agreement, along with a UNC Phased Retirement Program 2024-2027 General Release ("Release") via certified mail, to the faculty member's home address on record.

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6. The faculty member reviews the Agreement and Release, **then signs** the Release in the presence of a Notary Public, and returns both documents to the HR-Benefits Department.

Q: What is the deadline for applying?

A: The application review period for faculty to apply for the 2024-2027 PRP term is **September 22, 2023 through February 16, 2024**.

Q: What if I or my department submits my application on the deadline or the last day, but the Benefits office does not receive it until after the deadline?

A: A faculty member formally applies to the PRP by submission of the UNC Phased Retirement Program Application and Re-employment Agreement (the "Agreement"). In this application, the department head, after conferring with the faculty member, propose the duties for a half-time work plan during the 3-year PRP term. Once HR Benefits gets the application, we will consider your application in process although the document has not signed by the faculty member. Consider hand-delivering the document to the HR Benefits office.

Q: What should I read to learn more about the PRP?

A: The [Phased Retirement Program for Tenured Faculty Regulation](#) is a source to answer policy and operational questions. For PRP documents, guidelines, information about retirement, benefits continuation and other items of interest please visit the [HR Benefits web site](#).

Q: What must my work plan in the Phased Retirement Application include to be approved by the Provost?

A: The Senior Vice Provost for Faculty and Academic Affairs reviews all PRP work plans prior to recommending them for the Provost's approval. The Senior Vice Provost for Faculty and Academic Affairs may return any work plan for additional details. The most common reason a work plan is returned to an applicant is that it is unclear whether the effort described is half-time effort, as required. For example, if a PRP applicant only states that she will teach two classes per year, then this presumes that her current workload is to teach four classes and nothing else (no research, service, student mentoring, etc.). This would be unusual and cause for the Senior Vice Provost for Faculty and Academic Affairs to request a revision, which will require new approvals from the Department Head and Dean. Ideal work plans include a brief description of the applicant's current responsibilities as important context for evaluating the reasonableness of the PRP work plan.

Q: If I have questions after I read the Phased Retirement Program guidelines and benefits information, who do I contact?

A: Contact Gareth Washington, University Benefits Director at 919-515-4318 or by email at ghwashin@ncsu.edu

Q: Can I start Phased Retirement in January?

A: No, the PRP starts on July 1 to commence with the academic year each August 16th.

Q: How much do I earn while on Phased Retirement?

A: You earn 50% of your full-time base salary just prior to entering the program. One-half of salary for active employment is a faculty member's base salary, exclusive of any supplements received for special assignments, summer school, or summer research/overload for the purpose of the Phased Retirement Program. The State Retirement System, however, uses actual earnings subject to retirement contributions as the basis for its test of one-half salary. With this being said, there may be a difference between the one-half

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salary that an eligible faculty may receive from NC State under the Phased Retirement Program and the State Retirement System's definition of one-half of final salary. It may be possible that a faculty member's one-half salary amount may be lower than the amount that the State Retirement System uses to determine if a faculty member has exceeded the 50% earnings limit. In some cases, for example, a faculty member may have received supplements for additional employment or summer school that may increase the State Retirement earnings limit, but these supplements will not increase the base pay for the purpose of calculating one-half of base pay [for PRP] at NC State.

Q: Is there a limit on how much summer school and other supplemental pay can be earned while participating in the Phased Retirement Program?

A: The NC State University policy was revised in November of 2020. PRP participants may earn summer salary (9-month faculty) and additional compensation (9 and 12 month faculty) for tasks outside their work plans. One exception: no summer salary for TSERS participants in the second summer school session of the summer they enter the PRP. TSERS faculty are responsible for staying within the allowable earning limitations. TSERS faculty should obtain this information annually through the Retirement System. UNC General Administration also notes the importance of abiding by the conditions under which the PRP was grandfathered by the legislature and was not made subject to the 6 months break in service required of other retirees. Additionally, effective 2007, if a Teachers' and State Employees' Retirement System (TSERS) employer July 1, hires or has hired a retiree as an employee, the employer shall enroll the retiree in the active group of the State Health Plan and pay the cost for the coverage if that retiree is employed in a position that would require the employer to pay the cost of the State Health Plan coverage if the individual had not been retired. Keep in mind that additional pay of any kind, such as summer pay, has efforts associated with the pay which may very well place a faculty member in a benefits-eligible status. If this occurs, the benefits for a retiree will be jeopardized.

Phased Retirement Program participants who retire from the Teachers' and State Employees' Retirement System are subject to an [allowable earnings limitation \(see page 33\)](#) rule that if exceeded, may place the retiree in jeopardy of having retirement benefits suspended.

Q: Do I get salary increases while in PRP?

A: The PRP participant is eligible for salary increases and merit pay based on annual evaluations after the first year of PRP participation (salary increases are prohibited during the first year). Participants retired from the Teachers' and State Employees' Retirement System (TSERS) are responsible for closely monitoring earnings so as not to go over the [allowable earnings limitation \(see page 33\)](#) with the State Retirement System.

Q: How long will I be re-employed under PRP?

A: The re-employment period for PRP is up to three academic years.

Q: How will I be notified if I am approved for the PRP?

A: You will receive written notification of acceptance into the Program, following submission of all finalized documents to the HR-Benefits Department. Once the Provost finalizes approval of your application, the form is sent to you for your signature as a final step.

Q: Can I revoke my Phased Retirement Program Application?

A: A faculty member has the right to revoke the Agreement and Release anytime within seven (7) days of the date both documents are fully executed by all parties. A written, signed statement of intent must be submitted to the department head

Q: If I revoke my Agreement and Release, do I still have my full-time faculty position?

A: The eligible faculty member will continue in his or her same full-time employment status as held immediately prior to the execution of the Agreement and the Release.

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Q: Does a revocation of the Agreement and Release prevent me from applying for the program in future years?

A: The faculty member may apply for the Program in subsequent years.

Q: If I apply for the PRP, am I guaranteed participation?

A: No. [Section 4.2](#) of the [Phased Retirement Program for Tenured Faculty Regulation](#) explains that financial exigency and academic program compromise considerations are the means by which a PRP applicant may be denied entry to the PRP.

Q: Why do I relinquish my tenure?

A: Tenure is relinquished because those who enter the Phased Retirement Program are considered retired faculty members.

Q: If I enter into the PRP and decide I no longer wish to participate, what steps do I take?

A: By written, mutual agreement, both parties (NC State department/college and PRP participant) may terminate the agreement at any time.

Q: How do I apply for emeritus status?

A: Consult with your Department Head as emeritus status is initiated by their recommendation. This is outlined under [Emeritus Faculty Status Procedures](#).

Q: What is the impact of choosing to change to emeritus status?

A: A PRP participant may request to be awarded emeritus status (e.g., Professor Emeritus) effective during their PRP three years of re-employment, or, a PRP participant may choose to remain with the current rank (e.g., Professor). The option is given since faculty place varying degrees of importance on having or not having emeritus status.

Q: Does a retired endowed faculty member's emeritus rank continue to include the name of the endowment, e.g., if a former full-time professor was ranked as "IBM Professor", is the emeritus rank "IBM Professor Emeritus" or "Professor Emeritus"?

A: The faculty member can choose either (using the example above) "IBM Professor Emeritus" or "Professor Emeritus."

Q: What are the salary and source(s) of the salary for a retiring endowed faculty member who will be re-employed at NC State post-retirement, either through the PRP or through a post-retirement reemployment arrangement with the department head (non-PRP)? Can the half-time salary of a PRP assignment or part-time non-PRP arrangement include funds from the endowment?

A: Endowment funds are returned to the dean upon the endowed faculty member's retirement and should be used to make a new hire in the endowed position. The endowment funds may not be used for the reemployment of the retired faculty member. If the retiring endowed faculty member enters the PRP, then PRP guidelines apply and PRP salary can be no greater than 50 percent of the former full-time salary in the endowed position and must be funded using existing college funds without using the endowment funds. If the endowed faculty member is re-employed via an individually developed post-retirement arrangement, i.e., non-PRP, the department head and dean are responsible for determining the salary level and funding source(s) from within existing college funds without using the endowment funds.

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Q: If a faculty member decides to enter PRP employment and delay receiving a retirement benefit, will the university still pay for the employee's medical insurance?

A: The state of North Carolina pays the cost of medical insurance for full time (.75 time or greater), active or officially retired employees. PRP participants who choose to defer retirement benefits until a later date are responsible for paying the full cost of health insurance premiums via payroll deduction.

Q: If I defer TSERS retirement until a later date, how my sick leave (if applicable) is affected?

A: For members of Teachers and State Employees Retirement System (TSERS), sick leave earned while full-time may be used in the retirement calculation if retiring within five years of leaving full-time employment.

Q: Do PRP participants accrue sick leave and annual leave?

A: 12-month faculty members entering the Phased Retirement Program will receive a lump sum payout of accrued leave time to include a maximum of 240 annual leave hours and all bonus leave accumulated. Phased Retirement Program Participants do not earn leave time.

Q: Do faculty in the PRP participate in departmental activities as before?

A: Participation of PRP faculty in departmental activities is at the discretion of the Department Head with the exception of those areas in which participation is limited to tenured faculty and other policies or regulations govern.

Q: How do I apply for my retirement benefits once I am approved for PRP?

A: Immediately following receipt of the PRP acceptance letter, a Benefits Consultant will be assigned and will assist PRP participants with the retirement process.

Q: What are my retirement benefit payment options?

A: Information about retirement benefit payment options can be found in the [State Employees' Retirement Handbook \(TSERS\)](#) or from an [ORP representative](#).

Q: How do I find out how much creditable service I have with TSERS?

A: TSERS account information including years of service can be obtained through TSERS' on-line [ORBIT](#) portal (On-line Retirement Benefits through Integrated Technology).

Q: Do I still make payroll contributions to TSERS or the ORP while on PRP?

A: TSERS and ORP contributions will cease effective with the transition to the Phased Retirement Program; however, you may continue participation in the 403(b) or 457 [voluntary/supplemental retirement plans](#).

Q: If I attain age 70 ½ while participating in the Phased Retirement Program, do I have to take a required minimum distribution from my university-sponsored supplemental retirement plan?

A: Specific rules apply to age 70 1/2 required minimum distributions. Because tax related circumstances vary by individual, please contact a tax advisor or [voluntary/supplemental plan vendor](#) for details.

Q: What benefits and other payroll deductions will continue while on PRP?

A: You may continue participation in the following benefit plans via payroll deduction: supplemental retirement plans (403b and 457), NCFlex benefits (dental, vision, flexible spending account, etc), MetLife Legal, Long Term Care and Travelers Insurance. Those enrolled in the Securian Life plan will receive information directly from Securian Life regarding continuation of coverage and payment

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options. Payroll deductions for parking, gym locker fees, charitable contributions and State Employees' Credit Union will also continue.

[The NCSU Transportation site](#) indicates that PRP employees retain their permit and gate card, and continue to pay the regular permit rate for the duration of the three-year PRP assignment. Upon full retirement, you may apply for a retirees' parking permit. Section [1.1.46 Parking and Transportation Ordinances](#) explains that PRP employees retain their pre-employment permit and continue to pay the regular permit rate for the duration of the three-year PRP assignment.

Questions from Deans and Department Heads

Q: Why did I, as a dean or department head, receive the PRP eligibility for enrollment letter?

A: All academic deans and department heads receive the PRP eligibility and enrollment information so they have access to the same materials PRP-eligible faculty members receive. A department head is the negotiating party with an applying faculty member. It is important that both parties receive, read, and understand the same PRP information. As the NC State [Phased Retirement Program for Tenured Faculty Regulation](#) explains, after the faculty member and department head sign a PRP application, it is sent to the dean for signature.

Q: Can I receive a list of all eligible faculty members for this year and future years?

A: No. The Office of the UNC President's review of the Age Discrimination in Employment Act (ADEA) indicates that individual age-related data cannot be shared with any administrative party involved in the PRP workplan negotiation process; therefore, deans and department heads will not receive such information. To ensure compliance with ADEA regulations, the HR Information Management Department prepares ADEA information rather than the HR Benefits Office or Office of the Provost.

Q: A faculty member in my department may be eligible and should have received a PRP eligibility for enrollment letter but did not. What do I do?

A: You may contact Gareth Washington, University Benefits Director at 919-515-4318 or by email at ghwashin@ncsu.edu for eligibility research and verification.

Q: Is it possible for a faculty member to receive an eligibility-for-enrollment letter and not be eligible?

A: Yes, a faculty member may receive information on PRP if personnel data is not accurately denoted for a faculty member at the time communication is sent. Each individual's eligibility criteria is verified by Human Resources at the time the faculty member submits an application for the program.

Q: When do the 45-day review and 7-day revocation time periods begin?

A: [Section 5.4](#) of the [Phased Retirement Program for Tenured Faculty Regulation](#) explains that upon department head, dean and provost approval, the faculty member will be provided via certified mail, finalized versions of both the Agreement and Release to consider and sign. As required by the Age Discrimination in Employment Act (ADEA), the faculty member will have up to forty-five (45) calendar days to sign and return the Agreement and the Release to the HR-Benefits Department. [Section 5.5](#) of the [Phased Retirement Program for Tenured Faculty Regulation](#) explains that once an application is fully executed, the commitment to enter the PRP becomes irreversible if no written revocation is submitted from the faculty member to the department head within the seven (7)-calendar day revocation period.

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The 45 day review period begins date of the email sent, while the 7 day revocation period begins as of the date all parties (dean, department head and faculty member) have signed the agreement.

Q: What should I consider when working with the faculty member on his or her work plan?

A: The Senior Vice Provost for Faculty and Academic Affairs reviews all PRP work plans prior to recommending them for the Provost's approval. The Senior Vice Provost for Faculty and Academic Affairs may return any work plan for additional details. The most common reason a work plan is returned to an applicant is that it is unclear whether the effort described is half-time effort, as required. For example, if a PRP applicant only states that she will teach two classes per year, then this presumes that her current workload is to teach four classes and nothing else (no research, service, student mentoring, etc.). This would be unusual and cause for the Senior Vice Provost for Faculty and Academic Affairs to request a revision, which will require new approvals from the Department Head and Dean. Ideal work plans include a brief description of the applicant's current responsibilities as important context for evaluating the reasonableness of the PRP work plan.