

# **PHASED RETIREMENT PROGRAM 2024-2027**

# **2024-2027**

# **Phased Retirement Program**

The Phased Retirement Program (PRP) gives eligible, tenured faculty the opportunity to retire, yet continue half-time employment for a three-year contract period.

# **2024-2027 Phased Retirement Program Eligibility**

- Tenured
- 5 years of NC State service
- Age 62 – TSERS
- Age 59 ½ - ORP
- Eligible to retire

# **2024-2027**

## **Phased Retirement Program**

### **Retirement**

- Those in phased retirement fully retire
- Phased retirement provides half-time employment with the university

# **2024-2027**

## **Phased Retirement Program Work Plan and Pay**

- PRP duties are negotiated with your Department Head/Dean
- A PRP participant maintains their academic (9-month) or fiscal year (12-month) appointment length and works a half-time (50%) workload within it.

# 2024-2027

## Phased Retirement Program Salary Calculation

- 50% of annual faculty base salary minus any administrative supplements
- Salary is paid July – June regardless of when you work
- Faculty who hold administrative positions must retreat to faculty status upon entering the PRP

# **2024-2027**

## **Phased Retirement Program**

### **Summer Salary and Additional Compensation**

- PRP participants may earn summer salary (9-month faculty) and additional compensation (9 and 12 month faculty) for tasks outside their workplans

# **2024-2027**

## **Phased Retirement Program Summer Salary and Additional Compensation**

- 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 earnable allowance (this information should be obtained through ORBIT annually by the retiree)



# **2024-2027**

## **Phased Retirement Program**

### **Half-time NCSU Salary**

- Paid monthly by NCSU payroll
- Salary is paid July – June regardless of when you work
- Taxable income
  - Federal, state and FICA
- Most benefit deductions may continue
  - Some deductions will stop

# **2024-2027**

## **Phased Retirement Program**

### **Half-time NCSU Salary**

What payroll deductions stop?

- TSERS, ORP (TIAA & Fidelity)
- State Health Plan
- Long Term Disability
- Securian Financial (can continue directly with Securian)
- State 401(k)

# 2024-2027

## Phased Retirement Program

### Applying for the Program

- The application can be electronically signed by all parties. Remember the faculty member should not sign the application until after it is approved by the Provost office.
- Forms should be scanned and emailed to Gareth Washington at [ghwashin@ncsu.edu](mailto:ghwashin@ncsu.edu)
- The General Release must be signed by the faculty member and notarized.

# 2024-2027

## Phased Retirement Program

### Applying for the Program

1. Review and complete the PRP Application and Re-employment Agreement
2. Submit the completed, **unsigned** application to your department head for discussion of the PRP work plan
3. After agreeing on the work plan, the department head will sign the agreement
4. The department head will pass the signed agreement to the dean for approval

# **2024-2027**

## **Phased Retirement Program**

### **Applying for the Program**

5. After the dean approves the agreement, it is passed to UHR Benefits. The Provost then receives all of the applications received by February 16, 2024
6. Upon Provost approval, the faculty member will receive by email and regular mail, the finalized and signed Agreement and the General Release form
7. Upon date of receipt, the faculty member will have 45 days to consider and sign the final Agreement
8. The faculty member returns both documents to UHR Benefits

# **2024-2027**

## **Phased Retirement Program**

### **Applying for the Program**

9. The faculty member then has 7 days to revoke their application and return to their position held prior to applying for the Program.
10. Should a faculty member wish to revoke their application, a written intent must be submitted to the department head with a copy sent to UHR Benefits prior to the end of the 7 days.

# 2024-2027

## Phased Retirement Program The Work Plan

- It should reflect a half-time (50%) workload.
- Does not reflect summer sessions for 9-month faculty
- It can give the Provost Office useful context to indicate current responsibilities and how phased retirement will represent half-time employment (optional template)

# 2024-2027

## Professorship and Emeritus Status

- Department Head can initiate the emeritus/emerita status approval process upon your PRP entry or completion.
- REGs and SOPs re: emeritus status available at Provost's website



# **2024-2027**

## **Professorships and Emeritus Status**

- Professorships of Distinction are relinquished upon entering PRP
- Except for Named Term Professorships, Professor of Distinction titles carry into emeritus / emerita status

# **2024-2027**

## **Phased Retirement Program**

### **Making the Transition**

- In March/April, the retirement process should begin with UHR Benefits
- You will officially retire on July 1, 2024

# **2024-2027**

## **Phased Retirement Program**

### **Making the Transition**

- July 1, 2024
  - PRP begins
  - Relinquish tenure
  - Half-time employment/salary begins
  - Retirement benefits begin
  - Annual and bonus leave are paid out at the end of July

# **2024-2027**

## **Phased Retirement Program**

### **Making the Transition**

- June 30, 2024
  - Final payroll for full-time employment
- July 1, 2024
  - Transition to half-time salary
  - Retirement effective date
  - Retirement payments begin (TSERS on the 25<sup>th</sup>)
- July 31, 2024
  - Final leave payout from NCSU and half-time pay

# **2024-2027**

## **Phased Retirement Program Making the Transition**

- July 31, 2024
  - Coverage on NC State University group health plan ends
- August 1, 2024
  - Health coverage begins on the State Retirement System group plan
  - If non-medicare eligible may continue same SHP coverage (expect as a retiree)
  - If Medicare-eligible, may be 70-30 plan or Humana
  - Medicare A/B must be effective no later than July 1

# 2024-2027

## Phased Retirement Program

Lump Sum Leave Payout  
(if applicable)

- All annual leave hours up to 240 based on FTE
- All bonus leave hours (SBL)
- $\text{Annual salary} \div 2080 = \text{hourly rate}$
- $\text{Hourly rate} \times \text{total hours} = \text{payout}$
- Paid in July payroll
- Payout is taxable!
- Subject to 6% TSERS or ORP contribution
- Can defer to 403(b) or 457

# 2024-2027

## Phased Retirement Program 403(b, 401(k) and 457 for PRP

- 403(b) and 457 contributions allowed
  - Up to \$27,000 per year, for each
- 401(k) contributions not permitted
- Age 72 minimum required distributions (MRD) are not required during PRP period
  - IRAs and other non-NCSU retirement plans require MRD

# **2024-2027**

## **Phased Retirement Program**

### **Retirement Income**

- TSERS is a defined benefit plan

You can run retirement calculations in ORBIT  
[www.myncretirement.com](http://www.myncretirement.com) -ORBIT



# 2024-2027

## Phased Retirement Program

### Retirement Income

- **Teachers' and State Employees' Retirement System (TSERS)**
  - Submit retirement application in March/April, 2024
    - Schedule a meeting with Gareth Washington, UHR Benefits Director
  - Enrollment into a retiree health plan happens automatically-30 days to change plan
  - Receive paperwork back from TSERS
    - Complete and return
  - Receive first payment (check) on 7/25/2024

# **2024-2027**

## **Phased Retirement Program**

### **Retirement Income**

- ORP is a defined contribution plan
  - Benefit is determined by investment performance of contributions
  - Must be in receipt of a monthly benefit in July 2023 for retirees' health insurance eligibility
  - Several payment options are available
  - Must meet with your ORP plan representative to discuss payment options and process a monthly distribution

# 2024-2027

## Phased Retirement Program Retirement Income

- **Optional Retirement Program**
  - Begin retirement process by April 3, 2024
    - Set up a meeting with Gareth Washington
      - Submit an ORP-3 Form
    - Meet with ORP plan representative
      - Set up monthly retirement benefit payment in order to be eligible for retiree medical
  - Enrollment into a retiree health plan happens automatically- 30 days to change plan

# 2024-2027

## Phased Retirement Program Taxation of Retirement Benefits

- State of NC tax exemption (Bailey)
  - If you became vested in TSERS or began ORP participation prior to August 1, 1989
  - Retirement benefits will never be taxable as long as your primary residence remains in the state of NC
  - Or if your primary residence changes to a state with no state income tax!

# 2024-2027

## Phased Retirement Program Taxation of Retirement Benefits

- Federal Taxation
  - A small portion of your retirement benefit may not be federally-taxable
  - Amount of benefit based on contributions made prior to July 1, 1982
    - Contributions were made on a post-tax basis

# **2024-2027**

## **Phased Retirement Program Break in Service**

The Phased Retirement Program is exempt from break in service rules that otherwise apply to non-PRP TSERS retirees.

# 2024-2027

## Phased Retirement Program

### Full SSA Retirement Age

Year of Birth	FRA
1937 or earlier	65
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943 – 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

University Benefits

# **2024-2027**

## **Phased Retirement Program**

### **Social Security Retirement**

- If you are under full retirement age for the entire year (minimum age 62)
  - \$1 for every \$2 you earn above the annual limit is deducted from monthly SS payment
  - \$ 21,240 is the earnings limit in 2024 (2025 not released)
  - Your retirement benefit does not count as earnings



# 2024-2027

## Phased Retirement Program Social Security Retirement

- In the year you reach full retirement age
  - \$1 in benefits is deducted for every \$3 you earn above the earnings limit
  - 2024 anticipated limit \$56,520 (not official)
  - Only earnings before the month you reach your full retirement age count!
- No earnings limitation applies starting with the month you reach full retirement age

**2024-2027**

# **Phased Retirement Program Social Security and Medicare**

Apply online, at [www.ssa.gov](http://www.ssa.gov)

# **2024-2027**

## **Phased Retirement Program SHP and Medicare**

- If age 65 or older when entering PRP, you must be enrolled in Medicare A and B upon entering the PRP as of July 1
- NC State can provide an employer statement showing why Medicare B was delayed due to participation on an employer group health plan upon request for you and your spouse.

# **2024-2027**

## **Phased Retirement Program SHP and Medicare**

- Medicare enrollment is automatic if you're in receipt of Social Security retirement payments
  - If not, enroll within 60-90 days before turning age 65
- Medicare Part B premium is deducted from your monthly Social Security retirement payment
- If you're not drawing Social Security retirement at age 65, Medicare will bill you for Part B

# **2024-2027**

## **Phased Retirement Program**

### **Retiree Health Insurance**

If over age 65 at retirement:

- Prior to your retirement, you will be defaulted to a Humana Medicare Advantage base plan
- You will have 30 days to change the coverage to the enhanced Medicare Advantage plan or the 70/30 health plan

# **2024-2027**

## **Phased Retirement Program**

### **Retiree Health Insurance**

If under age 65 at retirement:

- You will continue on your current State Health Plan.
- Your group will change to the Retirement System.
- New health insurance ID cards will be issued with the group number starting with “SR”.

# 2024-2027

## Phased Retirement Program

### Retiree Health Insurance

- Payroll deducted premiums stop in July for August coverage
- If TSERS: dependent premiums are deducted from monthly TSERS retirement payment
- If ORP: you will receive a bill from Itedium (contracted by SHP to do retiree health billing)
- SHP resources are available on their website

# 2024-2027

## Phased Retirement Program

### Exiting the Program

- You may exit the Program prior to the end of the 3 year contract period, with written, mutual consent between yourself and the department head/dean.
- You may continue employment with NC State, following the completion of the 3 year PRP contract period.

(No break in service as typically required for TSERS retirees.)



# **2024-2027 Phased Retirement Program Resources**

Phased Retirement Program information, guidelines, frequently asked questions, application and general release are available on our [website](#)

# **2024-2027 Phased Retirement Program Resources**

Teachers' and State Employees' Retirement  
System and ORBIT portal:

[www.nctreasurer.com](http://www.nctreasurer.com)

- ☐ Click on Retirement
- ☐ Click on ORBIT
- ☐ Register to create user name & password

# **2024-2027 Phased Retirement Program Resources**

**TIAA ORP and 403(b/457**

[www.tiaa-cref.org/uncorp/](http://www.tiaa-cref.org/uncorp/)  
[www.tiaa-cref.org/unc403b/](http://www.tiaa-cref.org/unc403b/)

1-800-842-2776

Erick Bell

919-687-5231

[erick.bell@tiaa-cref.org](mailto:erick.bell@tiaa-cref.org)

# **2024-2027 Phased Retirement Program Resources**

## **Fidelity 403(b)/457 and ORP**

[www.mysavingsatwork.com/atwork/uncorp.htm](http://www.mysavingsatwork.com/atwork/uncorp.htm)

[www.mysavingsatwork.com/atwork/unc403b.htm](http://www.mysavingsatwork.com/atwork/unc403b.htm)

1-800-343-0860

Cleo Morgan

[cleo.morgan@fmr.com](mailto:cleo.morgan@fmr.com)

(919) 500-1056

University Benefits

# **2024-2027 Phased Retirement Program Resources**

**Supplemental Retirement Plans  
401(k) and 457/Deferred Compensation:**

**[www.ncplans.prudential.com](http://www.ncplans.prudential.com)**

**Christy Kelly, CRC**

**[christy.kelly@empower.com](mailto:christy.kelly@empower.com)**

**(919) 602-8226**

# **2024-2027 Phased Retirement Program Application Period**

- Started: September 21, 2023
- Ends: February 16, 2024

# **2024-2027 Phased Retirement Program Resources**

**Social Security Retirement and Medicare**

**[www.ssa.gov](http://www.ssa.gov)**

**[www.mymedicare.gov](http://www.mymedicare.gov)**

**4701 Old Wake Forest Rd, Raleigh**

**1-800-772-1213**

# **2024-2027 Phased Retirement Program Resources**

**Jonathan Holloway**  
Program Coordinator, Office for Faculty  
Excellence

**(919) 515-7018**

**Email: [jphollow@ncsu.edu](mailto:jphollow@ncsu.edu)**



# **2024-2027 Phased Retirement Program Resources**

**UHR Benefits**

**Gareth Washington, UHR Benefits Director**

**919-515-4318**

**Email: [ghwashin@ncsu.edu](mailto:ghwashin@ncsu.edu)**

**Appt: [go.ncsu.edu/garethwashington](https://go.ncsu.edu/garethwashington)**

# **2024-2027 Phased Retirement Program**

## **Questions?**