
SUBJECT: PHASED RETIREMENT PROGRAM (ALL ELIGIBLE EMPLOYEES)

1.0 POLICY

- 1.1. The Phased Retirement Program is (1) to encourage staffing flexibility, consistent with overall College and individual needs, and (2) to provide faculty and staff an opportunity to devote increased time to personal interests by partially retiring, or retiring in planned stages, while continuing to provide service to the College in their area of greatest expertise.

2.0 DEFINITIONS

- 2.1. *Retirement* means the full or partial termination of regular, compensated employment and the initiation of retirement benefit payments or annuities under an applicable retirement program.
- 2.2. *Early Retirement Program* means an arrangement for retirement before age 65 or full retirement age with payments as provided in a written contract between the College and the retiree.
- 2.3. *Phased Retirement Program* means an arrangement for partial retirement, or retirement in planned stages, as provided in a written contract between the College and the faculty or staff member, consistent with the provision of this policy.

3.0 GENERAL

- 3.1. The Phased Retirement Program is available to employees of the college who are at least 57 years of age and have completed at least 10 years of continuous service for the College immediately prior to participation in the Phased Retirement Program, and who are eligible for and enrolled in one of the retirement programs offered by the College. (Eligible employees who apply and are approved for the Phased Retirement Program are not eligible to apply for the College's Early Retirement Program.)
- 3.2. The term of the phased retirement period will be clearly defined in the Phased Retirement Agreement, but will in no case extend beyond the individual's Social Security Full Retirement Age (FRA) as defined by federal law.
- 3.3. Participation in the Phased Retirement Program is not an entitlement or a right automatically available to all persons who meet the eligibility criteria, but is subject to administrative approval and approval of the terms and conditions reflected in a written contract specifying the arrangements under which the individual will be placed in phased retirement status.

- 3.4. While the College administrators will give consideration to all requests to participate in the Phased Retirement Program, the nature of the working assignment of the individual may not lend itself to a reduced schedule or a reduction in responsibilities, and other practical considerations (e.g., impact of existing phased retirement participants on the department, lack of office space, or funding considerations, etc.) and may preclude approval of Phased Retirement proposals.
- 3.5. The individual who enters the Phased Retirement Program must agree to a reduced FTE (Full-time Equivalent) employment status with the College, with the clear understanding that the total FTE percentage for all services performed for the College as an employee cannot thereafter be increased, although it may be decreased.
- 3.6. For an individual to enter a Phased Retirement Program, the FTE percentage assignment for that employee must be reduced by an amount greater than one-fourth (i.e., to a level of less than 0.75 depending on current FTE) over the same or a reduced appointment period (i.e., a nine (9)-month appointment may not be extended to twelve (12) months, but a twelve (12)-month appointment may be reduced to less than nine (9) months). The FTE level initially agreed upon may later be reduced in decrements of 0.25 FTE or more by an addendum to the contract.
- 3.7. Overload, extra contractual assignments, and any other ancillary assignments will NOT be considered as part of the base period assignment for calculation of the Phased Retirement incentives.
- 3.8. Phased Retirement Programs may be approved by the dean/director, and the cognizant vice president for a maximum of three (3) years in length. In extenuating circumstances and at the President's discretion, the maximum years may be increased beyond three.
- 3.9. In the event a phased retiree accepts a position at another education institution, the Phased Retirement Agreement between the retiree and the College will terminate as of the date the retiree accepted such other educational employment, and all benefits under this agreement will cease as of said date.

4.0 PHASE RETIREMENT INCENTIVES

- 4.1. Employee Benefits: Unless specific provisions to the contrary are included in an individual's Phased Retirement Agreement with the College, that person will be entitled, for the duration of the agreement, to the same status and employment related benefits as he/she had

attained prior to the effective date of the agreement, except annual and sick leave will be earned on a pro-rata basis according to the percent of time in the phased retirement agreement.

- 4.2. Financial Incentive: participants in the Phased Retirement Program are entitled to financial incentive payments to compensate for the reduced retirement contributions resulting from a reduction in the FTE assignment. The financial incentive is the difference between what the College contributes to the participant's retirement fund before and after the phased retirement takes effect.
- 4.3. The financial incentive will be in the form of additional salary payment to be contributed by agreement to a College-sponsored supplemental retirement account of choice of the individual participant. The phased retiree will also be allowed to begin withdrawals and/or payments or annuities from the retiree's basic retirement plan where such an arrangement is allowable under state and federal law.
- 4.4. The financial incentive amount will become part of the phased retirement agreement and will not be adjusted because of any subsequent salary increased unless a new formal agreement between the parties is executed.
- 4.5. In unusual situations, and with the specific approval of the cognizant dean, vice president and President, and additional financial incentive amount may be granted to the employee in return for an accelerated phased retirement program. Such additional incentive amounts will not be treated as salary increases as referred to above.
- 4.6. Salary Payments: Salary payments during the phased retirement period will be comprised of two (2) components. The first is base salary (computed using the salary base defined above) just prior to phased retirement multiplied by the FTE percentage defined in the Phased Retirement Agreement. This portion of the salary may be increased during the period of phased retirement based on College guidelines for annual salary increases.
- 4.7. The second salary component is the financial incentive defined above. This component may not be increased during the period of phased retirement, except as covered Above.
- 4.8. Limitations on Additional Earnings: The salary components as defined above cover the phased retiree's total assignment for all services rendered to the College, regardless of funding source. However, the phased retiree will NOT be limited in salary payments or time spent for sporadic and/or occasional activities not related to the primary assignment, such as teaching on an adjunct basis.

5.0 PROCEDURES

- 5.1. An individual who wishes to be considered for participation in the Phased Retirement Program must submit a written request to the department head or director at least six (6) months in advance of the date upon which partial retirement is to be initiated. After consultation with the cognizant dean and/or vice president, the department head or director will advise the applicant whether the request has tentative approval.
- 5.2. Denial of the request does not preclude the approval of a subsequent request. If it appears reasonably likely that the request will be approved, the applicant should be encouraged to proceed with the application.
- 5.3. In the case of joint appointments, all appropriate department heads/directors must receive the written request and consult with their cognizant dean and/or vice president.
- 5.4. Upon receiving tentative approval, the applicant should make an appointment with the Office of Human Resources to obtain complete details of the Phased Retirement Program.
- 5.5. The applicant should initiate discussions with the Office of Human Resources and the cognizant dean and/or vice president for the purpose of drawing up a contractual agreement between the individual and the College for phased retirement. The Phased Retirement Agreement should specify the percent of time (FTE), specific length of the contract, and include a specific work plan of how the time in position will be used.
- 5.6. Upon completion of the discussions described above, a tentative contract should be completed. The tentative contract should then be submitted to the President for review and approval or modification. Upon his approval, the tentative contract will need to be approved by the Board of Trustees.
- 5.7. With approval of the Board of Trustees, a formal contractual agreement will be signed by the individual, the department head/director, and the cognizant dean, and vice president.
- 5.8. Any subsequent amendments to the agreement must receive the signed approval of the President.

6.0 RESTRICTIONS

- 6.1. The Board of Trustees reserves the right to discontinue or modify the Snow College Phased Retirement Policy at any time. However, any modification of the policy by the Board shall not affect any phased retirees who have signed retirement agreements prior to the effective date of such modification as long as the College continues in operation. Further, every effort will be made to give reasonable notice prior to discontinuing the Phased Retirement Policy.