

PHASED RETIREMENT PROGRAM

July 10, 2007

Purpose:

SUNY Cortland has developed a voluntary Phased Retirement Program designed to give eligible members of the academic and professional staff an opportunity for a phased approach to retirement. This Program allows individuals to move into retirement gradually through a voluntary reduction in work and commensurate reduction in pay. It also enables departments to plan for the replacement of long-term colleagues in advance of their actual full retirement.

Eligibility:

Full-time faculty who have at least ten years of full-time service at SUNY Cortland and who are age 55 or older.

Full-time professional staff who have at least ten years of full-time service at SUNY Cortland and who are age 55 or older at the time they begin program participation. The individual must hold a position that is reasonably able to split in a way that a portion of the job may be performed on less than a full-time basis without materially altering the expectations and responsibilities inherent in the position and without adversely affecting the area or program. Proposals outlining alternatives (e.g., hiring part-time staff) may be considered.

Program:

The following information provides details regarding the Phased Retirement Program. Employees are encouraged to seek counsel from their financial advisor to fully understand the financial implications of participating in this program.

Reduction in time – Upon request of the employee and after consideration of the Vice President, the Phased Retirement Program will allow participants to work at 25% or 50%. The associated workload will be established in consultation with the appropriate unit head (Dean, Director, Assistant or Associate Vice President) and is subject to approval by the Vice President. It is possible to further reduce the percentage of effort for year two or year three. The percentage of effort may not be increased except in unusual circumstances and only with the written support of the unit head and approval of the appropriate Vice President.

Faculty workload – The workload for faculty will be expressed in terms of teaching load or other assignment as agreed to by the faculty member and the Dean and subject to the approval of the Provost. There will be no expectation of committee work or other service-related obligations. A faculty member selecting 50% will teach nine hours each academic year. The following are examples of the variety of options available:

- Teach nine credit hours in the fall or spring semester
- Teach six credit hours in the fall and three credit hours in the spring
- Teach three credit hours in the fall and six credit hours in the spring

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- Teach six credit hours in the fall or spring semester
- Teach three credit hours in the fall and three credit hours in the spring

Assignments and work schedules are developed by the faculty member and the department chair and are subject to the approval of the Dean and Provost.

Length of contract - Phased retirement contracts can be for a minimum of one year and will be limited to a maximum of three years. Work beyond the third year will be under the usual and customary circumstances for the work being performed (e.g., as an adjunct for academic faculty).

Campus commitment - Employees should be aware that temporary and part-time term appointments do not offer the same security as continuing or permanent appointment. However, the intention of the College is to honor commitments made to any faculty or professional staff member who takes advantage of this program. Circumstances that could impact the contract include fiscal crises, program retrenchment, or gross misconduct (this is not an all-inclusive list).

Bargaining Unit – Employees who take advantage of this program remain represented by the United University Professions and are covered by the Agreement between UUP and the State of New York.

Options – Employees can choose one of two options:

- Option 1 – Remain an active employee and enter into the phased retirement with a future retirement date identified
- Option 2 – Retire and enter into the phased retirement program as a retiree

Option 1

Salary – The starting salary for the Phased Retirement Program is calculated as a percentage of the full-time base salary of the employee’s position immediately preceding participation in the phased retirement program. The salary will be the corresponding percentage of effort. Salary will be paid out over a full year in equal bi-weekly payments over 26 pay periods regardless of fluctuations in workload throughout the year. Any additional work will be paid at the appropriate rate for the work being performed (e.g., summer session, winter session, overload).

Negotiated salary increases – Phased Retirement Program participants remain eligible for negotiated across-the-board salary increases. They are not eligible for discretionary salary increases or any Presidential salary enhancements. Eligibility for any negotiated lump sum salary increases will be determined based on the contract language applicable to part-time employees.

Benefits – Participants remain enrolled as active employees in all benefits programs, including retirement. For Optional Retirement Program (TIAA-CREF) participants, this means that retirement contributions made by the state on behalf of the employees will continue until such time as the employee retires. The retirement contribution would be at the pre-phased retirement program percentage, but on a reduced salary.

For NYS Teachers' Retirement System (TRS) and Employees' Retirement System (ERS) participants, this means that they will continue to be reported to their respective retirement system. If they choose the 50% option, they will receive six months of service credit, and if they choose the 25% option, they will receive three months of service credit. Final average salary calculations are based on the last three highest consecutive years of earnings.

There will be no change in health, dental and vision coverage. Premiums for health insurance are established by the Department of Civil Service and are the same for full-time and part-time employees.

Sick leave credit is calculated using an "hourly" rate of pay for part-time employees, so employees will get the same credit they would have received if they remained in full-time status until retirement.

Union Dues – Dues will be calculated at .9% of the reduced salary.

Vacation and sick leave – Participants will continue to accrue sick leave and/or vacation leave, but will earn on a part-time basis as outlined in the UUP Agreement (see Article 23). For example, faculty will earn sick leave at the following rates: 1 course earns .25 days per month; 2 courses earn .50 days per month, etc. Professional staff will earn vacation and sick leave at the following rates: earnings up to \$11,424 earns .25 days per month, earnings from \$11,425 to \$17,237 earns .50 days per month, etc. (Subject to change under next Agreement.)

Sabbaticals and leaves of absence – Phased Retirement Program participants are not eligible for sabbatical leaves or Title F leaves. A faculty member who returns from sabbatical may immediately enter the phased retirement program to satisfy the one year return-to-work requirement. Participants may be eligible for other leaves, such as Family and Medical Leave Act leave, if eligibility requirements are met as defined by law.

Appointment status – Academic faculty must resign from their full-time tenured position and will be reappointed to part-time, term appointments at the academic rank achieved at the time they begin program participation. Professional staff must resign

from their full-time position and will be reappointed to a part-time, term appointment in a title appropriate to the work being performed.

Procedure:

Employees wishing to participate in the Phased Retirement Program must complete an application and submit it for appropriate approvals. It is recommended that the application be completed at least six months prior to beginning the program.

After the application is approved, the employee will be given a contract outlining the new terms of employment. This contract is irrevocable except that a participant can terminate employment earlier than originally expected.

The employee must sign the contract and return it with an irrevocable resignation for the purpose of retirement with a date coinciding with the cessation of the phased retirement program.

Option 2

Salary – The starting salary for the Phased Retirement Program is calculated as a percentage of the full-time base salary of the employee’s position immediately preceding participation in the phased retirement program. The salary will be the corresponding percentage of effort, but will not exceed the maximum allowed under the Retirement and Social Security Laws (\$30,000 for 2007) if the retiree is a member of the Employees’ Retirement System or the Teachers’ Retirement System. If the retiree is a member of the Optional Retirement Program (TIAA-CREF), the retiree is subject to the earnings limitations *only* if he/she is receiving money through the ORP in any form (e.g., annuity, partial cashouts, rollovers, etc.). If the retiree is age 62 to 65 and is collecting Social Security, earnings are further limited by Social Security (\$12,960 for 2007). Salary will be paid out over a full year in equal bi-weekly payments over 26 pay periods regardless of fluctuations in workload throughout the year. Participants will be ineligible to earn additional compensation through summer session, winter session, overload, etc.

Negotiated salary increases – Phased Retirement Program participants remain eligible for negotiated across-the-board salary increases. They are not eligible for discretionary salary increases or any Presidential salary enhancements. Eligibility for any negotiated lump sum salary increases will be determined based on the contract language applicable to part-time employees.

Benefits – Participants will be enrolled as retirees in the health insurance program. There will be no change in dental and vision coverage. Premiums for health insurance are established by the Department of Civil Service and sick leave calculations are used to offset the premiums for retirees. There will be no further contributions or service credit to the retirement systems. Participants will be retired from SUNY Cortland and will not be eligible to participate in any legislated retirement incentives.

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Vacation and sick leave – Participants will continue to accrue sick leave and/or vacation leave, but will earn on a part-time basis as outlined in the UUP Agreement (see Article 23). For example, faculty will earn sick leave at the following rates: 1 course earns .25 days per month; 2 courses earn .50 days per month, etc. Professional staff will earn vacation and sick leave at the following rates: earnings up to \$11,424 earns .25 days per month, earnings from \$11,425 to \$17,237 earns .50 days per month, etc. (subject to change under next Agreement).

Sabbaticals and leaves of absence – Phased Retirement Program participants are not eligible for sabbatical leaves or Title F leaves. A faculty member who returns from sabbatical is not eligible to immediately enter the phased retirement program under Option 2. Participants may be eligible for other leaves, such as Family and Medical Leave Act leave, if eligibility requirements are met as defined by law.

Appointment status – Academic faculty must resign for the purposes of retirement and will be reappointed to a part-time, temporary position at the academic rank achieved at the time of retirement. Professional staff must resign for the purposes of retirement from their full-time position and will be reappointed to a part-time, temporary appointment in a title appropriate to the work being performed.

Procedure:

Employees wishing to participate in the Phased Retirement Program must complete an application and submit it for appropriate approvals. It is recommended that the application be completed at least six months prior to beginning the program.

After the application is approved, the employee will be given a contract outlining the new terms of employment. This contract is irrevocable except that a participant can terminate employment earlier than originally expected.

The employee must sign the contract and return it with an irrevocable resignation for the purpose of retirement prior to beginning the Phased Retirement Program.

(revised 8/2/07)