

PHASED RETIREMENT PROGRAM

A Phased Retirement Program (PRP) is available to all benefits-eligible employees immediately following the employee's 60th birthday and providing the employee has at least five (5) years of full-time service at the time the request to participate in the program is made. Individuals in positions not funded with base operating dollars (e.g. grant and auxiliary) must provide written support from their funding source.

The conditions that govern the program are essentially the same for all employees who meet the eligibility requirements. However, for Support Staff employees, the Indiana Public Employees' Retirement Fund (PERF) does not consider phased retirement as a break in service and as a result employees participating in the PRP will not be eligible to receive retirement benefits from PERF until after the PRP position ends (see Benefits Eligibility below for more details). Benefits eligibility during the phased retirement period is based upon the employee's qualifications for benefits under the University Retirement Policy*. The conditions and benefits eligibility issues are addressed as follows:

Conditions

1. The employee would be eligible to be considered for the Phased Retirement Program by submitting a [PRP application](#) to the Provost or division Vice President at least six (6) months in advance of the proposed effective date of separation/retirement. As part of the PRP application, the employee must indicate a retirement date or separation date that would precede the start of the PRP period. The retirement/separation date would be contingent upon acceptance into the PRP program.
2. The Provost or division Vice President will review the PRP application and approve or deny the request within 60 days of receipt of the application. It is understood not all requests may be granted. The number of faculty within a department and the credit hour load will be considered in evaluating faculty requests. Likewise the divisional Vice President will determine if a request from an exempt or non-exempt employee can be accommodated based on the needs and workload of the division.
3. There is no guarantee the employee will be assigned the same job duties as their current position or assignment. Job duties will be determined and agreed upon by the employee and his/her supervisor as a part of the PRP agreement with the approval of the Provost or division Vice President.
4. Employees participating in the PRP will receive a salary based upon the level of reduction in their full-time employment. The reduced FTE and salary arrangement will continue for a maximum period not to exceed three years. The sum of the total reduced FTE percentage of time shall not exceed 100% over the three-year period.

For example, employees reducing their employment may choose:

1/3 time (.33 FTE) for three years equals 100%

1/2 time (.50 FTE) for two years equals 100%

Or any other reduced FTE combination not to exceed or 100% over three years.

5. Salaries under the PRP program will be eligible for any standard annual increase.

6. PRP participants shall not be eligible for sabbatical leaves or leaves with or without pay.
7. Once authorization to participate in PRP is granted, the employee may not revoke the approved reduction in FTE to return to full-time employment.

Benefits Eligibility

Employees Eligible for Benefits under the University Retirement Policy*

1. The beginning date on the PRP application should correspond with the retirement date for the benefits under the University Retirement Policy in order to ensure appropriate benefits continuation occurs. Questions regarding the coordination of benefits between the PRP and the University Retirement Plan should be directed to Staff Benefits.
2. Retiree Life Insurance – Employees eligible for reduced life insurance under the University Retirement Policy will transition to the retiree life insurance coverage volume.
3. Retiree Health Insurance - Employees eligible for retiree health insurance under the University Retirement Policy will transition to the retiree health insurance and be billed for the retiree share of the health insurance premium.
4. FICA (Social Security and Medicare) contributions and Worker Compensation – The University will continue to provide these benefits as part of the PRP. Depending upon age, employees may be able to begin Social Security payments. Contact Social Security for benefit and tax considerations.
5. Vacation and sick leave shall not continue to accrue. Likewise, convenience days for support staff positions will also not accrue.
6. University retirement contributions to TIAA-CREF shall not continue under the PRP. Within the parameters of the funding vehicles, employees can access their TIAA-CREF retirement accumulations during the phased retirement period. Please contact TIAA-CREF for more information regarding distribution options and tax considerations.
7. University sponsored long-term disability coverage will cease at the beginning of the PRP period.
8. For PERF covered employees, PERF does not consider the PRP as break in service with the University. As a result, PERF covered employees participating in the PRP will not be eligible to receive retirement benefits from PERF until after the PRP position ends. Retirement contributions will continue to be made by the University to PERF on behalf of the employee while in the PRP position as required by PERF.

Employee Not Eligible for Benefits under the University Retirement Policy*

1. No employer provided benefits other than FICA (Social Security and Medicare) contributions and Worker Compensation will be provided under a PRP.

2. Employees not eligible for retiree health insurance under the University Retirement Policy may exercise their COBRA coverage election to continue coverage under the active employee health insurance. The employee would be billed for the entire COBRA cost of the health insurance premium.
3. Vacation and sick leave shall not continue to accrue. Likewise, convenience days for support staff positions will also not accrue.
4. University retirement contributions to TIAA-CREF shall not continue under the PRP. Within the parameters of the funding vehicles, employees can access their TIAA-CREF retirement accumulations during the phased retirement period. Please contact TIAA-CREF for more information regarding distribution options and tax considerations.
5. University long-term disability coverage will not continue under the PRP.
6. For PERF covered employees, PERF does not consider the PRP as break in service with the University. As a result, PERF covered employees participating in the PRP will not be eligible to receive retirement benefits from PERF until the after the PRP position ends. Retirement contributions will continue to be made by the University to PERF on behalf of the employee while in the PRP position as required by PERF.

* The University Retirement Policy describes retirement benefits for regular employees who are age 60 or older and have 20 or more years of consecutive service with the University. Employees hired after January 1, 2005, are not eligible for the retiree life insurance or the retiree health insurance plan. See Section IV of the University Handbook for additional details of the University Retirement Policy.