

<b>SOP HR.05.00</b>	<b>Retirement and Phased Retirement</b>
Owner/Contact Information:	College of Sciences, Human Resources, 919-515-3487
Effective Date:	June 30, 2018
Last Revised/Reviewed:	August 10, 2022
Related Links and Policies:	<a href="#">College of Sciences Process Map for Phased Retirement Process</a> <a href="#">Frequently Asked PRP Questions (FAQs) from Faculty Members</a> <a href="#">NC State University Benefits Consultants</a> <a href="#">NC State University Phased Retirement Program</a> <a href="#">Optional Retirement Program (ORP)</a> <a href="#">PeopleSoft HR System Actions for Phased Retirement</a> <a href="#">Phased Retirement Program Guidelines &amp; Eligibility</a> <a href="#">REG 05.57.01 – Phased Retirement Program for Tenured Faculty</a> <a href="#">Retirement at NC State</a> <a href="#">Retirement Recognition Program</a> <a href="#">Teachers and State Employee Retirement System (TSERS) Handbook</a> <a href="#">UNC Phased Retirement Program Application and Re-Employment Agreement</a> <a href="#">UNC System Office Mandatory Retirement Plan Decision Guide</a>

**1. PURPOSE/INTRODUCTION**

The purpose of this Standard Operating Procedure is to guide all SHRA Staff, EHRA Faculty, EHRA Non-Faculty, and Departmental Representatives through the Retirement Process and the Phased Retirement Process.

**2. DEFINITIONS**

**COS HR:** Abbreviation for College of Sciences, Human Resources Office

**DBO:** Department Business Officer

**Department Representative:** The person submitting any action or preparing letters on behalf of their department or center.

**EHRA:** Abbreviation for employees Exempt from the State Human Resources Act.

**HRP:** Department HR Partner

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**ORP Retirement Plan:** Optional Retirement Plan.

**PRP:** Phased Retirement Program - The NC State Phased Retirement Program (PRP) provides the opportunity for eligible full-time tenured faculty members, who meet certain age and service conditions, to retire and change from full-time to half-time employment at the university for three (3) years.

**SHRA:** Abbreviation for employees Subject to the State Human Resources Act

**SOP:** Abbreviation for Standard Operating Procedures – The most used and agreed upon procedures for specific tasks, situations, or processes.

**TSERS Retirement Plan:** Teachers and State Employee Retirement System

**UHR:** University Human Resources

**University Benefits:** The Benefits, Employee Wellness, and Work Life office of University Human Resources assists staff and faculty in Benefits and Retirement.

**Vesting:** Defined as ownership. The employee will vest, or own, a certain percentage of their account in the plan each year.

### 3.1 Retirement Eligibility

- All permanent employees working 30 hours or more per week are eligible to [retire from NC State University](#). New employees have the option to choose from two types of retirement plans, TSERS or ORP. For more information, click on the links for [TSERS](#), & [ORP](#).
- Employees must complete five years of membership service to be fully vested.
- TSERS is the default retirement plan if no selection is made by the employee within the first 60 days.

#### 3.1.1 TSERS- Retirement Eligibility

- Service Retirement (unreduced benefit)
  - 30 years of creditable service at any age
  - Age 60 + 25 years of creditable service
  - Age 65 + 5 years membership service
- Early Retirement (reduced benefit)
  - Age 50 + 20 years creditable service
  - Age 60 + 5 years of membership service

#### 3.1.2 ORP - Retirement Eligibility

- ORP is a defined contribution plan. The employee's benefit is determined by the contributions the employee and UNC make to your ORP account and how well investments perform over time. There are no age or service requirements for vested employees participating in the Optional Retirement Plan (ORP).

### 3.2 Retirement at NC State- Procedural Steps

- Once an employee decides to retire and meets the eligibility requirements for monthly benefits, there are certain steps which must be taken to begin the retirement process:
  1. Submit retirement paperwork **120 days** before your anticipated retirement effective date

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2. If age 65 and older at retirement, Medicare needs to be in place and effective as of your retirement effective date. Enroll in Medicare Part A/ Part B at least **60 days** before your retirement effective date.
  3. The University offers a “[Ready to Retire](#)” workshop twice a year to outline instructions on completing the retirement process and how Social Security and Medicare work in conjunction with the Retiree Health Plan. This workshop is recommended but not mandatory.
- All retiring staff and faculty must schedule an appointment with the College of Sciences designated [University Benefits Consultant](#) in order to apply for retirement.
  - In order to move forward with the retirement process, employees who submit an application for retirement will have to sign a Retirement Notification stating: **“I understand that by completing an application for retirement and associated paperwork that I am submitting my intent to retire from North Carolina State University.”**
  - When University Benefits is notified of a retirement, a notice will be shared with the employee’s college/department no sooner than 30 days prior to the effective date of the retirement.
  - Upon receiving such notice, the department will confirm the employee’s intent to retire and make arrangements concerning submission of the employee’s retirement. Once the retirement is accepted, be aware that the position may no longer be available, even if the employee subsequently decides not to retire.
  - The department HR representative meets with retiree to complete the checklists from the [Sciences Separation Form](#).

**3.3 The NC State Phased Retirement Program:** The NC State Phased Retirement Program (PRP) provides the opportunity for eligible full-time tenured faculty members, who meet certain age and service conditions, to retire and change from full-time to half-time employment at the university for three (3) fiscal years. Upon entering the PRP, a faculty member relinquishes their permanent tenure in exchange for a three (3) fiscal year fixed-term contract. [REG 05.57.01 – Phased Retirement Program for Tenured Faculty](#)

1. Eligible Faculty will receive an email, typically in the Fall, from University Benefits Office ([Appendix 1](#)) with an attached memo from the Provost’s Office ([Appendix 2](#)). See also section 5 The PRP Application Process of [REG 05.57.01 – Phased Retirement Program for Tenured Faculty](#).
2. Phased Retirement Applications are typically due to [University Benefits](#) by mid- February. The PRP Application is found at the bottom of the page after opening this link: <https://benefits.hr.ncsu.edu/phased-retirement-program/>.
3. If [Eligible](#), Faculty member applies to the Phased Retirement Program (PRP) by submitting an unsigned [Application/Re-Employment Agreement](#) to Department Head.
4. Throughout the Phased Retirement application process, signatures on the PRP application can be scanned or original.
5. The Department Head reviews the application from Faculty Member and discusses timeline,

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expectations & proposed work plan for the PRP period. [See 5.3 in REG 05.57.01](#) for the development of the PRP proposed work plan. After the Department Head approves, the HRP starts a DocuSign requesting signatures from the Department Head, Dean, then a final copy to the Dean's EA.

6. With the approved PRP application, the Dean's Executive Assistant collects all college PRP applications and sends the packet to University Benefits with CC to COS HR, HRP, & DBO. This serves as notification by the Dean's Executive Assistant to COS HR, HRP and DBO that the application has been approved by the Dean. University Benefits is responsible for gathering all campus PRP applications and sending to the Provost's Office at once. University Benefits is notified when a PRP request is formally accepted by the Provost's Office. University Benefits then notifies the Faculty member.
7. Once Benefits has the signed forms from the Provost Office, they will forward the approval letter and forms back to the PRP applicant. University Benefits will wait 7 days as a cooling off period in which an applicant may change their mind and not do phased retirement. After the 7 days, a benefits consultant will notify the College HR Assistant Dean of the fully executed phased retirement documents and acceptance into the program.
8. The Faculty member notifies their Department HR Representative of the PRP approval.
9. The Department HR Representative notifies COS HR of approved PRP Faculty. COS HR adds the Faculty member to an internal tracking spreadsheet.
10. COS HR enters [HR Action for Phased Retirement](#) effective July 1.
11. Also see the [College of Sciences Process Map for Phased Retirement Process](#).

### 3.4 Retirement Certificates

**3.4.1** UHR Benefits will automatically order retirement certificates for eligible retirees (University staff and faculty must have at least 10 years of state service upon retirement). Certificates are ordered on the first business day of the month before the employees' retirement. Certificates are received by the UHR Benefits office typically 2 weeks before the retirement date. (i.e. July 1 retirement certificates are typically ready around June 15)

- Retirement certificates are ordered for Traditional Retirements and those entering Phased Retirement ([REG 05.57.01, 1.1](#)).

**3.4.2.** UHR Benefits will contact COS HR when retirement certificates for the College of Sciences are available for pick up at the Administrative Services Building II, 2nd Floor. [COS HR](#) will pick up the certificates for the College and then assist with getting the certificates to each department by working with the [Department HR Partner](#).

**3.4.3.** As a token of appreciation, departments may wish to present the retiring employee with a certificate signed by the Governor of North Carolina and NC State Chancellor. Department's may choose to purchase a frame for their retiring employee's certificate. Certificate measurements are 11" x 14".

**3.4.4.** Additional information about the Retirement Recognition Program can be found in [Our Extraordinary Pack](#).

### 3.5 Frequently Asked Questions

#### **Q1. When should I notify my department of my intent to retire?**

A1. It is College preference to notify your Department Head as soon as you have decided your intent to retire.

#### **Q2. What is my effective date for Phased Retirement?**

A2. The Phased Retirement Effective date can only be July 1. The PRP policy only starts in July each year. [Section 5.2.1](#) states - "In order to guarantee consideration for the PRP, a faculty member must apply for the PRP not earlier than eleven (11) months prior to commencement of the first semester of PRP participation and not later than six (6) months prior to that date". August 16th is defined as the date for PRP entry each fall semester for academic year appointments and is used as the basis to define the 6-11 month PRP application window. The application window also applies to a fiscal year appointment even though the PRP entry date for a fiscal year appointment is July 1st. The Office of General Counsel have confirmed that there has not been any exceptions to the July start date of PRP.

#### **Q3. Can I have a parking permit after I retire?**

A3. Yes, all Retired NC State Employees can have a [parking](#) permit. The [Permit Authorization Form For Retired Employees](#) must be completed and delivered to the Transportation Office at Administrative Services Building I, 2721 Sullivan Dr, (919) 515-3424

#### **Q4. Can I have email access after I retire?**

A4. Yes, you can request to extend your email access by talking with your Department HR Partner. The Department HR Partner will work with the Department Head to complete the [Sciences Unpaid Appointment Form](#).

#### **Q5. Am I still eligible for my health insurance?**

A5. Through the State Health Plan of North Carolina, you and your dependents may have access to continued coverage, which will coordinate with Medicare (once you become eligible) to provide [health care benefits for you in retirement](#).

#### **Q6. When am I eligible to come back to work for the State again? And at what capacity?**

A6. It depends on your retirement benefit selection, TSERS or ORP; it is recommended you contact a [University Benefits Consultant](#). In general, if you are a TSERS retiree, there is a 6 month waiting period and income restrictions. If you are an ORP retiree, there is a suggested one month break in service, but it's not mandatory.

Regardless of your retirement benefit selection, should you choose to return to work, you are restricted to working 29 or less hours per week. Your retiree health insurance will be forfeited if you work over 29 hours.

#### **Q7. If I have taken early retirement, when can I return to work without any penalties?**

A7. This answer is custom per person, it is recommended you contact a [University Benefits Consultant](#). When you meet with University Benefits, be prepared to answer the following questions: *are you eligible to retire? Is retirement with TSERS or ORP? In what capacity will you return to work, full or part time? Planned salary when you return to work?*

Return to work rules can change at the legislative or plan level and you will want to make sure you have the most up to date information.

**Q8. Is there a sample Phased Retirement work plan?**

A8. There is not a sample work plan. However, the Provost’s Office & University Benefits have developed a list of FAQs from faculty members and can be found here: [Frequently Asked Questions \(FAQs\) from Faculty Members](#). These FAQs include guidance to developing a work plan.

**Q9: Are faculty participants in the Phased Retirement Program (PRP) eligible for Summer Salary?**

A9: Yes, at half-time workload and half-time base salary, faculty participants in the Phased Retirement Program (PRP) are excepted from the full-time FTE eligibility requirements defined in REG 05.58.01 and remain eligible to earn summer salary and additional compensation. (see "3.5 Summer salary and additional compensation to Phased Retirees" from [REG 05.58.01 – Additional Compensation Paid through the University](#))

PRP participants may earn summer salary (9-month faculty) and additional compensation (9- and 12-month faculty), from [REG 05.57.01 – Phased Retirement Program for Tenured Faculty](#), section 3.3.1).

**There is one exception:** PRP participants in TSERS may not earn summer salary in the second summer school session during the summer they enter the PRP. ([REG 05.57.01, section 3.3.1](#))

**4. Changes and Review**

<b>Subsection</b>	<b>Summary of Changes</b>	<b>Date</b>
2. DEFINITIONS	Added “University Benefits”	August 1, 2019
3.3.6 Phased Retirement Program	Clarifying that COS Dean’s Office sends to University Benefits, who then sends PRP packets to the Provost’s Office.	August 1, 2019
Appendix 3	Updated Process Map to clarify that Dean’s EA sends PRP application to Univ Benefits, who then forwards to the Provost’s Office as a bulk package of campus requests.	August 1, 2019
Appendix 3	Removed Process Map as appendix	August 1, 2019
2. Definitions	Updated definitions	August 1, 2019
Whole Document	Cleaned up formatting and bulleted items formatting	August 1, 2019
FAQ 2	Updated parking question to include link to NCSU Transportation for detailed information	September 25, 2019
3.2 Retirement at NC State-	Removal of Department Offboarding Checklist in final bullet, which is now captured in Sciences	October 13, 2020

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Procedural Steps	Separation Form.	
Related Links and Policies	Updated links	January 20, 2021
3.3 The NC State Phased Retirement Program	Added definition to PRP. Reviewed process & links with PRP REG 05.57.01, Last Revised: November 17, 2020	January 20, 2021
3.3	Added link for College of Sciences Process Map for Phased Retirement Process	January 20, 2021
All	Removed references to the “Deciding to Retire” guide.	January 20, 2021
Add FAQ 8	Answering questions about PRP summer salary eligibility after (1) Phased Retirement REG was revised effective November 17, 2020 ( <a href="https://policies.ncsu.edu/regulation/reg-05-57-01/">https://policies.ncsu.edu/regulation/reg-05-57-01/</a> ) & (2) Additional Comp REG was revised on December 8, 2020 ( <a href="https://policies.ncsu.edu/regulation/reg-05-58-01/">https://policies.ncsu.edu/regulation/reg-05-58-01/</a> )	January 26, 2021
Related Links and Policies	Added the <a href="#">Retirement Recognition Program</a> link from Our Extraordinary Pack.	June 15, 2021
2. Definitions	Added <b>UHR</b> : University Human Resources	June 15, 2021
3.4	Added section on Retirement Certificates.	June 15, 2021
3.4.2	Updated COS HR Coordinator to be COS HR.	July 23, 2021
3.3 NC STATE RETIREMENT	Update Dean EA involvement & DocuSign process to the steps and procedures in 5 & 6.	June 1, 2022
2. Definitions	Added <b>DBO</b> : Department Business Officer and <b>HRP</b> : Department HR Partner	June 9, 2022
Q2. What is my effective date for Phased Retirement?	Added FAQ about the PRP effective date	August 10, 2022

**Appendix 1: Sample PRP Eligibility Notification Email**

From: HRS Benefits <[hrsbenefits@ncsu.edu](mailto:hrsbenefits@ncsu.edu)>  
Date: September  
Subject: Phased Retirement Announcement  
To: PRP Eligible Faculty

According to institutional data, you appear to be eligible or will become eligible to enter the #ACADEMIC YEAR# phased retirement program (PRP). The application period will be September 29, 201#-February 28, 201#.

Full-time tenured faculty members with at least five (5) years of NC State University service who participate in the Teachers' and State Employees' Retirement System (TSERS) or Optional Retirement Program (ORP-TIAA or Fidelity) are eligible to apply for PRP participation if they:

1. are at least age 62 [for TSERS participants] or at least age 59 ½ [for ORP participants] upon entering the Phased Retirement Program on July 1, 2018; and
2. are eligible to receive a benefit under the TSERS or ORP plans.

A break in service is not required prior to entering PRP because the ages listed above meet the "normal retirement age" for the purposes of this program.

Attached is the announcement from the Provost and an ADEA report (Age Discrimination in Employment Act) which indicates those eligible for phased retirement. The application period will be September 29, 201#-February 28, 201#.

For more information, including the guidelines, application and FAQs, please visit:  
[go.ncsu.edu/prp](http://go.ncsu.edu/prp)

A phased retirement information session will be held on October 16, 201# at 2 p.m. at the Talley Student Union, Governance Chamber, room 4140.

If you have specific questions that are not addressed in the phased retirement web pages, please contact Director of HR Benefits.

NC State University  
HR Benefits  
2711 Sullivan Drive  
Campus Box 7215  
Raleigh, NC 27695-7215  
[919-515-2151](tel:919-515-2151) (phone)  
[919-515-7543](tel:919-515-7543) (fax)



**Appendix 2: Sample Phased Retirement Memo from the Provost**  
**MEMORANDUM**

**TO:** Eligible NC State Faculty  
**FROM:** Warwick A. Arden, Provost and Executive Vice Chancellor  
**SUBJECT:** NC State's Phased Retirement Program (PRP) 2018-2021  
**DATE:** September 25, 2017

You may be eligible or will become eligible for the Phased Retirement Program (PRP) period beginning 2018-2021 according to institutional data. (Participation is contingent upon verification of eligibility).

**ELIGIBILITY**

Full-time tenured faculty members with at least five (5) years of NC State University service who participate in the Teachers' and State Employees' Retirement System (TSERS) or Optional Retirement Program (ORP) are eligible to apply for the PRP participation if they:

1. are at least age 62 [for TSERS participants] or at least age 59 ½ [for ORP participants] upon entering the Phased Retirement Program; and
2. are eligible to receive a benefit under the TSERS or ORP plans.

**A break in service is not required prior to entering PRP because the ages listed above meet the "normal retirement age" for the purposes of this program.**

**Note:** EPA administrators or professionals who hold faculty rank are eligible to participate in the PRP after both vacating the administrative or EPA professional position and returning full-time to his or her tenured faculty position.

**APPLICATION PERIOD**

Applications for the 2018-2021 PRP will be accepted no sooner than **September 29, 2017** and no later than **February 28, 2018**. Participation may be accepted on a first-come, first-served basis.

**GUIDELINES & PROCEDURES**

PRP information and other related documents as follows, can be found at: <http://go.ncsu.edu/prp>

- Phased Retirement Program for Tenured Faculty, Regulation 05.57.01
- UNC Phased Retirement Application & Re-employment Agreement Form
- UNC Phased Retirement Program General Release Form
- Phased Retirement Program Guidelines for 2018-2021
- Frequently Asked Questions about the PRP

Read all PRP materials closely to ensure full understanding of the following principles and procedural aspects of the application process.

1. You do not have an absolute right to participate in the PRP. NC State academic departments may limit participation in the PRP in response to bona fide financial exigencies, or if an individual's participation would substantially weaken academic quality or disrupt program sequence. The limitation with respect to constraints of

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financial exigencies will be applied consistently to all eligible faculty seeking to commence enrollment in the PRP the same fall semester.

2. You must apply for the PRP not earlier than eleven (11) months prior to commencement of the first semester of PRP participation and not later than five (5) months prior to that date. PRP always begins on July 1 each year.
3. If you are accepted into the PRP and decide to participate, you relinquish permanent tenure, terminate your current full-time position, and formally retire. In return, NC State contracts with you for half-time (.5 FTE) re-employment for up to three (3) years at an amount equal to fifty percent (50%) of the full-time base annual faculty salary you received immediately prior to phased retirement (based on your prior nine- or twelve-month contractual term, as applicable). This is 50% of your base 'annual base faculty salary', and is paid over the 12-month fiscal period beginning July 1, 2018. Please note that summer session pay, grant pay, overload nor distance education income are allowed in phased retirement
4. You negotiate individually with your academic department head to determine your specific PRP work plan duties [summer school duties are not included].
5. Upon entering the PRP, you continue to be subject to performance reviews. You are eligible for salary increases in the 2nd & 3rd years of the PRP, based on merit. PRP participants who retire in TSERS are subject to the TSERS yearly earnings limit. You are responsible for obtaining your annual earnings limit and informing your department head if a salary increase will jeopardize receipt of your monthly retirement benefits from TSERS. You may log on to TSERS' online system, ORBIT, to access your earnable allowance limit.
6. As a PRP participant you may participate in all employee benefit programs for which you are eligible as a half-time employee. Mandatory retirement plan contributions will cease.
7. If you are accepted into the PRP and decide to participate, you will sign a "Release" form as a condition of PRP participation. As required by the Age Discrimination in Employment Act (ADEA), you are allowed at least forty-five (45) calendar days to execute and return the "Agreement" and the "Release". The forty-five day period begins on the date of delivery to the faculty member, as evidenced by the return receipt signed upon delivery. You are encouraged to consult with your legal counsel and/or financial advisors before making a decision to enter the PRP.
8. Once the Agreement and Release are signed by all parties, PRP does not become final until after the 7-day revocation period. A decision to enter the PRP is binding once made; however, phased retirement may be terminated if mutually agreed upon by both you and NC State administration.
9. A faculty member who enters the PRP retains his or her professorial rank and the full range of responsibilities and rights associated with it except for the status of permanent tenure; as a faculty member without tenure, a faculty member on phased retirement is no longer eligible to vote with their Departmental Voting Faculty in reappointment, promotion and tenure cases. A PRP participant is subject to annual performance reviews and is

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eligible for salary increases and merit pay based on annual evaluations after the first year of PRP participation (any salary increase for a PRP participant would be subject to any limitations imposed under TSERS). A PRP participant will continue to be subject to policies, regulations and The Code of The University of North Carolina and NC State University.

10. Enrolling eligible faculty members may elect to begin receiving the benefits they have accrued under either TSERSORP, but they are not required to do so; however, so long as an eligible faculty member does not receive a monthly retirement benefit, he or she will not receive the retiree health benefits provided by the State (if eligible).

### **INFORMATION SESSIONS**

Decisions regarding retirement can be complex. The PRP is designed to facilitate a transition to retirement by allowing you to continue to participate in academic life and in the mentoring of students, while preparing for the future.

A phased retirement information session will be held on Monday, October 16, 2017 at the Talley Student Union, Governance Chamber, room 4140 at 2:00 PM. You may also contact Director of HR Benefits if you have questions or need assistance.

cc: Deans  
Academic Department Heads