

Contact: Aimee Claeys

PILOT PHASED RETIREMENT PROGRAM FOR THE UNIVERSITY OF IOWA

Action Requested: Approve a three-year pilot phased retirement program proposed by the University of Iowa as detailed in this memorandum.

Executive Summary: The University of Iowa is proposing a three-year pilot phased retirement program for eligible faculty and staff. This pilot program would build off the current Board of Regents Phased Retirement Program included as Attachment A.

Due to labor market challenges that continue, the University is actively involved in workforce planning to meet those challenges; expansion of the phased retirement program would align with workforce planning including:

- Allowing extended time for institutional knowledge transfer in complex administrative areas
- Allowing extended time for planning for and realigning academic teaching needs
- Appealing to a broader population of faculty and staff
- Providing for additional flexibility to meet identified institutional needs

The pilot program would expand the current Phased Retirement Program length to a maximum of a three-year phased period for eligible faculty and staff at the University of Iowa. Full retirement would be required at the end of the specified phasing period. If a three-year phasing period is agreed upon and approved, the employee's year one and year two appointment must be between 50% and 65% and only 50% the third year. For phasing periods of one year or less, the appointment cannot exceed 50%.

The pilot will expand the current Phased Retirement Program optional up to 10% budgeted salary incentive to apply to both year one and year two of a phased retirement. The salary incentive would be unavailable if the phased period is one year or less, would not be available for the second year of a two-year agreement and would not be available the third year of a three-year agreement.

All other aspects of the program would remain the same, including eligibility being regular faculty and staff in a 50% or greater regular appointment for 15 years or greater and age 57.

The pilot program will be June 3, 2022 through June 30, 2025 with applications being accepted through June 30, 2025.

BOARD OF REGENTS PHASED RETIREMENT PROGRAM

- i. Phased Retirement Policy
 - a. **Eligibility:** Faculty or staff of Regent universities, the special schools, and Board Office who have attained the age of 57 with at least 15 years of service with the Board of Regents are eligible for participation in the phased retirement program.
 - b. **Approval:** The phased retirement agreement and the phasing schedule will be developed between the employee and the department. Approval of the agreement and phasing schedule will occur at various levels within the institution, and no right to enter into a phased retirement agreement without approval by all officials as designated by the institutions is conferred by this policy. The Board of Regents will ratify entries into the phased retirement program as a part of the monthly Register of Personnel Changes.
 - c. **Schedule of Phasing:** A staff member may reduce from full-time to no less than a half-time appointment either directly or via a stepped schedule. The maximum phasing period will be two years with full retirement required at the end of the specified phasing period. If a two year phasing period is agreed upon an employee may not hold greater than a 65 percent appointment in the first year. For phasing periods of one year or less, or after the completion of the first year of a two year phasing period, the appointment cannot exceed 50%. The phasing period will be set by agreement between the institution and the individual with full retirement required at the end of the specified phasing period. Once phased retirement is initiated, employees may not return to full-time.
 - d. **Compensation:** In the first year of a two year phasing period, the salary received will reflect the reduced responsibilities plus, at the discretion of the institution, up to an additional 10 percent of the budgeted salary, had the person worked full time. In the only or last year following the initiation of phased retirement, the staff member's appointment will be no greater than fifty percent, and the salary will be proportional to the budgeted salary had the person worked full-time.
 - e. **Benefits:** Up to and including the last year of the phasing period, institution and staff member contributions will continue for life insurance, health and dental insurance, and disability insurance at the same levels that would have prevailed had the staff member continued at a full-time appointment. Retirement contributions to TIAA will be based on the salary which would have been obtained had the individual continued a full-time appointment. As mandated by law, FICA contributions will be based on the staff member's actual salary during the partial or pre-retirement period. The same is true for retirement contributions for those participating in the Iowa Public Employees Retirement System or Federal Civil Service System. Accrual of vacation and sick leave will be based on percentage of appointment. During the phasing period individuals may exercise their rights to access funds in their TIAA (or substitute plans) retirement accounts in any manner permitted either by the retirement carrier or by Board policy but not to exceed 99% of their account balances.
 - f. **Reporting Requirements:** Annual report to the Board of Regents. Individual participants will be reported to the Board on the monthly Register of Personnel Transactions.