

Contact: Tim Cook

POLICY MANUAL REVISIONS – CHAPTER 2.1

Action Requested: Approve, as a second and final reading, proposed revisions to Board of Regents Policy Manual section 2.1.2.H.i – Phased Retirement Policy.

Executive Summary: The Board of Regents' existing Phased Retirement Policy will expire on June 30, 2017. The Board office recommends renewing the policy, with the revisions identified further in this docket memo¹, for the period of July 1, 2017 through June 30, 2022. The Board received these revisions as a first reading during the June 8, 2017 meeting. Clarifying language has been added to subpart c, Scheduling of Phasing. The remaining revisions are unchanged from the first reading.

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 ~~five~~ two years with full retirement required at the end of the specified phasing period. ~~At no time during the~~ If a two year phasing period is agreed upon ~~may~~ 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 ~~fourth~~ 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:** ~~Up to and including the 4th~~ In the first year of the ~~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 ~~fifth~~ 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.

¹ Additions have been underlined and deletions have been stricken through.

- e. **Benefits:** Up to and including the 5th 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/~~CREF~~ 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-~~CREF~~ (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. **Duration of Program:** Subject to annual review, the program will expire on June 30, 201722, unless renewed by the Board prior to expiration.

- g. **Reporting Requirements:** Annual report to the Board of Regents. Individual participants will be reported to the Board on the monthly Register of Personnel Transactions.