

Ball State University
**Policy on Phased Retirement for Faculty,
Professional Personnel, and Staff Personnel**

- Service:** An applicant must be eligible for emeritus status (tenured faculty and continuing contract professional personnel), honoratus/honorata status (contract faculty and professional personnel), or retirement status (staff personnel) by no later than the applicant's agreed upon retirement date under the Program.
- Position:** An applicant must hold a position that can reasonably be performed on a less than full-time basis without materially altering the expectations and responsibilities inherent in the position, without adversely affecting the employee's area or program, and without significantly increasing costs to the employee's area or program. For faculty members in administrative positions, this requirement will significantly limit opportunities to participate.
- Budget:** Budgeting will be based on the funds allocated to the position held by the applicant. If the applicant is a faculty member in an administrative position, the available funds will be the funds available for that person as a nonadministrative academic year faculty member.
- The initial arrangement for a reduction in assignment is contingent upon budgetary feasibility based on the annual budget in effect on the effective date of the Phased Retirement Agreement. Final approval for participation must be given by the appropriate vice president and the Vice President for Business Affairs and Treasurer.
- Academic/
Administrative Impact:** Participation must not have a materially detrimental impact on University operations.

PHASED RETIREMENT AGREEMENT

The participant and the Vice President for Business Affairs and Treasurer will sign a written agreement setting forth mutually agreeable terms and conditions of the participant's phased retirement arrangement ("Phased Retirement Agreement" or "Agreement"). The Agreement will contain each of the following elements.

1. Term of Agreement

The term of the Phased Retirement Agreement may be for a period of at least one year but no more than three years, provided that the retirement date cannot be earlier than the date that the employee is eligible for emeritus status (tenured faculty), honoratus/honorata status (contract faculty and professional personnel), or retirement status (staff personnel). The Agreement will set forth the effective date of the employee's entry into the Program, as agreed to between the employee and the University. For employees working on an academic year basis, the term will generally commence on the first day of classes of an academic semester. The term will end following the completion of the first, second, or third year, as set forth in the Agreement, at which time the employee shall relinquish tenure, if applicable, and retire from all employment with the University.

Participation in the Program and the agreed upon retirement date is irrevocable, except as set forth below:

- After an employee becomes a participant in the Phased Retirement Program, he or she has no right to return to full-time regular status; provided, however, that in extraordinary cases, if determined to be in the University's best interests, a Phased Retirement Agreement may be terminated (thus allowing the participant to return to full-time regular status) upon written request by the participant setting forth the basis for the request. Any such termination of the Phased Retirement Agreement shall require the written approval of the President, which may be denied without stating any reason for such denial.
- If the Program is changed retroactively in order to maintain compliance with applicable law, a participant who is adversely impacted by the change may elect to terminate the Phased Retirement Agreement and return to full-time employment with the University.
- At the sole discretion of the participant, the term of an Agreement may be accelerated (i.e., the participant may retire earlier than scheduled under the Agreement) with at least sixty (60) days' prior written notice to the applicable vice president, provided, however, that the retirement date cannot be earlier than the date that the participant is eligible for emeritus status (tenured faculty), honoratus/honorata status (contract faculty and professional personnel), or retirement status (staff personnel).

Nothing in this Program supersedes the University's right to terminate a participant's employment during phased retirement, in accordance with the Faculty and Professional Personnel Handbook and/or Staff Handbook, as applicable.

2. Reduction in Assignment

The reduced assignment for each year of participation in the Program must be between 50% and 75% of a full-time assignment, but not below 1,000 hours for staff personnel. The Phased Retirement Agreement will set forth the participant's reduced assignment. A multi-year Phased Retirement Agreement may provide for different percentages each year of participation. All reductions must be approved in writing by the appropriate vice president and the Vice President for Business Affairs and Treasurer.

Participants who are professional personnel and staff personnel must distribute the annually agreed workload evenly over the applicable academic or fiscal year. Non-exempt staff personnel may not work more than 40 hours in any week during their phased retirement. The Phased Retirement Agreement may state a maximum number of hours that a non-exempt staff personnel participant can work each week based on his or her reduced assignment.

Faculty member participants may elect to distribute the annually agreed workload over one or both semesters, with the written approval of the applicable vice president and the Vice President for Business Affairs and Treasurer.

In addition to the responsibilities described in the Phased Retirement Agreement, a participant may have the opportunity to participate in supplementary teaching, including summer, overload, and extended education teaching, to the same extent as if they were full-time employees. When participating in such supplemental activities, a participant's compensation will be based on his or her full-time annual base salary.

3. Salary/Pay

A participant's salary during phased retirement is calculated at the appropriate percentage, between 50% and 75%, of the participant's full-time annual base salary, just prior to entering the Program, increased by the multiplier described below ("Program Salary"). Non-exempt staff personnel will be paid the same rate of pay as prior to entering the Program, but on the reduced hours worked under the Agreement, increased by the multiplier described below ("Program Pay").

In consideration of the reduced contributions to the participant's retirement plan resulting from participation in the Phased Retirement Program, and as an additional incentive to participate in the Program, a participant's reduced annual base salary or rate of pay under the Program, as applicable, will be increased by a multiplier based on the University retirement plan in which the participant participates. For this purpose, the University will calculate an annual base pay for a participant who is a non-exempt staff personnel equal to the agreed-upon annualized hours under the Phased Retirement Agreement multiplied by the participant's hourly rate of pay under the Phased Retirement Agreement. The increase in annual base pay due to the multiplier shall be divided by the agreed-upon annualized hours under the Phased Retirement Agreement to determine the participant's increase in rate of pay.

The amount of the increase is calculated by the Employee Benefits office and will depend on the participant's regular annual base salary or annual base pay, retirement plan, and percentage of full-time assignment under the Program. The amount will differ for participants in the Alternate Pension Plan ("APP"), the Indiana State Teachers Retirement Fund ("TRF"), and the Public Employees Retirement Fund ("PERF") in an effort to equalize the value of the increase under these different retirement plans. The multipliers for each retirement plan and percentage of full-time assignment (between 50% and 75%) will be maintained by the Office of Payroll and Benefits, and employees considering phased retirement are encouraged to discuss their particular situation with this Office.

The participant will be eligible for increases in his or her full-time annual base salary or rate of pay (which will then be used to recalculate the Program Salary or Program) following the same procedures and criteria applicable to full-time faculty, professional personnel or staff personnel, as applicable, in the participant's department or administrative unit.

EMPLOYEE BENEFITS

Participation in all retirement and employee benefit plans is subject to the written terms of the applicable plan, which shall control in the event of a dispute with the Program, and which may be amended by the University at any time. Participants in TRF and PERF are subject to changes made by the State of Indiana.

1. Retirement Plan

A participant in the Phased Retirement Program will continue to receive the University's contribution to his or her University retirement plan based on the participant's Program Salary or Program Pay.

The multiplier outlined in the Salary/Pay section above is intended to increase the participant's annual base salary or rate of pay such that the increased salary/pay plus the increased retirement plan contribution equals the retirement plan contribution that the University would have made had the participant continued to receive his or her full-time annual base salary or annual base pay.

EXAMPLE:

	Employee	Faculty/ Professional	Faculty/ Professional	Faculty/ Professional	Staff
1.	Retirement plan contribution rate	APP 12.27%	APP 10.5%	TRF 3%	PERF 3%
2.	100% annual base salary/pay	\$70,000	\$70,000	\$70,000	\$40,000
3.	Retirement plan contributions on 100% of annual base salary/pay [(1) x (2)]	\$8,589	\$7,350	\$2,100	\$1,200
4.	Reduced assignment	50%	50%	50%	50%
5.	Reduced annual base salary/pay [(2) x (4)]	\$35,000	\$35,000	\$35,000	\$20,000
6.	Increase to annual base salary/pay under Program based on applicable multiplier	\$3,825	\$3,326	\$1,019	\$583
7.	Adjusted reduced annual base salary/pay [(5) + (6)]	\$38,825	\$38,326	\$36,019	\$20,583
8.	Retirement plan contribution under Program [(1) x (7)]	\$4,764	\$4,024	\$1,081	\$617
9.	Annual incentive + retirement plan contribution under Program [(6) + (8)]	\$8,589	\$7,350	\$2,100	\$1,200

The retirement plan contributions on the Program Pay or Program Salary (row 8) plus the increase salary/pay due to the multiplier under the Phased Retirement Program (row 6) is equal to the amount of the University's contribution to the retirement plan on the participant's behalf had he or she continued to receive 100% of his or her annual base salary or annual base pay, as applicable (compare row 3 to row 9).

2. Insurance

A participant in the Phased Retirement Program will continue to receive the University's regular contributions toward health and life insurance plans as if he or she were a full-time employee. The face value of the participant's life insurance will be based on his or her full-time annual base salary or annual base pay, as applicable.

Employee contributions towards salary continuation plans may continue, and benefits and premiums will be based upon the participant's reduced annual base salary or annual base pay, as applicable.

3. Tuition Remission Benefits

A participant retains tuition remission benefits in accordance with the current University policy for fulltime employees.

4. Vacation and Sick Leave

A participant who is a faculty member, professional personnel or exempt staff personnel will continue to accrue vacation and sick leave benefits commensurate with their reduced work assignment. A participant who is a non-exempt staff personnel will accrue vacation and sick leave benefits based on their actual hours worked.

UNIVERSITY STATUS OF PARTICIPANT

1. Years of Service

Employees who participate in the Phased Retirement Program will continue to be considered an active employee for the specific length of time indicated in the Phased Retirement Agreement. Each year of participation in the Phased Retirement Program will count as one year of service at the University.

2. Promotions

Participants in the Phased Retirement Program will no longer be eligible for promotion.

3. Voting Privileges

University Senate voting privileges for participants in the Phased Retirement Program are subject to the Senate's constitution and bylaws. Staff Council voting privileges for participants in the Phased Retirement Program are subject to the Staff Council's constitution and bylaws.

4. Non-Teaching Assignments for Faculty Members

For the purpose of a faculty member's Phased Retirement Agreement, the course loading will normally be based on his or her load in the academic year immediately preceding entry into the Phased Retirement Program. If any part of the faculty member's time during phased retirement is assigned to scholarly activities, the assignment must be productive and justified and approved in advance and annually during the term of the Phased Retirement Agreement by both the academic dean and the Provost and Vice President for Academic Affairs. A reasonable amount of active, scholarly research that is a benefit to the University will generally be approved. However, reductions in course loading for administrative assignments will normally not be continued during phased retirement.

5. Space and Support Requirements

Office, laboratory space, secretarial service, computer use, and other support services may be made available at the reasonable discretion of the University. The extent of the availability of these facilities and services will be described in the Phased Retirement Agreement.

The University's intent is to provide appropriate laboratory and office space, but exigencies of space and facilities use may not always permit this. Also, circumstances may change, resulting in reassignment of the space and/or facilities during the term of the phased retirement.

6. Handbooks

The provisions of the Faculty and Professional Personnel Handbook and/or Staff Handbook, as applicable, will continue to apply to participants in the Phased Retirement Program, except as otherwise provided in the Program and the participant's Phased Retirement Agreement.

PROCEDURES

1. Preliminary Process

Several months ahead of the formal application for participation, persons considering the University's Phased Retirement Program should informally discuss the advantages and implications of phased retirement with their immediate supervisor, the Employee Benefits office, personal financial advisor, and other appropriate persons.

2. Application Process

After consulting with his or her immediate supervisor, an employee wishing to participate in the Phased Retirement Program will submit a request, in writing, through his or her immediate supervisor, to the vice president responsible for the employee's department. Because each department must assess if participation would adversely affect its operations and the cost impact, the ability of employees from different departments to participate in the Program may vary in any given year. The written request to participate in the Program must include the desired percentage of full-time assignment, the desired effective date, and the proposed duration of the phased retirement.

Employees may submit a request to participate in the Phased Retirement Program at any time. However, priority will be given for requests which are submitted prior to February 1 for the following fall semester and by September 1 for the following spring semester.

3. Approval Process

The applicable vice president will make a determination whether to approve an employee's request for phased retirement based on the criteria set forth above. The vice president's decision is final.

Any exceptions to the Program must be requested in writing and signed by all parties. Only the applicable vice president may authorize an exception to the provisions of the Phased Retirement Program, which must be approved by the Vice President for Business Affairs and Treasurer.

4. Development of the Formal Agreement

If a request for participation in the Phased Retirement Program is approved by the applicable vice president, the application is submitted to the Employee Benefits office. The application is then processed and submitted to the Vice President of Business Affairs and Treasurer. A formal Phased Retirement Agreement will be generated that will contain the provisions specified in the Program. The final Agreement will be coordinated through the employee's immediate supervisor, the Employee Benefits office, and the Vice President for Business Affairs and Treasurer.