**Phased Retirement Plan for Faculty** **UPPS No. 04.04.51
 Issue No. 8
 Effective Date: 06/01/2023
 Next Review Date: 10/01/2027 (E4Y)**

 **Sr. Reviewer: Provost and**

 **Executive Vice President for**

 **Academic Affairs**

**POLICY STATEMENT**

*Texas State University provides eligible full-time faculty members with the option to phase into full retirement through reduced academic appointments.*

**01.** **SCOPE**

01.01 For eligible full-time faculty members with many years of service, Texas State University endorses an optional phased retirement plan. This plan permits a faculty member to continue reduced academic activity for a specified period. Phased retirement is allowed when the plan is beneficial for all parties and is in the best interests of the university. This policy is informed by [Texas Education Code Section 51.964, Hiring of Certain Retirees](https://statutes.capitol.texas.gov/Docs/ED/htm/ED.51.htm).

**02. DEFINITION**

02.01 Phased Retirement Plan – an option for transitioning active full-time faculty members to retired status through a contractual agreement that requires the faculty member to meet certain objectives during the contractual period. Phased retirement comprises a reduced appointment in teaching, scholarly and creative activity, and service. Additionally, phased retirees are enrolled in retiree group health insurance benefits and are no longer eligible to participate in Teacher Retirement System (TRS) or Optional Retirement Program (ORP) retirement plans.

**03. BACKGROUND INFORMATION**

03.01 On January 19, 1983, the commissioner of the Texas Higher Education Coordinating Board (THECB) provided Texas university presidents with guidelines for developing university policies for voluntary modification of employment. THECB previously endorsed these voluntary guidelines on October 28, 1982.

03.02 These guidelines were the inspiration for the university's Voluntary Modification of Employment (VME) program for tenured faculty, which was in place from the early 1980s until 1996. Effective September 1, 1996, the phased retirement plan superseded that VME program. Effective May 2023, the phased retirement plan was expanded to include all eligible full-time faculty.

**04. PROCEDURES FOR PHASED RETIREMENT**

04.01 Authorization

a. This policy allows the university to employ a faculty member on a part-time basis following retirement when such employment will benefit both the faculty member and the university by conjoint agreement.

b. A phased retirement agreement must be initiated by the faculty member and endorsed by the department chair or school director, dean, and provost and executive vice president for Academic Affairs (provost).

04.02 Eligibility

a. All full-time faculty members are eligible to request participation in the program when they meet the following requirements:

1) voluntarily terminate employment with Texas State;

2) meet the service requirements for retirement under TRS, ORP, or any combination thereof; and

3) adhere to mandatory breaks in service, as defined by their retirement plan.

b. ORP Eligibility – Because ORP is not a defined benefit plan like TRS, there may be more room for institutional flexibility. ORP regulations require a one full calendar-month break in service between the date of retirement and any resumption of state employment.

04.03 Submission of Request to Participate

a. Participation is voluntary at the request of individual faculty members.

b. A faculty member wishing to participate in this program should confirm retirement eligibility with Human Resources and notify the department chair or school director in writing at least six months before the academic year in which participation will begin. This notice allows time for the consideration of mutual benefit, negotiations, approvals regarding the phased retirement agreement, and other preparations.

04.04 Agreement

a. The retiring faculty member and the department chair or school director, with the advice of the personnel committee, will negotiate an agreement to establish expectations for the modified service, subject to approval by the college dean and provost.

b. The phased retirement agreement shall include the duration of the phased retirement term (one, two, or three years), percentage time appointment for each academic semester, and academic duties to be performed. Faculty on phased retirement receive annual contracts.

c. The agreement does not include a commitment to offer specific courses at particular times or days in selected semesters. The department chair will consult with faculty on phased retirement regarding teaching preferences but makes the final determination on teaching assignments based on the department’s instructional needs.

d. At the conclusion of the agreement period, additional employment may be considered, but such renewals do not extend the phased retirement agreement.

e. The university will only dismiss a faculty member for good cause, as specified in [The Texas State University System Rules and Regulations, Chapter V, Section 4.5 and Section 4.6](https://www.tsus.edu/about-tsus/policies.html).

 04.05 Benefits Relinquished by the Faculty Member

a. A participating faculty member will relinquish their status as a full-time faculty member including any tenure rights held, no later than the member's date of retirement under TRS or ORP or the end of the academic year in which notification of one's election to participate in this plan is given, whichever is earlier.

b. Under the phased retirement plan, the faculty member is no longer a member of the department’s personnel committee and may not qualify for appointment or election to certain committees and positions.

04.06 Benefits Retained by the Faculty Member

a. Excluding TRS or ORP membership (except as required by law), phased retirement entitles the faculty member to all usual rights and responsibilities of faculty appointments.

b. For any semester in which the faculty member has an active appointment of 50 percent or more, they are an eligible faculty voter for departmental matters considered by the voting faculty.

c. Based on current law and university policy, the faculty member may be eligible for group insurance and other employee benefits. The faculty member should consult with Human Resources to determine eligibilty.

04.07 Compensation and Workload

a. Each faculty member participating in this program shall receive a salary established at a rate commensurate with the academic workload agreed to by the faculty member and the university. The salary and associated workload are limited to no more than one-half of the salary earned during the year immediately prior to beginning participation in this program.

b. During this time period, program participants are eligible to receive salary adjustments under the policies and provisions provided to comparable continuing full-time faculty members. The participant’s workload (number of classes and, as appropriate, scholarly and creative activities and service commitments) during this period shall conform to the salary paid and the FTE assigned.

c. A participant in this program appointed for nine months may elect to receive salary in either nine or 12 equal installments.

d. A participant in this program may elect to modify their status to full retirement at any time by simply notifying the department chair in writing. This intention should be communicated no fewer than 90 days prior to the beginning of the academic year when the change in status is to become effective.

04.08 Departmental Budgeted FTE

a. The affected department will retain the salary for the faculty member on phased retirement. The provost will recapture the remaining salary balance. As needed, the department may request additional replacement salary funds during the phased retirement period.

b. Upon full retirement, the Office of the Provost and Executive Vice President for Academic Affairs will recapture the salary. The department may seek authorization to search for a replacement during the final year of the phased retirement period.

04.09 Impact of Physical or Mental Disability

The participant and the university agree that, should the participant become permanently physically or mentally disabled during an academic year, the university president shall, after the participant exhausts all accumulated leave including sick leave, authorize extended sick leave for the remainder of the contracted academic semester or year. The university’s obligation is terminated at the end of the contracted academic semester or year in which the disability occurs.

04.10 Impact of This Policy on Group Benefits Program (GBP), TRS, or ORP Rules

The laws and rules governing eligibility to draw retirement benefits from TRS or an ORP contract and eligibility for membership in GBP, TRS, or ORP govern a participant’s eligibility and not this policy.

**05. REVIEWERS OF THIS UPPS**

* 1. Reviewers of this UPPS include the following:

Position Date

Provost and Executive Vice October 1 E4Y

President for Academic Affairs

Chair, Faculty Senate October 1 E4Y

**06. CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Provost and Executive Vice President for Academic Affairs; senior reviewer of this UPPS

President