Policy to Provide Phased Retirement Option for Teaching Track Faculty

Policy Title
Carnegie Mellon University Policy to Provide Phased Retirement Option for Teaching Track Faculty

Policy Owner
Office of the Provost

Responsible Office
Office of Human Resources, Benefits

Questions concerning this Policy or its intent should be directed to the Office of the Provost at 412-268-3260; to the Vice Provost for Faculty at 412-268-1795; or to the Office of Human Resources, Assistant Vice President for Benefits and Compensation at 412-268-1193.

This Policy took effect on April ___, 2022.

Approved by University Leadership Council __________, 2022. Reviewed by Faculty Senate Faculty Affairs __________, 2022, and Faculty Senate Executive Committee ___________, 2022, and by the President ___________, 2022.

[Additional Dates to be added as needed]

Entities Affected By This Policy
All teaching track faculty members of the university.

Who Needs To Know About This Policy
Current and future teaching track faculty, deans, associate deans of faculty, and department heads.

- Policy on Teaching Track Appointments
- Policy on Emeritus Faculty
- University Benefits Programs

Abstract
To provide an option by which eligible teaching track faculty can voluntarily enter a period of phased retirement under the conditions set forth in this policy.
I. Introduction

While faculty are not constrained to retire at any particular age and the decision to retire is entirely voluntary, arrangements for retirement are naturally a part of a faculty member's personal and professional planning. This policy provides an option by which eligible teaching track faculty who are contemplating retirement can enter a period of phased retirement under the conditions set forth herein. In phased retirement, the faculty member will be expected to work half-time for up to two academic years before retiring (the “phased retirement period”). (Most teaching faculty have 9-month academic year appointments and academic year base pay. For those teaching faculty who have 12-month appointments and 12-month base pay, the phased retirement period will be for up to two calendar years, rather than two academic years.)

This policy provides a process for making the election to enter phased retirement, the general structure and terms of phased retirement, benefits eligibility during the phased retirement period, how phased arrangements must be documented, and the opportunities to remain engaged in emeritus status following retirement.

II. Eligibility and Process for Making Election

Full teaching professors and associate teaching professors who have been appointed to a 5-year term, who are 63 years or older and who have 10 or more years of service with Carnegie Mellon are eligible to elect phased retirement. A faculty member must make a written election (“election”) to their department or unit head (hereinafter “department head”) and dean between the October 1 and January 31 before the beginning of the academic year during which the faculty member would like to commence phased retirement. (For purposes of academic year 2022/23 only, the election deadline will be extended to April 18, 2022.) In all cases, the phased retirement period will commence on September 1.

NOTE: For faculty who have more than 2 years remaining on their most recent appointment at the time they commence phased retirement, this means that they will be agreeing to retire before the expiration of the term of their current appointment. For faculty who have less than 2 years remaining on their appointment at the time they commence phased retirement, their current appointment will be extended to coincide with the retirement date, without the necessity of review.

Deferral. For purpose of elections made during the first three years after the effective date of this Policy, a department head and/or dean have the discretion to defer a faculty member’s entry into phased retirement by one academic year in order to smooth the transitions in the unit for the purpose of ensuring continuity in the educational program.

III. Terms of Phased Retirement and Benefits
The faculty member and department head will agree on the precise terms of the phased retirement arrangement and those terms will be documented in the written release agreement referenced in Section IV below. The terms will include a description of specific teaching and service expectations for half-time work, the structure of half-time work, and continuation of other departmental support (i.e., discretionary funds). During the phased retirement period, faculty members may be required to share office space.

Upon entering phased retirement, the faculty member will be expected to work half-time (50% effort) for up to two academic years (or two calendar years for those teaching faculty who have 12-month base appointments) and, in return, voluntarily agrees to retire by the end of that period. The faculty member may work more than 50% effort in their home unit or may take on additional assignments outside of the home unit, subject to agreement of their department head and dean. (After entering phased retirement, the faculty member may elect to retire after fewer than two academic years if they wish.)

(Structure of Phased Retirement)

U.S. Nine-Month Teaching Track Faculty. For teaching track faculty who have 9-month academic year appointments and base pay, the structure of half time work during the two academic years of the phased retirement period will be either: (a) full-time work during one semester and not working the other semester of the academic year, or (b) half-time work for both semesters of the academic year. NOTE: During the phased retirement period, 9-month teaching track faculty remain eligible to teach or perform other work during the summer months of the phased retirement period on the terms and conditions negotiated with the unit engaging them.

U.S. Twelve-Month Teaching Track Faculty. For those teaching track faculty who have 12-month appointments and 12-month base pay (as opposed to the norm of 9-month academic year appointments and base pay), the phased retirement period will cover up to two 12-month periods (rather than two academic years) and the phased retirement period will be deemed to commence on September 1. For twelve-month teaching track faculty, the structure of half time work will be: (a) full-time work during either Fall or Spring and not working the other semester of the academic year, plus full-time during the summer months; (b) full-time during either Fall or Spring, plus half time during the summer months; (c) half time work across all 12 months; or (d) half-time work during Fall and Spring, plus full-time during the summer months.

Australia Teaching Track Faculty. For teaching track faculty at Carnegie Mellon University in Australia, the structure of half time work (whether on 9-month or 12-month appointments) will be 50% work across all semesters covered by the 9-month or 12-month appointment.

1 Teaching faculty who hold administrative appointments should consult with their department head or other supervisor regarding the effect of phased retirement on their administrative appointment.
Qatar Teaching Track Faculty. For teaching track faculty at Carnegie Mellon University in Qatar, the structure of half-time work will be: (a) full-time work during either Fall or Spring, and half-time work during any summer months included in their contract; or (b) half-time work across both Fall and Spring semesters and half-time during any summer months included in their contract. Qatar Faculty should consult the Allowance Guidelines provisions for faculty in phased retirement to understand the impact on allowances.  

Rwanda Teaching Track Faculty. For teaching track faculty at CMU-Africa, all of whom have 9-month academic year appointments and base pay, the structure of half-time work during the two academic years of the phased retirement period will be either: (a) full-time work during one semester and not working the other semester of the academic year, or (b) half-time work for both semesters of the academic year. NOTE: During the phased retirement period, teaching track faculty at CMU-Africa remain eligible to teach or perform other work during the summer months of the phased retirement period on the terms and conditions negotiated with the Director or other unit head.

(Compensation) Compensation during the academic year will correspond to the option chosen: 50% of academic year base pay paid over the pay periods of either the Fall or Spring semester when the faculty member chooses to work full-time during one semester, or 50% of academic year base pay paid over the nine months of the academic year where the faculty member elects to work half-time over the full year. For 12-month teaching faculty, summer compensation will correspond to the option chosen. For faculty in Australia, summer compensation will be based on their half-time work. For faculty in Qatar, summer compensation will be based on half-time work during any summer months included in their contract.

(Adjustments of Effort in Home Unit and Outside Home Unit during Phased Retirement Period) The percentage of base pay will be adjusted to reflect any increase in effort in the home unit during the phased retirement period and may require modification of the agreement referenced in Section IV below. Acceptance of any additional assignments outside of the home unit during the phased retirement period must conform with the University’s Policy on Special Service Payments for Internal Consulting. As noted above, all arrangements to increase effort in the home unit or to take on additional assignments outside of the home unit are subject to agreement of the faculty member’s department head and dean.

(Benefits) Regardless of the structure, during the period of phased retirement, the faculty member will receive benefits in accordance with the applicable Carnegie Mellon University Benefit Plans as they may be amended from time to time. The faculty member will be eligible throughout the phased retirement period for health care, dental and vision insurance on the same terms and conditions as if working full time. The faculty member will also be eligible throughout the phased retirement period for the same life insurance to which the faculty member would be entitled if working full time throughout the academic year, with the understanding that, if the

2 Allowances remain subject to change at the University’s discretion.
provision of such life insurance would cause the life insurance feature of the Carnegie Mellon University Benefit Plan to be discriminatory under the Internal Revenue Code, a separate plan may be established for such faculty members and the cost of such coverage might not be exempt from federal income tax. The amount of life insurance coverage will be based on the faculty member’s “annualized base salary” (the salary that they would have been receiving if they had not elected phased retirement), without regard to the reduced salary that the faculty member is receiving during the phased retirement period. Similarly, the faculty member will remain eligible for short-term disability coverage on the same terms and conditions as if working full time, and benefits will be calculated based on the faculty member’s “annualized base salary.” Disability benefits will only be payable during those pay periods of the phased retirement period when the faculty member is expected to work and/or receive their pay. Retirement benefits will be unaffected; that is, the Carnegie Mellon University Faculty and Staff Retirement Plan will be applied in accordance with its terms to the pattern of employment and compensation resulting from phased retirement, such that retirement benefits will be based on the reduced salary earned during the phased retirement period. Faculty will be responsible for their share of the premiums for benefits throughout phased retirement period. During those portions of the phased retirement period when the faculty member is not working, the University’s Benefits Office will contact the faculty member to make arrangements for premium payment.

Faculty at Carnegie Mellon University in Australia, Carnegie Mellon University in Qatar and CMU-Africa should consult with Becky McGhee, Senior Manager, Benefits at rmcghee@andrew.cmu.edu or 412-268-5076 regarding the particular benefits impacts of entering into phased retirement.

IV. Phased Retirement Agreement

Since the benefits of phased retirement exceed the benefits otherwise available to teaching faculty under the terms of the Policy on Teaching Track Appointments (specifically the opportunity to transition to part-time status), and further since retirement under the terms of this policy is entirely voluntary on the part of the faculty member, a faculty member who is granted a period of phased retirement will be required to execute (and not revoke) an Agreement and Release, in the standard form used by the university at that time, as a condition to entering phased retirement. The phased retirement period may not commence until the release becomes effective.

V. Emeritus Status

Teaching faculty retiring under the terms of this Policy may request emeritus status on the effective date of their retirement, and will become teaching professor or associate teaching professor, emeritus or emerita upon approval by the Board of Trustees. Emeritus faculty are encouraged to continue playing an active role in their academic discipline, in their department and in the intellectual life of the university generally.

Emeritus teaching faculty will have the rights set forth in the University’s Policy on Emeritus Faculty, including the opportunity to perform a limited amount of subsequent teaching, to
supervise doctoral students, or to serve as an investigator on externally funded research projects, all subject to approval of the relevant department head and dean.

**VI. Financial and Retirement Planning**

The university will make available to faculty and their spouses programs and materials relevant to financial and retirement planning. The university has designated a person within Human Resources who is a readily accessible contact for assistance to prospective retiring faculty members in getting information on health care, retirement savings plans and other matters related to retirement.

In addition, programs and materials will be provided by outside organizations and professionals rather than by the university itself, but at no cost to the faculty members. These programs will include the opportunity to meet individually or in groups to discuss aspects of financial and retirement planning.

It is understood that assistance with financial planning under this policy will not encompass such arrangements or advice as would cast the university in the role of a fiduciary under the Employee Retirement Income Security Act of 1974, as amended, with respect to investment advice.

**VII. Miscellaneous**

The university reserves the right to alter, eliminate or revise this policy at any time.

This policy does not itself constitute an employee benefit plan or an amendment to any such plan. However, where this policy does make reference to employee benefits, such as health insurance and life insurance, it is intended that all employee benefits continue to be provided through, and governed by, the terms of the employee benefit plans maintained by Carnegie Mellon University, as those plans may be amended from time to time, including such amendments as may be necessary to implement this policy.