2015 Staff Phased Retirement Program FAQs

Q: Could an employee request to serve his or her phased retirement period in a different position from the job he or she currently holds?

A: The goal of the program is to allow an employee to move gradually into retirement from his or her current job, not to allow the employee to train in a different area of the college or work in a different job.

That said, an employee may make such a request if his or her same job is open in the same division though in a different department and reporting to the same VP/Athletic Director of the Division (VP/AD hereafter). Whether or not to approve such a request would be entirely up to the VP/AD.

Q: If a staff member’s proposal for phased retirement is approved, who will do the remaining part of that employee’s job?

A: The redistribution or elimination of duties is at the discretion of the supervisor and VP/AD. The funds saved by the reduction to part-time are available for the VP/AD to use as needed. When another employee is hired to do the remaining part of the position, whether or not that replacement will receive benefits depends on the hours worked and the duration of the position. If it were temporary (for one year or less), it would be unbefitted. If it were part-time for more than one year but less than halftime, it would be unbefitted. If it were at least halftime and for more than a year it would have to go on the regular payroll and would be benefitted, even if it were defined as limited duration. The cost of those benefits would be carried by the department.

Q: Do employees have a right to this benefit? What if the proposed arrangement would cost more than having the employee continue full-time?

A: No. There are alternatives that would not entail benefits costs--hiring someone to work 40%, hiring someone to work 50% for no more than a year, spreading some of the work to other team members, for example. However, if none of those will work and managing the phased retirement is going to cost more than having the employee continue to work and is not offset by advantages, or if no funds are available in the VP/AD’s budget to cover any of the costs of the arrangement, then the VP/AD can simply say no to the arrangement. The proposed policy states clearly that this is not an entitlement and that it will not work in all situations.

Q: What are the goals of the program?

A: People work here a long, long time, and they tell us that they think about retiring but that their entire lives are built around the college and that the abrupt change scares them. The goals are to help people phase into retirement, especially those who are hesitant to step “off the cliff” into retirement, and to allow the department and the VP/AD some advanced notice of retirements so they can have more time to figure out whether they can do something else with the current FTE or do without the position altogether.
Q: Why is the college instituting the program at this time?
A: This is a program that both employees and managers have been asking us for. We have a similar program for faculty and want to be able to offer the same benefit to staff.

We do not expect a lot of staff employees to use this benefit, but if it helps two or three people that will be useful and worth the effort of creating a policy.

Q: Can the employee change his or her mind after proposing and signing the phased retirement agreement?
A: No. A critical piece of the program is that the employee commits irrevocably to retirement in one, two, or three years, which gives the college time to plan for covering the position.

Q: Will an employee who is younger than the college’s official retirement age (see “Retirement-Health Insurance” in Employee Guide) when his or her phased retirement plan ends receive retiree medical coverage and/or dependent tuition?
A: No. An employee who has a combined age and years of service equal to or greater than 70 may enter the Staff Phased Retirement Program and leave the college at the end of one, two, or three years of reduced employment, but if at the end of the phased retirement period the employee is below the age of 60, which is required for official retirement with benefits from the college (unless grandfathered as defined in “Retirement – Health Insurance” in the Employee Guide), the employee will not be eligible for retiree medical benefits or dependent tuition or any other continued benefits associated with retirement from the college.

Q: Will sick and vacation accruals change when an employee signs up for voluntary phased staff retirement?
A: Yes. Sick and vacation leave accrue based on work level, so a staff employee on voluntary phased staff retirement will be working half-time and will accrue sick and vacation leave at the half-time rate.

Q: How are holidays affected?
A: Employees on phased retirement will be working a half-time schedule. They will still get paid holidays but at a reduced rate equal to half their former, full-time rate. In other words, someone who works four hours a day is paid for four hours on a holiday.

Q: How will accrued vacation be managed when a staff employee begins phased retirement?
A: Since the maximum accruals for half-time employees are half of the maximum accruals for full-time employees with the same number of years of service, an employee moving from a full-time to a half-time position whose accrued vacation is not above the half-time maximum will see no change except that the accruals will stop at a lower maximum. For an employee moving from a full-time to a half-time position whose accrued vacation is above the half-time maximum, the college will cash out accrued vacation in excess of the part-time maximum at the time of the change to part-time work.

Q: Is there a deadline to apply?
A: No. The faculty phased retirement is tied to the academic year, but staff positions start and stop throughout the year. Staff may initiate a phased retirement program at any time in the year, with
approval from the division VP or Athletic Director. However the employee needs to apply at least 60 days before he or she wishes to begin part-time work.

Q: Can an employee sign up for now to begin a phased retirement a year from now?
A: That would be up to the division VP or Athletic Director, but many will be reluctant to enter into a binding contract too far in advance of the actual start of the phased retirement because business needs could change.

Q: Is this plan being offered just for one year?
A: No. Though the college reserves the right to change benefit programs at any time, this in intended to be an ongoing benefit program.

Q: Is 20 hours the only amount of time that is available?
A: Yes. This program is designed for employees to work half-time, which is the minimum amount required to retain benefits.

Q: Can an employee convert the college-paid life insurance policy since the college-paid benefit is being discontinued when the employee enters phased retirement?
A: Yes, an employee who goes from full-time to part-time can convert the college-paid life to a personal policy and pay the full premiums directly.

Q: Do benefit costs go down when an employee becomes a part-time employee through phased retirement?
A: No. While the college contributes less toward the cost of health insurance for regular part-time employees than for full-time employees, the college’s contribution for employees on the phased retirement program will remain the same as for full-time employees. This is one of the largest advantages of the program.

Q: Does the college contribution to the HSA change when an employee goes on phased retirement?
A: No. The college will continue to contribute to benefits as though the employee were still full-time, with the exception of college-paid life insurance and college-paid disability insurance and the retirement contribution (which is calculated as the same percentage of pay, but which will be lower because the pay will be lower).

Q: Does an employee have to work every day during phased retirement or could the employee work a different schedule, such as three days a week?
A: The work has to be half-time and 12 months per year, but the schedule of hours per week during phased retirement will depend on business need and the approval of the department management and the VP/AD.

Q: What are the regular retiree benefits when one fully retires from the college (not during phased retirement)?

Q: What procedure does the manager follow when the employee requests phased retirement?

A: The manager should alert the division VP and HR when an employee submits an Expression of Interest form.

Q: If the department has to hire a new person to do the work once an employee becomes part-time under phased retirement, are funds available?

A: Arrangements to cover work left undone by a phased retirement arrangement cannot cost more than the cost of the employee's original full-time position. Hiring of an additional employee to cover a phased retirement must total less than the original cost and meet the business need. The VP/AD has the final say on whether a proposed phased retirement work arrangement is in the best interest of the college and should be approved.

Q: Can the grounds crew work full-time for six months through the summer and not work at all in the winter?

A: While many of us would enjoy that schedule (or the opposite) the phased retirement program requires the employee to work half-time for 12 months of the year. We cannot maintain benefits for an employee working only six months of each year.

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