

DAVIDSON COLLEGE

FY23 STAFF VOLUNTARY PHASED RETIREMENT PROGRAM

I. PURPOSE

The FY23 Davidson College Staff Voluntary Phased Retirement Program (the “Program”) provides an opportunity for eligible full-time staff members to make an orderly transition to retirement through reduced service for a predetermined period in return for certain compensation and continued benefits.

The Program is completely voluntary and is available when agreed to and entered into by a mutual written agreement between an Eligible Staff Member and Davidson College (“Davidson” or the “College”). In addition, the primary goal of the Program is to allow Eligible Staff Members to reduce their workload gradually while enabling the College to more flexibly allocate staffing and funds.

Eligible Staff Members may elect to seek participation in the Program within the timeframe described below, with active participation to commence at a date no later than one year following acceptance by the College.

II. ELIGIBILITY

The Program is available only to regular, full-time staff members. Temporary and part-time staff are not eligible for the Program.

A. Time.

1. Except as set forth in Section III, the Program is available to all regular full-time staff members who meet the eligibility criteria by the first of the quarter in which they wish to begin phased retirement:
 - a. Have worked continuously in a benefited full-time position at Davidson for at least the past 10 years; and
 - b. Have combined years of full-time service and age that equals or exceeds 70.
2. For purposes of determining eligibility, the definition of a full-time staff member means someone who works in a benefited, on-going position that is budgeted for at least 37.5 hours per week for 52 weeks per year and who is an active employee or on an authorized leave of absence.

B. Eligibility Confirmation.

Individual staff members are responsible for providing the College all information necessary for it to determine their eligibility as to age and service at Davidson.

C. No Absolute Right to Participate.

As set forth in Section III, Eligible Staff Members do not have an absolute right to participate in the Program. Rather, the College may limit participation in the Program based on various conditions. However, if an Eligible Staff Member and the College tentatively agree to an Eligible Staff Member's participation and "work plan" as described below, the final decision whether to enter the Program rests with the Eligible Staff Member.

III. LIMITS AND CONDITIONS ON ELIGIBILITY

A. Participation Caps.

1. The College may establish departmental and/or College caps or limits on the number of Eligible Staff Members who may participate in the Program. A cap may be an absolute number or a formula that produces a number. The cap of a department and/or the College, if and as established, must be applied consistently to all Eligible Staff Members timely seeking to commence enrollment in the Program.

B. Other Participation Limits.

1. The program will not work for all positions. The College may deny an application to participate in the Program where allowing participation results in hardship or added expense for the Department or the College, or where the College deems for any reason that the College's best interests are not served by a phased retirement agreement.
2. The College may also deny an application to participate in the Program upon a finding that granting the application would substantially weaken quality or disrupt services in the department or College.

IV. REDUCED SERVICE.

A. Reduced Service.

1. Reduced job responsibilities during the period of phased retirement are individually negotiated by the Eligible Staff Member, the management of the Department, and the Director or Associate Director of HR. The details of reduced service (a "work plan") must then be set forth in a mutually agreed-to Application and Work Plan Agreement, as described in Section VII.D.

2. Reduced responsibilities will vary among departments. Work schedule will be reduced to 20, 25 or 30 hours per week, or the exempt equivalent effort, which is the minimum required to retain benefits eligibility. The reduced job duties will be agreed to in advance and outlined in a written work plan mutually agreed to with the College, and will remain consistent throughout the phased retirement agreement.

V. DURATION

A. Participation Period.

The duration of phased retirement under the Program shall be for a period of no shorter than six months and no longer than thirty-six months, as determined by an Eligible Staff Member and the College at the outset of the staff member entering into his or her work plan. Full retirement from all employment with the College must take place at the end of such period, which shall be no more than three years after the initiation of the phased retirement period.

B. No Extensions / Renewals.

Participation in the Program may not be extended or renewed beyond completion of the agreed to period.

C. Early Termination.

Despite any intended participation period, the College and a Participating Staff Member may terminate participation in the Program and the terms of the Participating Staff Member's Application and Work Plan Agreement with the College at any time by mutual agreement.

VI. COMPENSATION

A. Salary.

1. The Program permits Participating Staff Members to work a reduced work schedule in return for reduced compensation, for a period of between six months and thirty-six months, as outlined above.
2. Participating Staff Members are specifically compensated at a salary equal to the following:

For non-exempt positions originally budgeted at 40 hours per week and for all exempt positions:

- 20 hours per week, with the expectation of performing 50% of regular job duties. Pay will be 50% of full-time salary.

- 25 hours per week, with the expectation of performing 62.5% of regular job duties. Pay will be 62.5% of full-time salary.
- 30 hours per week, with the expectation of performing 75% of regular job duties. Pay will be 75% of full-time salary.

For non-exempt positions originally budgeted for 37.5 hours per week:

- 20 hours per week, with the expectation of performing 53% of regular job duties. Pay will continue at hourly rate.
- 25 hours per week, with the expectation of performing 66% of regular job duties. Pay will continue at hourly rate.)
- 30 hours per week, with the expectation of performing 80% of regular job duties. Pay will continue at hourly rate.

3. Salary for purposes of this Program is based on a percentage of full-time salary that a Participating Staff Member in an exempt position received immediately prior to phased retirement (e.g., based on his or her last twelve-months of full-time employment, as applicable). Final annual salary for non-exempt employees will depend on actual hours worked.
4. Participating Staff Members are eligible to receive general salary increases, if and as approved by the College.

B. Benefits.

1. Participating Staff Members will be eligible for participation in the College's health insurance and general benefit programs available to regular full or part-time staff members in accordance with the terms and conditions of such plans, as such benefits may be modified, replaced or terminated from time to time in the discretion of the College. Participating Staff Members will be eligible for continued employer contributions towards the cost of the College's active employee health, vision and dental insurance at the full-time employee rate, even if the Participating Staff Members' reduced service drops them below full-time status.
2. Participating Staff Members will remain eligible for the following plans:
 - The College's health, vision and dental insurance.
 - The College's dependent tuition benefit.
 - The College's Employee Assistance program (EAP).
 - The College's Benefit Advocates program.

- The College's voluntary supplemental life plan.
 - The College's voluntary AD&D supplemental plan.
 - The College's cancer insurance plan.
 - The College's voluntary employee-contributed SRA retirement plan.
 - The College's rental and land lease programs.
3. A Participating Staff Member will receive prorated reduced employer contributions to his or her College 403(b) plan based on reduced earnings. A Participating Staff Member will accrue vacation and sick leave based on reduced work schedule, and any vacation accruals above the maximum allowed for the reduced schedule will be paid out to the Staff Member at the beginning of the Phased Retirement period.
 4. A Participating Staff Member may or may not be eligible to continue in the following plans in accordance with the applicable College plans.
 - The College's college-paid life and AD&D insurance plan.
 - The College's long-term disability plan.

In addition, as noted above, the following fringe benefits based on salary will be adjusted to a Participating Staff Member's new salary level(s):

- The College's contribution to the 403(b) retirement plan.

C. Program End.

- All salary and benefits provided to a Participating Staff Member under the Program shall terminate upon the end of the applicable Program period, early mutual termination by the parties, or a Participating Staff Member's death. At such time, a Participating Staff Member shall then be afforded the same rights, benefits and privileges as any other similarly situated retiree of the College, except as otherwise modified in this Program.
- The eligibility requirements for Retiree Healthcare coverage, if applicable, are different from those for the Voluntary Staff Phased Retirement Program and are unchanged by participation in the Voluntary Staff Phased Retirement Program. **(Currently an employee must be at least 60 years of age and have at least 10 years of full-time, continuous service at retirement, except for the period of phased retirement, to be eligible for Retiree Healthcare coverage.)**

- Subject to availability of facilities and College resources and continuation of the programs below by the College for then applicable active College staff members and/or retirees, opportunities for continued affiliation with the College post-retirement for employees with at least 60 years of age and at least 10 years of service at the time of retirement will include:
 - Continued library privileges.
 - Access to campus fitness facilities.
 - Employee pricing for campus events.
 - Participation in a college retiree listserv.

VII. APPLICATION PROCEDURES

A. Staff Communication.

1. The HR Director and HR Associate Director/Benefits Manager are available to discuss the Program with any interested Staff Member.
2. In addition, various materials will be prepared and distributed (in hard copy or electronic form) to every Staff Member who appears eligible or likely to become eligible for the Program. Such materials will include, among other things:
 - The FY23 Davidson College Staff Voluntary Phased Retirement Program Policy.
 - The FY23 Davidson College Staff Voluntary Phased Retirement Expression of Interest Form.
4. The Davidson College Phased Retirement Program Application and Work Plan Agreement (available from HR after the employee has submitted the Expression of Interest Form).
3. A Chart reflecting information regarding persons who are eligible and those who are ineligible for potential participation in the Program will be provided to those Staff Members who complete an Expression of Interest Form.

B. Application Periods and General Process.

1. Interested staff members must inform their Supervisor and HR of their interest in the program by submitting an Expression of Interest Form at least 60 days prior to the requested commencement date of their Phased Retirement. Such expression of interest is non-binding and is intended to allow their management to initiate discussion of the Program.

2. **An application to enter the Program must then be made.** To begin the application process, an Eligible Staff Member must first submit an application to enter the Program to their Supervisor and HR. The application form is available in HR. An application is subject to final approval by the applicable Department Director and the Division's Vice President/Division Leader, following evaluation of the conditions outlined in this Program and the development of a mutual "work plan" with the Eligible Staff Member as outlined in Section VII.D.
3. If an Eligible Staff Member and the College tentatively agree to the staff member's participation and a mutual "work plan", the decision to enter or not enter the Program then rests with the Eligible Staff Member.
4. Once mutually agreed upon and made, a decision to enter the Program is binding. This is signified by the Eligible Staff Member's signing and non-revocation of the Application and Work Plan Agreement and General Release described in Sections VII.D. and E.

D. Work Plans.

1. An Eligible Staff Member who is considering applying for admission to the Program must meet with the management of his or her department and negotiate the terms for reduced service employment. A typical work plan will usually cover services to be rendered and a proposal for how other services will be managed.
2. The full range of activities currently performed in the position should be considered in work plan discussions.
3. The assigned duties during the Program should be consistent with the skills and abilities of the Eligible Staff Member and the objective needs of the department. The Eligible Staff Member and the departmental management should also discuss in detail the aspects of the assignments associated with reduced service employment, including but not limited to, office assignments, work and research space, computing facilities and travel funds. It is the departmental management's responsibility to ensure that a staff member who requests to participate in the Program is offered meaningful work assignments that are consistent with departmental objectives and the skills and abilities of the staff member. Work assignments are expected to vary from department to department and across staff within a department.
4. Once the duties and arrangements with an Eligible Staff Member are fully determined, the agreement to participate in the Program must be stated

in writing in a formal Application and Work Plan Agreement and signed by the Division's Vice President/Division Leader.

5. In cases where the College and the Eligible Staff Member cannot agree on a work plan, the Eligible Staff Member will not be allowed to participate in the Program.

Conversely, once mutually agreed upon and made, a decision to enter the Program is binding. However, after an Agreement is finalized, the parties may still terminate the Agreement at any time upon mutual written agreement.

E. Agreement and Release.

1. Procedure.

If and after an Eligible Staff Member and the Division Vice President/Division Leader/ agree upon a work plan, the staff member will be provided a finalized version of the Application and Work Plan Agreement (the "Agreement") and a General Release (the "Release") to consider and sign.

2. Consideration Period.

As required by the Age Discrimination in Employment Act ("ADEA"), the Eligible Staff Member will be offered forty-five (45) calendar days to execute and return the Agreement and Release to the College. However, the Eligible Staff Member may sign the Agreement and Release before the end of the 45-day period, if he or she so chooses.

3. Revocation Option.

Once an Eligible Staff Member signs the Agreement and Release, he or she also has the right under the ADEA (if he or she so chooses) to revoke the Agreement and the Release at any time within seven (7) calendar days of the date both documents are fully executed by the parties.

An election to participate in the Program does not become final until after the 7-day revocation period has passed without the Eligible Staff Member's revocation. Consequently, if an Eligible Staff Member uses his or her entire 45-day consideration period, his or her Agreement may not be binding until almost two months after he or she receives the Agreement and the Release to sign.

VIII. CONTINUED AFFILIATION WITH THE COLLEGE POST-RETIREMENT

Participation in this Program will not preclude a Participating Staff Member from potential, future continued employment with the College on a part-time basis following his or her retirement. However, a Participating Staff Member may not be employed in any position or capacity with the College following his or her retirement that requires the College to contribute to the staff member's retirement plan. In addition, because of various IRS guidelines:

- A retiree who later returns to work at the College in a part-time position post-retirement must have a break in service of at least 180 days. During this 180-day period, no work can be performed in *any* capacity with the College.
- There shall be no preexisting work arrangement or guarantee to a Participating Staff Member regarding any future potential post-retirement opportunities at the College. In addition, the College hereby advises all Eligible Staff Members that any statements or commitments to the contrary are void and should be disregarded.

IX. CHANGES OR RENEGOTIATION OF A WORK PLAN

A Participating Staff Member may later seek to renegotiate his or her work plan duties with the Division Vice President/Division Leader. Any changes resulting from the renegotiations must be in writing and signed by the Program participant and the Division's Vice President/Division Leader with an effective date. A Program participant who seeks to renegotiate his or her work plan is encouraged to do so at least six months in advance of the effective date of the desired change(s).

During Program participation, the Division Vice President/Division Leader retains the right to make reasonable changes in assignments under a Participating Staff Member's work plan to address the needs of the department that are consistent with departmental and/or College needs and the participant's abilities.

X. GENERAL PROVISIONS

A. General Rights and Expectations

1. Nothing in the Program precludes a Participating Staff Member from terminating his or her phased retirement at any time with the mutual agreement of the College.
2. Participating Staff Members are expected to maintain continued high levels of professional commitment to the College.

B. Continued Policy Application and Compliance.

1. Participating Staff Members will remain subject to the Staff Employee Guide and other applicable Policies of Davidson.
2. Without expressly or constructively terminating any Agreement, the College may place a Participating Staff Member on temporary leave with pay and/or reassign a Participating Staff Member's duties during or as a result of any investigation or disciplinary action involving the Participating Staff Member. Such authority shall be invoked only in exceptional circumstances when such action is in the best interests of the College.
3. **Nothing in the Program or these guidelines shall in any way be interpreted to provide a Participating Staff Member with greater rights, claims or privileges against the College regarding continued employment than otherwise provided in the Employee Guide, Bylaws and other applicable Davidson Policies.**

C. Future Programs

This Program is only available to staff members who apply for participation, are otherwise eligible for participation, and meet the other terms and requirements of the Program. The College reserves the right to offer like programs in the future, but no voluntary phased retirement program for staff members will be offered in the five calendar year period following July 1, 2022 that provides a higher salary percentage for the reduced schedule options outlined above.