TENURED FACULTY
PHASED RETIREMENT INCENTIVE PROGRAM

I. PURPOSE

Upon entering phased retirement, the employee will be permitted to reduce their workload for up to two academic years and, in return, voluntarily agrees to retire by the end of that period. The employee may retire after fewer than two academic years. A reduced workload can be achieved either by working one semester and not working the other semester, or by working reduced time both semesters in any given academic year. The choice of how to achieve a reduced workload will be made by mutual agreement of the employee and the dean in consultation with the Vice President for Academic Affairs or Vice President for Health affairs, as appropriate. Employee’s base salary (calculated as of January 18, 2017) will be reduced according to the percentage in workload reduction and paid according to UND’s regular payroll schedule.

As part of this Phased Retirement Incentive Program, UND is offering an Incentive Payment during the first year of the phase down period for those employees who apply by February 15, 2017 at 4:30pm and are accepted to participate in this program by March 15, 2017. Accepted employees will receive twenty-five (25) percent of their regular FTE salary over their proportionally reduced salary for the first year of the phase down period (less all required federal and state taxes and deductions as required by law). Employees will receive payment commensurate with reduced workload for the remaining years of the phase down period.

The purpose of the Phased Retirement Incentive Program (“Phased Retirement Program”) is to implement a limited time incentive to eligible UND employees in order to achieve specific institutional objectives. These objectives include:

A. Reducing salary, wage and benefit costs in anticipation of imminent funding challenges.
B. Redirecting the allocation and appointment of positions at the University to maximize the University’s ability to fulfill its mission on a continuing basis in the future.
C. To the extent possible, and in the context of the long-term fulfillment of the University’s mission, minimize the scope and/or number of involuntary terminations.

This is anticipated to be a unique and limited offering by UND, with a window of opportunity for individuals to submit voluntary applications for consideration. The University leaves open the right to continue the program beyond the original schedule, and/or initiate similar programs in the future. Participation in the program is voluntary for both the University and the tenured faculty.
member. Tenured faculty members are not guaranteed participation in the Phased Retirement Program, and the decision to approve an applicant is entirely at the discretion of UND.

UND anticipates approving as many applications as possible. The University has discretion to limit the total number of applicants approved for reasons, including but not limited to, preserving the vitality of the affected programs and services, as well as the integrity of financial resources.

II. ELIGIBILITY CRITERIA AND LIMITATIONS
Phased-Retirement is not an entitlement or benefit. It is intended to be a tool for UND to meet both the imminent funding challenges and to meet the long-term fulfillment of the University’s mission, with a specific focus on budget reduction. It is also an attempt by the University to offer specific phased retirement terms that recognize the invaluable contributions of its tenured faculty while operating under the University’s current financial constraints.

All tenured faculty employees who meet the minimum eligibility requirements are invited to apply; however, not every individual meeting the minimum requirements and submitting an application may be approved. Proposed “phase-down” terms will be negotiated by the respective school/college dean in consultation with the respective department chair. Certain schools/colleges may determine that they cannot recommend an applicant’s proposed phase-down terms for approval based on budgetary and programmatic demands. The Provost and Vice President for Academic Affairs or Vice President for Health affairs, as appropriate, will consult with the respective school/college dean, before making a recommendation to approve or deny each application to the President. The President retains the sole discretion over the eligibility and approval of any phased retirement application.

The decision to apply for participation in the program by any eligible employee is strictly voluntary on the part of the employee.

A. Eligibility Requirements and Limitations
Individuals meeting the following criteria are eligible to apply for the Phased Retirement Program:
1. The individual must be a tenured faculty member currently employed at UND, as defined by the North Dakota State Board of Higher Education (Policy 605.1)
2. The individual meets the Rule of 65, which is calculated as the sum of the employee’s age and total years of benefited employment in the North Dakota University system (e.g. 55 years old with 10 years of benefited employment)
3. The individual must meet these eligibility criteria not later than February 15, 2017.
4. The individual must review and acknowledge the Phased Retirement Program Guidelines and Application for participation prior to February 15, 2017 at 4:30pm.

B. Exclusions

The following individuals are NOT eligible for participation, even if they meet the criteria in Section A above:

1. Employees who have given written notice of their intent to retire or resign prior to January 18, 2017;
2. Employees who have participated or are currently participating in a Phased Retirement prior to January 18, 2017;
3. Employees who are rehired retirees;
4. Part-time or adjunct faculty;
5. Non-tenured faculty hired on a year to year contract (special appointments);
6. Employees who have previously entered into an agreement with a predetermined employment end date;
7. Employees who have accepted other employment in a tenured or tenure track position at another institution of higher education or any other employment;
8. Employees who have resigned prior to the program implementation (January 18, 2017) and whose resignations have been accepted;
9. Any employee who has received notice of termination, notice of non-renewal or cancellation of employment contract prior to January 18, 2017.

C. Application Procedure and Review

1. Review Phased Retirement Program criteria for eligibility. If you have questions regarding your eligibility, please contact the UND Office of Academic Affairs by email at Shannon.mikula@und.edu. Please note: the UND Office of Academic Affairs is the only official source of information/interpretation for this program. Any questions received will be responded to in writing by a representative of the UND Office of Academic Affairs.
2. Applications will be made available at the UND Office of Human Resources located in Twamley Hall Room 313. Applications can also be found online at http://und.edu/finance-operations/human-resources-payroll/phased-retirement.cfm
3. As part of the application process, the eligible individual faculty member and respective dean, in consultation with the department chair, or comparable administrator will each make a good faith effort to
develop a mutually acceptable plan of reduced workload by the faculty member during the period of phased retirement. Deans of the Schools/Colleges, in consultation with appropriate chair and other UND staff, will evaluate the applications received in relation to the objectives of the phased retirement program and specifically document those discussions for inclusion with the application prior to consideration by the Provost and Vice President for Academic Affairs or Vice President for Health Affairs, as appropriate.

4. Eligible employees are required to obtain conditional approval of the mutually acceptable plan of reduced workload by the faculty member from their school/college dean in consultation with their respective department chair. **Signature of the dean on the application will represent conditional approval on a mutually acceptable plan of active involvement but will not be considered final until reviewed and accepted by the President.**

5. Eligible employees must submit completed applications for consideration in the Phased Retirement Program to the UND Office of Academic Affairs. Applications are encouraged as early as possible with the **final deadline for consideration being no later than 4:30 p.m. CST on February 15, 2017.** Applications can be submitted in one of two ways:

   a. Hand Delivered to UND Office of Academic Affairs, Twamley Hall Room 304, or
   b. Sent via email to: Shannon.mikula@und.edu.

   **It is the applicant’s responsibility to ensure that their application was received by the application deadline. UND encourages applicants to contact the Office of Academic Affairs to confirm receipt of their application.**

6. The Office of Academic Affairs will assure accuracy, completeness and verify eligibility for each application. The appropriate Vice President and dean, will then review the application in detail, before it is submitted to the President for conditional approval or denial.

7. Conditionally approved applicants will be provided with a phased retirement agreement for their review. Conditionally approved applicants will have forty-five (45) days, from the date of the agreement is made available to the approved applicant, to review, consider and accept. Once acceptance of the agreement is submitted, approved applicants will have a period of seven (7) days to revoke their acceptance. During this time, approved applicants are encouraged to seek advice from their financial, legal and/or tax counselors and to
contact the office of Academic Affairs with their questions about the plan. Final approval of an applicant is conditioned on execution of an unmodified phased retirement agreement and only the President may approve a phased retirement agreement.

8. The President’s decision on each application will be communicated to the applicants as soon as practicable.

9. There is no expectation that all Phased Retirement Program applications will be approved.

10. Employees waive tenure and all associated rights to continued employment as part of participation in the phased retirement program at the time of acceptance of the phased retirement agreement. Employees will not be considered tenured during the phase-down period.

D. Incentives

1. Approved applicants will reduce their workload and have the their annual base salary proportionately reduced but will receive twenty-five (25%) percent of their regular FTE salary over the proportionately reduced salary for the first year, less all required federal and state taxes and deductions as required by law. During the second year, approved applicants will receive a salary commensurate with their reduced workload, less all required federal and state taxes and deductions as required by law. (Year one and two compensation referred to jointly as “graduated scale of pay”). The phased retirement will be executed as follows:
   
a. Employee will be compensated according to the regular payroll schedule;

b. The phase-down period will commence on July 1, 2017 and end no later than June 30, 2019 (“Retirement Date”), in accordance with the phased retirement agreement. Participating faculty members will receive a graduated scale of pay for reduced workload. Tenure rights and all other rights related to continued employment will be relinquished at the time of acceptance of a phased retirement agreement.

c. Employee will separate from the University on their Retirement Date.

2. No change in base salary within the ninety (90) days prior to January 18, 2017 will be taken into account in determining the employee’s base salary for use in the incentive calculations. Additionally, during the phase-down period, faculty will not receive and are not eligible for salary increases or promotions—merit- based or otherwise.

3. A faculty member in the phased-retirement program may request full
retirement at any time. Whenever possible, notification of this intent should be given at or before the time of contract renewal for the subsequent year.

4. As long as the faculty member maintains at least a 50% workload/compensation rate during a contract period, a faculty member in phased retirement will continue to be eligible for all University benefits available to full-time faculty, with the understanding that salary-sensitive benefits such as retirement contributions and life insurance coverage are based on one’s actual rate of compensation. Faculty dropping below 50% will no longer be eligible for University benefits. Any pay and benefits received as a result of employment with UND will terminate or cease in accordance with the terms of those established laws, policies, plans and procedures.

5. As of the start date of the Phased Retirement Agreement, the faculty member is eligible to access their TIAA retirement funds, according to the plan document and applicable federal rules and regulations.

E. Tax and Financial Consequences of Participation in the Phased Retirement Program

1. Eligibility to participate in the Phased Retirement Program does not automatically make the employee eligible for retirement benefits under the North Dakota Public Employees Retirement System (NDPERS) or the Defined Contribution Retirement Plan (TIAA/CREF) or any other institutional, state or federal retirement program. The employee is solely responsible for consulting with his/her retirement program to determine eligibility for and the amount of any annuity, if any, and applying for such benefits, if any, in accordance with state and federal law. It is the employee’s responsibility to submit the required application and information to NDPERS or TIAA/CREF or any other retirement program financial provider, whichever is applicable, for processing within the required timelines of the program.

2. In all cases, each individual participating employee is responsible for consulting with his/her personal tax advisor as to the potential tax consequences of the employee’s participation in the Phased Retirement Program.

3. No employee of UND is authorized by UND or the North Dakota University System to provide tax and/or financial advice to employees. Information sessions and material are for general information only and
should not replace the advice of a competent financial and/or tax advisor.

F. Conditions

1. Not every individual application may be approved. The President has sole discretion over the determination of eligibility and approval or denial of any individual application to the Phased Retirement Program in order to achieve specific institutional objectives. Nothing in this program shall be construed to create a right or entitlement to any employee.
2. The approved applicant will separate from all employment at UND no later than June 30, 2019.
3. In consideration for participation in the Phased Retirement Program and the receipt of incentives described herein, accepted applicants must voluntarily accept and sign a phased retirement agreement that contains a release of tenure, all continuing employment rights and any and all claims against the University of North Dakota and/or North Dakota University System, including but not limited to any claim against their officers, employees, agents, attorneys, insurers and/or their assignees.

III. Schedule for the Phased Retirement Program.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Description</th>
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<tbody>
<tr>
<td>Materials sent to all eligible faculty, including a letter to the faculty, a program description, frequently asked questions and answers, an application for participation, and work plan request form</td>
<td>January 18[1]</td>
</tr>
<tr>
<td>Application Deadline</td>
<td>February 15</td>
</tr>
<tr>
<td>Agreement letter delivered to faculty accepted for program</td>
<td>April 15 preceding phase-down period</td>
</tr>
<tr>
<td>Signed agreement due back from faculty[3]</td>
<td>May 31</td>
</tr>
<tr>
<td>Revocation period ends</td>
<td>June 7</td>
</tr>
<tr>
<td>Phase-down period begins</td>
<td>July 1</td>
</tr>
<tr>
<td>Phase-down period ends, Retirement date</td>
<td>June 30 [Maximum 2 years] following commencement of the phase-down period</td>
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1. UND will offer at least two general information sessions between Wednesday January 25, 2017 at 8:30 a.m. in the Memorial Union Lecture Bowl and Thursday, January 26, 2017 at 11:00 a.m. in the Memorial Union Lecture Bowl. The same information will be discussed at both sessions, and interested individuals can attend either meeting.

2. Faculty members who are not accepted for the Program will be given notice of that decision and have 60 days to submit an appeal to the Administrator, the Provost and Vice President for Academic Affairs or Vice President for Health Affairs.

3. Tenured faculty members electing to participate in the program will be required to execute a formal agreement and release of claims against the University, including claims arising under the Age Discrimination in Employment Act, and must be given at least forty-five (45) days within which to consider the agreement. In addition, such faculty members must be given a period of seven (7) days after executing such a waiver to revoke her/his acceptance of the waiver.

**G. PRIVILEGES AVAILABLE TO FACULTY RETIRING**

The following is a current summary of privileges that may be afforded to faculty once fully retired. Privileges may be subject to change at the sole discretion of the University and are not guaranteed as part of this Phased Retirement Program.

1. Emeritus Title – Emeritus status is an honorary designation conferred upon retirees to recognize their contributions and accomplishments over their university careers. Per State Board of Higher Education Policy 430.2, criteria for emeritus status may include, but are not limited to, length of service to the institution, significant contributions to the institution and the State of North Dakota, or particularly distinguished service to an academic discipline.

2. Teaching, Research, and Clinical Activities in Retirement – Faculty may consult with their department chair regarding their continued activities in retirement as a non-benefitted faculty member. Please see the Faculty Handbook for further information.

3. Graduate Student Advising – Retired tenured faculty are welcome to continue to advise graduate students and medical students, on a voluntary basis, although not as a primary thesis advisor. Additionally, retired faculty may volunteer as readers of PhD and MD theses.

4. Library – Retired faculty are eligible to retain many library privileges. These include borrowing privileges, access to assistance from reference librarians and other library staff and walk-in access to most library databases (with the exceptions of some law databases which are restricted to the current law school community). However, we are not able to offer interlibrary loan services or remote access to databases to
retirees. Under the terms of the licenses all universities sign with publishers and vendors of databases, remote access is restricted to current members of the university community. Emeritus faculty are considered to retain a permanent tie to the university community, and thus emeritus faculty retain all the same library privileges as current faculty. Remote access to databases does require a current NDUS network account, so emeritus faculty must continue to maintain an active network account.

5. Email and Remote Access to UND Network – Retired Emeritus Status tenured faculty continue to have an active “UND.edu” email address as well as remote connection to the UND network through UND’s Virtual Private Network (VPN).

6. Founder’s Day—if retiring and employed at UND for 15 years or more, contact the Office of Ceremonies and Special Events at 701.777.2724 to be honored at Founder’s Day.

7. Sports and Recreational – Privileges and access continue for retired faculty to all sports and recreational facilities at the same rate as faculty/staff. For information go to http://wellness.und.edu/?page=39 or call 701.777.0486.

8. Osher Lifelong Learning Program-OLLI Explore our website for teaching and learning opportunities. www.olli.und.edu or 701.777.4840.

9. Parking Office-Retirees may purchase a permit for $12 per year to visit campus. Contact the Parking Office at 701.777.3551.

10. Student Account Services- Anyone over the age of 65 may audit courses and receive a waiver of the audit fee. Call 701.777.3911 for information and/or to request a waiver.

Contact the Payroll Office to obtain information regarding retirement and insurance two to three months prior to your retirement date.