



UNC CHARLOTTE

PHASED RETIREMENT BENEFIT ISSUE BRIEF

For Faculty Wishing to Participate in the Phased Retirement Program
Beginning in the 2010-2011 Academic Year

IMPORTANT DATES

Phased Retirement Enrollment Period
October 15, 2009- January 31, 2010

TSERS and ORP Retirement Paperwork Due to Human Resources
March 1, 2010-March 31, 2010

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A web version of this booklet with links to other related sites is available at
<http://www.provost.uncc.edu/PhasedRetirement/>

Introduction

The University of North Carolina Charlotte is pleased to offer faculty the flexibility of the Phased Retirement Program. Phased Retirement enables a faculty member to enjoy the benefits of retirement while still teaching part-time. The purpose of this document is to present some basic information about retiring from either the Teachers' and State Employees' retirement System (TSERS) or the Optional Retirement Program (ORP).

Eligibility Requirements

To be eligible to enter the UNC Phased Retirement Program, a tenured faculty member who is a member of the N.C. Teachers' and State Employees' Retirement System (TSERS) must (1) have at least 5 years of full-time service at his/her current institution (2) be at least age 62 as of August 1 of the year that he/she enters the Phased Retirement Program and (3) be eligible to receive a retirement benefit under TSERS.

A tenured faculty member who is a participant in the UNC Optional Retirement Program (ORP) must (1) have at least 5 years of full-time service at his/her current institution (2) be at least age 59 ½ as of August 1 of the year that he/she enters the Phased Retirement Program and (3) be eligible to receive a retirement benefit under ORP.

Enrollment documents and Retirement Application

Enrolling in the Phased Retirement Program must be completed in coordination with your department chairperson between the dates listed on the front cover. Once you have enrolled in the Phased Retirement Program, you will be scheduled to retire on July 1st, following the conclusion of that Academic Year. **Therefore, in order to assure that your retirement benefits begin promptly, the Benefits Office requests that you begin your retirement application process in March, (four months prior to your retirement date).**

Effective Dates of Retirement and Retiree Medical Insurance

Your retirement will be effective July 1, 2010, and your participation in the Phased Retirement Program begins on August 1. Since medical deductions are deducted a month in advance, you will be kept on the University-paid health insurance until July 31, 2010. Your retiree health insurance will be effective on August 1, 2010.

Please refer to pages 4 and 5 to see which benefits you will be allowed to continue through payroll deduction during the Phased Retirement period.

How to Obtain an Estimate of Your Retirement Benefits

The Teachers' and State Employee's Retirement System (TSERS)

If you are a member of the Teachers' and State Employees' Retirement System, you can obtain an estimate of your retirement benefits in two ways.

You can perform the estimate yourself by using the retirement estimator provided by the State at the following website <http://www.nctreasurer.com/dsthome>. This is the fastest method of obtaining an estimate and you will be able to do quick, what-if scenarios by altering the variables that you type into the estimator.

Or

You can call TSERS at 1-877-627-3287. TSERS will send you by mail an estimate of your benefits based on a formula that includes the following variables:

- a. Your years of service
- b. Your age at retirement
- c. Your average final compensation
- d. The current retirement multiplier

These estimates, whether you do them yourself or call the retirement system to obtain them, will include calculations for the various retirement options available to you. Below is a brief synopsis of these options. You can read more about them by accessing the State Retirement website at www.nctreasurer.com

Option #	Option Name	Description
1	Maximum	You receive the maximum possible benefit you are eligible to receive based on the above variables. There is no benefit to a surviving spouse or other beneficiary except the guaranteed return of your own contributions and interest if any are remaining at the time of death.
2	100% Joint and Survivor	You receive a lower monthly benefit during your lifetime in exchange for the same monthly benefit continuing to your surviving spouse or other beneficiary after your death.
3	50% Joint and Survivor	You receive a slightly lower monthly benefit during your lifetime in exchange for one half of your monthly benefit continuing to your surviving spouse or other beneficiary after your death.
4	Social Security Leveling	You receive larger monthly payments than you would otherwise be entitled to receive, until you become eligible for Social Security at age 62. Beginning at age 62, your monthly payments will be reduced to an amount that is less than what you would otherwise be entitled to receive. Nevertheless, your reduced retirement payments after age 62 plus your allowance from the Social Security Administration should be approximately the same amount as the inflated payment you received from the Retirement System before age 62.
6	Pop-Up Provisions 6/2 and 6/3	Under a combination of Option 2 and the maximum payment, your death entitles your beneficiary to receive a monthly payment for life in the same amount or 50% of what you received. However, if your beneficiary dies before you do, your monthly payments are increased to the amount payable under the maximum payment.

The Optional Retirement Plan

Under the Optional Retirement Plan, payouts are more flexible. You can choose from various annuity forms: lump sums, graduated payments, or monthly payments. However, in order to maintain your eligibility for State-paid retiree health insurance coverage you must be receiving monthly payments. **Only retirees in receipt of a monthly retirement benefit from a North Carolina Retirement System are eligible for retiree health coverage.**

It is suggested that you work with your ORP carrier account representative to find the right payout option for you in your personal situation. You will need to collect the following information:

1. A retirement illustration from your carrier.
2. An estimate of your monthly social security benefits from the Social Security Administration. (www.ssa.gov)

ORP Carrier representatives for UNC Charlotte are:

Company	Representative	Phone Number
Lincoln National	Chuck deKrafft	704-943-2131
TIAA-CREF	Richard Darlington	704-988-2065
VALIC	Kelly Fullen Trent Schloneger	704-232-6816 704-287-7686
Fidelity	David Kitterman	704 989-3970

University Benefits Available to Phased Retirees

1. Retirement Supplements
 - a. 457
 - b. 403 b
2. State Retiree Health Plan
 - a. To be eligible, Phased Retirees must be receiving a monthly retirement benefit.
 - b. State will pay the premium for retiree only coverage.
 - c. You may add dependents by paying an additional premium.
 - d. Enrollment is not automatic. You must complete an enrollment form as part of the retirement application process.
 - e. If you are eligible for Medicare when you retire, the State Retiree Health Plan is secondary to Medicare.
3. NCFlex Benefits
 - a. Dental
 - b. Vision
 - c. AD&D

University Benefits Available to Phased Retirees (continued)

- d. Health and Dependent Care Flexible Spending Accounts
 - e. Group Term Life
 - f. Cancer Insurance
 - g. Critical Illness Insurance
4. Other
- a. Homeowners Insurance
 - b. Auto Insurance
 - c. Savings Bonds
 - d. Credit Union

All of the above benefits are available through payroll deduction with the exception of the State Retiree Health Plan.

University Benefits Not Available to Phased Retirees

1. Short-Term and Long-Term Disability
2. Retirement Deductions/Contributions into TSERS or ORP.
3. 401k

General Questions and Answers about Phased Retirement

- 1. Is my retirement under the TSERS Phased Retirement Plan calculated any differently than if I were to retire under the normal retirement plan in TSERS?**

No. Those eligible for Phased Retirement are those who meet TSERS age and service requirements for at least an “early retirement”. If you are a TSERS participant who is eligible for early retirement your monthly benefit under the Phased Retirement Program is still subject to the same formula as any other early retiree.

- 2. Can I earn money outside of the three-year teaching contract with the University without threatening my retirement?**

With both TSERS and ORP, you can earn unlimited money from any employer other than the State of North Carolina and not affect your retirement benefit in any way. TSERS limits your State of North Carolina employment to 50% (indexed for increases) of your final annual pay or \$28,080, whichever is greater.

- 3. How will salary increases for TSERS members be handled in subsequent years?**

TSERS establishes a cost-of-living index cap for retirees who simultaneously receive benefits and work for the State of North Carolina. You will be allowed to earn up to the State earnings cap and will be notified of your increase in the same way that all other faculty members are notified of increases. You are responsible for monitoring your income to insure that you do not go over this limit.

4. Can I teach during the summers?

If you and your department agree, you may teach during the summer in which you retire. Thereafter, earnings for TSERS retirees are limited by the TSERS rule that earnings from State of North Carolina employment is limited to 50% (indexed for increases) of your final annual salary, or \$28,080, whichever is greater. If there is not a TSERS conflict, and you and your department agree, you may teach summer session to earn additional money, providing this is not part of your half-time work plan.

5. What happens to annual and sick leave when a 12 month faculty member steps into a 9-month position in order to take advantage of Phased Retirement?

A maximum of 240 hours of Annual leave and any unused Bonus Leave can be paid to the retiring faculty member upon his/her request, providing he/she has not cashed out Annual leave with a past 12- month appointment.

TSERS will credit retiring members with one month of service for every 20 days of unused sick leave.

6. Do I have to receive a monthly retirement benefit to enter the Phased retirement Program?

You do not need to receive a monthly retirement benefit to enter the Phased Retirement Program. You can elect to receive your benefit in a lump sum or in some other increment. However, when you accept a monthly retirement benefit from either TSERS or the Optional Retirement Plan, you become eligible for retiree health coverage. **Only those receiving monthly benefits are eligible for the retiree health benefit.**

Phased Retirement Document Checklist

1. ***Phased Retirement Enrollment Documents*** to be completed with your Department Chair (Due by January 31, 2010)
 - a. Half-Time Work Plan
 - b. Phased Retirement Application and Re-Employment Agreement
 - c. General Release

2. Retirement Application

If you would like to have monthly retirement benefits and health insurance effective July 1, 2010, you should file a retirement application with your retirement carrier between March 1, and March 31, 2010. Please follow the steps listed below:

TSERS:

- a. Obtain a retirement estimate prior to completing your retirement application.
- b. When you have your estimate, call the Benefits office at 704-687-4271 to schedule a retirement application appointment.
- c. Bring your estimate to the Benefits Office along with the following:
 - i. Medicare Card (if age 65 or over).
 - ii. A voided check.
 - iii. Proof of birth for you and your beneficiary.

ORP:

- a. Call your carrier and discuss possible payout options.
- b. Representatives will assist you in the application process.
- c. Contact the Benefits Office at 704-687-2892 to complete the retiree health care enrollment form and the ORP 4 form.

Notes
