Phased Retirement Program for Faculty

The Phased Retirement Program allows eligible full-time, tenured faculty members to elect to reduce their teaching responsibilities in preparation for full retirement from the College. The typical teaching obligation of a faculty member participating in the Phased Retirement Program is three courses per year.

Eligibility

Faculty members who meet the criteria outlined below are eligible to participate in the Phased Retirement Program:

1. classified as full-time, benefits-eligible members of the faculty,
2. tenured,
3. are at least age 59-1/2 when the Phased Retirement period begins,
4. are not participating in the Pre-retirement Leave of Absence Program for faculty, and
5. have completed at least 15 consecutive years of full-time employment with Franklin & Marshall after the age of 40, except as outlined below.

- **Faculty age 55 and over as of December 31, 2012**: Full-time, tenured faculty members employed by the College on December 31, 2012, and age 55 or over by December 31, 2012, may begin participating in the Phased Retirement Program at age 59-1/2 or older. Upon full retirement, such faculty members must have completed at least 10 consecutive years of full-time service after age 50 (age 60 or over upon full retirement).

- **Faculty age 50 through 54 as of December 31, 2012**: Full-time, tenured faculty members employed by the College on December 31, 2012, and age 50 through 54 as of December 31, 2012, may begin participating in the Phased Retirement Program at age 59-1/2 or older. Upon full retirement, such faculty members must have completed at least either 15 consecutive years of full-time College employment after age 40, or 10 consecutive years of full-time service after age 50, whichever occurs first.

The last year of full-time employment prior to the Phased Retirement period cannot be a year in which a sabbatical or leave of absence is taken. Faculty members under a Phased Retirement Agreement are not eligible for sabbatical leaves.

Phased Retirement Agreement

An irrevocable Phased Retirement Agreement must be finalized no later than April 15 of the year preceding the last academic year of full-time employment. This Agreement can be found in the Human Resources public folder in eDisk.
Phased Retirement Period

The maximum period of Phased Retirement is three consecutive academic years. In exceptional cases, a faculty member may, during the course of the three year Phased Retirement period, with the consent of his/her department and the College, further negotiate his/her teaching load.

Salary

While participating in the Phased Retirement Program, salary will be at an annual rate of twenty percent (20%) of full base salary for each course taught, or, under normal circumstances, 60% of full base salary. Faculty members under a Phased Retirement Agreement are eligible for pro-rated annual salary increases based on the average increment given all faculty in rank.

Benefits

**Dental Coverage**—Prior to full retirement, faculty members participating in the Phased Retirement Program continue to be eligible for dental coverage per standard College policies, and pay the same premiums offered to active, full-time employees.

Dental coverage is discontinued upon full retirement. However, the retired faculty member may elect to continue dental coverage temporarily, generally for up to 18 months, via "COBRA".

**Health & Prescription Drug Coverage**— Prior to full retirement, faculty members participating in the Phased Retirement Program continue to be eligible for health and prescription drug coverage per standard College policies, and pay the same premiums offered to active, full-time employees.

Upon full retirement, a faculty member who has met eligibility requirements as outlined above, and is at least age 60, may enroll in a College-sponsored health and prescription drug plan as outlined below:

- **Faculty members who signed a Phased Retirement Agreement no later than by December 31, 2012**: Faculty members who signed their Phased Retirement Agreement prior to January 1, 2013, are eligible for coverage upon full retirement through the College’s retiree health and prescription plan currently administered by Highmark Blue Shield, per standard College policies.

  Faculty members who complete their Phased Retirement period, and the spouse or same-sex domestic partner, are eligible for health and prescription drug coverage at the same premiums offered to Medicare-enrolled College retirees, regardless of the Medicare-eligibility status of the “phased” faculty retiree or spouse/same-sex domestic partner.

  If a faculty member retires before the end of the agreed-upon Phased Retirement period, he/she will pay health and prescription premiums applicable to non-Medicare-enrolled retirees until enrolled through Medicare Parts A and B.
• **Faculty members who signed a Phased Retirement Agreement on or after January 1, 2013**: Faculty members who sign a Phased Retirement Agreement on or after January 1, 2013, may enroll in a health and prescription plan available through Emeriti Retirement Health Solutions upon full retirement (and at age 60 or older). Those who retire prior to being eligible for coverage through Medicare (generally age 60 – 64) may enroll in a “pre-65” Emeriti health plan. Those who retire at age 65 or older and are enrolled in Medicare Parts A and B may enroll in a “post-65” Emeriti health plan.

**“Grandfathered” Faculty Members**: The College will pay a portion of Emeriti health and prescription premiums, per standard College policies, for faculty members employed by Franklin & Marshall in a full-time capacity on December 31, 2012, and who were age 55 or older on or before December 31, 2012. This applies regardless of the Medicare-eligibility status of the Phased Retirement participant upon full retirement. The College will also make its standard subsidy payment on behalf of the faculty retiree’s enrolled spouse or same-sex domestic partner. The College will fund a portion of Emeriti premiums during the retiree’s lifetime, or until the retiree is no longer enrolled in an Emeriti plan. The subsidy will be provided for the retiree’s spouse or same-sex domestic partner until the earlier of: the date the spouse/partner is no longer enrolled in an Emeriti health plan; the date the College retiree is no longer enrolled in an Emeriti health plan; or the date the College retiree passes away.

The above applies only to those who were employed by Franklin & Marshall in a full-time capacity on December 31, 2012; who were age 55 or older on or before December 31, 2012; and who retire after completing at least 10 consecutive years of full-time College employment after age 50.

**Please note**: The dollar amount of the College-provided subsidy is the same whether a faculty retiree and his/her spouse or same-sex partner enrolls in a pre-65 Emeriti health plan or a post-65 Emeriti health plan. However, premiums for a pre-65 Emeriti health plan, for retirees and dependents who are not yet enrolled through Medicare A and B, are significantly higher than premiums for a post-65 plan, for those enrolled through Medicare.

If a “grandfathered” faculty member retires before the end of the agreed-upon Phased Retirement period, he/she will pay the full Emeriti health plan premium (with no College subsidy) until enrolled through Medicare Parts A and B.

**“Non-grandfathered” Faculty Members**: Phased Retirement participants who do not meet the criteria for grandfathered status (faculty who were under age 55 as of December 31, 2012, or began their College employment after December 31, 2012) will pay full Emeriti health plan premiums upon retirement, if they choose to enroll in an Emeriti plan. Such individuals may use any vested balance in their Emeriti Health Account to help offset their health care expenses during retirement, per standard provisions of the Emeriti Retirement Health Plan.

Premiums through the College’s Highmark plan can be found at [www.fandm.edu/humanresources/article/retiring-from-franklin-amp-marshall](http://www.fandm.edu/humanresources/article/retiring-from-franklin-amp-marshall).
Current premiums for the Emeriti health plans can be found by visiting www.emeritihealth.org/ (click on “Tools & Calculators”).

Retirees and spouses / same-sex domestic partners who are eligible for coverage through Medicare must enroll in Medicare Parts A and B on the earliest possible date to be eligible for health coverage through either the College’s Highmark plan or an Emeriti health plan. For retirees eligible for Medicare, College-sponsored coverage is considered secondary and will “wrap-around” Medicare coverage.

**Flexible Spending Accounts Plan**-- During the Phased Retirement period, a faculty member may continue to participate in the Flexible Spending Accounts Plan. Eligibility to participate is discontinued upon retirement, although a retiree may elect to continue his/her participation in the Medical Expense Reimbursement Account through the end of the calendar year, via “COBRA”.

**Life Insurance** -- During the Phased Retirement period, life insurance and Accidental Death & Dismemberment coverage will be equal to 1.5 times actual (reduced) salary, up to a maximum coverage level of $100,000. Phased Retirement participants may be able to purchase an individual policy to replace the amount of coverage eliminated. To do so, the Phased Retirement participant must contact the life insurance carrier within 31 calendar days of experiencing a reduction in life insurance coverage.

Upon full retirement, life insurance coverage will equal 25% of what the coverage amount would have been immediately prior to retirement if not participating in the Phased Retirement Program.

**Long-term Disability** -- Coverage under the Long-term Disability Plan will continue, with the amount paid in the event of total disability equal to 60% of the faculty member’s actual (reduced) base monthly salary immediately preceding the disability. Per standard College policies, long-term disability coverage is discontinued at full retirement.

**Retirement Plan** -- The College will make its normal retirement contribution on behalf of the faculty member, based on actual (reduced) base monthly salary received during the Phased Retirement period. Phased Retirement participants may make elective, pre-tax contributions to the Retirement Plan through salary reduction.

Faculty members participating in the Phased Retirement Program who are at least age 60 may begin receiving distributions – both from their own contributions and College contributions - from their retirement account prior to full retirement, if they choose. Phased Retirement participants may also rollover a portion or all of their retirement account balance during the Phased Retirement period.

Upon full retirement, retirement savings may be withdrawn, rolled over to an Individual Retirement Account (IRA), or left invested in the College’s Retirement Plan, subject to federal regulations and standard Plan provisions.

**Education Benefits** -- Faculty members participating in the Phased Retirement Program continue to be eligible for education assistance benefits, including benefits offered to eligible dependents, per standard College policies.
Outside Employment

While under a Phased Retirement Agreement, a faculty member may accept outside employment up to 40% of full-time.

Faculty Status

Participants in this Phased Retirement Program will continue to be active faculty members, with a full vote in faculty meetings. However, faculty members under this Agreement will not be eligible to serve as a department chair or hold other academic positions that require full-time service.

Full Retirement

A faculty member under a Phased Retirement Agreement must fully retire from the College at the end of the Phased Retirement period. The College will rely on this in planning for its academic staffing, including the employment of additional faculty. A faculty member may retire before the end of the Phased Retirement period by providing one year’s notice to the Office of the Provost.

Faculty interested in additional information regarding the Phased Retirement Program, and those who wish to initiate a Phased Retirement Agreement, should contact the Office of the Provost.

Information about benefits available to retired College employees is available at www.fandm.edu/humanresources/Benefits.

This Phased Retirement Program may be amended, modified, or terminated by the College at any time. Such amendment, modification, or termination will not affect faculty members who have already signed a Phased Retirement Agreement.