



# UNC CHARLOTTE PHASED RETIREMENT BENEFIT ISSUE BRIEF

For Faculty Wishing to Participate in the Phased Retirement Program  
Beginning in the 2017-2018 Academic Year

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## IMPORTANT DATES

**Phased Retirement Enrollment Period**  
October 1, 2016 - January 31, 2017

**TSERS and ORP Retirement Paperwork Due to Human Resources**  
March 1, 2017 - March 31, 2017

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**Inside:**

Item	Page(s)
<b>Introduction</b>	<b>2</b>
<b>How to Receive an Estimate of Benefits</b>	
• <b>The Teachers' and State Employees' Retirement System (TSERS)</b>	<b>3</b>
• <b>The Optional Retirement Program (ORP)</b>	<b>4</b>
<b>University Benefits for Phased Retirees</b>	<b>4-5</b>
<b>University Benefits not Available to Phased Retirees</b>	<b>5</b>
<b>General Questions and Answers About Phased Retirement</b>	<b>5-6</b>
<b>Phased Retirement Document Filing Checklist</b>	<b>6-7</b>

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

## **Introduction**

The University of North Carolina at 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 for a 3 year period. 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**

The Phased Retirement Program is available only to full-time tenured faculty members. Tenured faculty occupying full-time administrative or staff positions are eligible to participate in the program when they vacate such positions.

Tenured faculty who are members of TSERS must be at least age 62 upon entering the Phased Retirement Program, have at least five years of full-time service at his or her current institution, and be eligible to receive a retirement benefit under TSERS.

Tenured faculty who are participants of the ORP must be at least age 59½ upon entering the Phased Retirement Program, have at least five years of full-time service at his or her current institution, and 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 before the end of January 31, 2017. Once you have enrolled in the Phased Retirement Program, you will be scheduled to retire on July 1<sup>st</sup>, 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 and your participation in the Phased Retirement Program will be effective July 1, 2017. If you are not Medicare eligible, your coverage on the State Health Plan will continue until July 31, 2017. Your retiree health insurance will be effective on August 1, 2017.

If you are Medicare eligible, Medicare will be your primary healthcare provider effective July 1, 2017 and the State Health Plan will be secondary until July 31, 2017. Effective August 1, 2017, your retiree medical plan becomes effective. Medicare Advantage Plans are now available to retirees who are Medicare eligible.

Enrollment in retiree health plans must be processed at least 61 days prior to August 1, 2017.

## **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 [www.myncretirement.com](http://www.myncretirement.com). 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 for additional information, and to request the form 309-Estimating Your Service Retirement Benefits. TSERS will send you 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 complete the 309-Estimating Your Service Retirement Benefits 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.myncretirement.com](http://www.myncretirement.com).

<b>Option #</b>	<b>Option Name</b>	<b>Description</b>
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.
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 payment methods: 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.

ORP Carrier representatives for UNC Charlotte are:

<b>Company</b>	<b>Representative</b>	<b>Phone Number</b>	<b>Email Address</b>
TIAA	Gary Craddock	704-988-2597	<a href="mailto:gcraddock@tiaa.org">gcraddock@tiaa.org</a>
Fidelity	Jared McVey	704-614-4167	<a href="mailto:jared.mcvey@fmr.com">jared.mcvey@fmr.com</a>

## **University Benefits Available to Phased Retirees**

1. Retirement Supplements
  - a. 457
  - b. 403b
2. State Retiree Health Plan (through the Retired Group, not UNC Charlotte)
  - a. To be eligible, Phased Retirees must be receiving a monthly retirement benefit.
  - b. State will pay the premium for retiree only coverage based upon eligibility
  - c. You may add dependents by paying an additional premium.
  - d. Enrollment is not automatic. You must enroll online 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 effective on your first day of retirement.
3. NCFlex Benefits
  - a. Dental
  - b. Vision
  - c. AD&D
  - d. Health and Dependent Care Flexible Spending Accounts
  - e. Group Term Life
  - f. Cancer Insurance
  - g. Critical Illness Insurance

4. Other items that can be deducted from your payroll
  - a. Homeowners Insurance
  - b. Auto Insurance
  - c. 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. American United Life
4. 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 gross 12-month pre-retirement salary (excluding termination payments) or the maximum amount provided by TSERS annually, whichever is greater. (The maximum amount is \$31,600 for 2016, and subject to change effective January 1 of following years.)

- 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 exceed 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 gross 12-month pre-retirement salary (excluding termination payments) or (the maximum amount to be announced for 2017, \$31,600 in 2016), 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, 2017)

- a. Half-Time Work Plan
- b. Phased Retirement Application and Re-Employment Agreement
- c. General Release

(these documents can be found online at <http://phasedretirement.uncc.edu/document-checklistforms>)

2. *Retirement Application*

If you would like to have monthly retirement benefits effective July 1, 2017, you should file a retirement application with your retirement carrier between March 1 and March 31, 2017. Please follow the steps listed below:

**TSERS:**

- a. It is a good idea to obtain a retirement estimate prior to completing your retirement application, but this is optional and not required.
- b. Contact the Benefits Office at 704-687-0648 or [jwfinney@uncc.edu](mailto:jwfinney@uncc.edu) to schedule a retirement application appointment.
- c. Bring:
  - i. A voided check
  - ii. Proof of birth for you and your beneficiary

**ORP:**

- a. Call your carrier and discuss possible payout options.
- b. Retirement Plan Representatives will assist you in the application process.
- c. Contact the Benefits Office at 704-687-0648 or [jwfinney@uncc.edu](mailto:jwfinney@uncc.edu) to:
  - a. Complete the ORP 3 OPTIONAL RETIREMENT PROGRAM OF THE UNIVERSITY OF NORTH CAROLINA ACKNOWLEDGEMENT OF PARTICIPATION form
  - b. Obtain instructions for enrollment in the retiree health care plan of your choice.

**Notes**

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