PHASED RETIREMENT
BENEFIT ISSUE BRIEF

For Faculty Wishing to Participate in the Phased Retirement Program
Beginning in the 2021-2022 Academic Year

IMPORTANT DATES


TSERS/ORP Paperwork Due to UNC Charlotte Benefits Office:  March 1 – 31, 2021

Retirement Date (Phased Retirement and TSERS/ORP):  July 1, 2021

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).

A web version of this booklet with links to other related sites is available at
Phased Retirement Eligibility

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. Eligibility requirements are specific to your retirement plan.

TSERS (must meet all criteria):
- Tenured faculty member
- Age 62 or older upon entering the Phased Retirement Program
- Have at least five years of full-time service at his or her current institution, and
- Eligible to receive a retirement benefit under TSERS

ORP (must meet all criteria):
- Tenured faculty member
- Age 59½ or older upon entering the Phased Retirement Program
- Have at least five years of full-time service at his or her current institution, and
- Eligible to receive a retirement benefit under ORP

Phased Retirement Enrollment Steps

Complete the Phased Retirement Enrollment Documents with your Department Chair by January 31, 2021:

- Half-Time Work Plan (Word, PDF)
- Phased Retirement Application & Re-Employment Agreement (Word, PDF)
- General Release (PDF)

Phased Retirement Enrollment Deadline: January 31, 2021
Phased Retirement Begin Date: July 1, 2021

Mandatory Retirement Plan Enrollment Steps

Once enrolled in the Phased Retirement Program, you will be scheduled to retire from your mandatory retirement plan (TSERS/ORP) on July 1, 2021. Complete the following steps based on your retirement plan.

Teachers’ and State Employees’ Retirement System (TSERS):

1. Reference the TSERS Handbook - North Carolina Department of State Treasurer for details about the following:
   a. How Your Benefits are Calculated
   b. Your Benefit Payment Options
2. Obtain a retirement estimate prior to completing your retirement application.
   a. Register and log-into ORBIT to use the estimator tool or call TSERS at 1-877-627-3287 to request form 309 - Estimating Your Service Retirement Benefits.
3. Schedule an appointment with the UNC Charlotte Benefits Office at: benefits@uncc.edu or 704-687-8134.
   a. The following items will be covered during the consultation:
      i. Retirement application
      ii. Discussion of health insurance options/process, including review of the
         HMOnline-Instructions for Changing Retiree Health Coverage Through the
         State Health Plan Online
      iii. Discussion of other benefits
   b. Bring the following items to your benefits meeting:
      i. voided check
      ii. proof of birth for you and your beneficiary

Optional Retirement Program (ORP):

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 a monthly retirement benefit from a North Carolina Mandatory Retirement Plan and meet eligibility for retiree health coverage.

1. Contact your ORP representative for guidance on the process and best payout option based on your situation:
   - **TIAA**: Tamara Johnson Grate / 704-988-1456 / tamjohnson@tiaa.org
   - **Fidelity**: Jared McVey / 704-614-4167 / jared.mcvey@fmr.com

2. Schedule a benefits consultation through the UNC Charlotte Benefits Office at: benefits@uncc.edu or 704-687-8134.
   a. The following items will be covered during the consultation:
      i. Completion of the Optional Retirement Program of the University of North Carolina Acknowledgement of Participation (ORP-3) form under the forms section on the UNC System webpage at: https://myapps.northcarolina.edu/hr/benefits-leave/retirement/orp/
      ii. Discussion of health insurance options/process, including review of the
         HMOnline-Instructions for Changing Retiree Health Coverage Through the
         State Health Plan Online
      iii. Discussion of other benefits

Benefits Available to Phased Retirees

1. State Retiree Health Plan (through the Retired Group, not UNC Charlotte)
   - Phased Retirees must be receiving a monthly retirement benefit to be eligible for retiree health coverage
   - State will pay the premium for retiree-only coverage based upon eligibility
   - Dependents may be added by paying an additional premium
   - Health plan enrollment is defaulted based on when the State Health Plan Retiree Group receives your 6E (TSERS form) or ORP-3 form
     o Default rules differ for non-Medicare and Medicare eligible retirees
     o Enrollment in retiree health plans must be processed at least 61 days prior to August 1, 2021
     o If eligible for Medicare when you retire:
       ▪ Medicare will be primary effective July 1, 2021
- The active employee coverage for the State Health Plan will be secondary from July 1, 2021 until July 31, 2021.
- The retiree medical plan of your choice becomes effective August 1, 2021, *pending processing timeline from the State Health Plan
- Medicare Advantage Plans are available
  - If not Medicare eligible when you retire:
    - Your coverage on the State Health Plan will continue through July 31, 2021
    - Your retiree health insurance will be effective on August 1, 2021, *pending processing timeline from the State Health Plan

*If the retirement application or transition to retiree health coverage is not processed timely, there could be a break in coverage. COBRA would be an option during the gap between when active coverage ends and retiree coverage begins.

2. NC Flex Benefits:
   a. Dental
   b. Vision
   c. Health and Dependent Care Flexible Spending Accounts
   d. Group Term Life
   e. AD&D
   f. Cancer Insurance
   g. Critical Illness Insurance
   h. Accident

3. Other items that can be deducted from your payroll:
   a. Homeowners Insurance
   b. Auto Insurance
   c. Credit Union
   d. 403b and 457 Supplemental Retirement

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

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 Supplemental Retirement

Frequently Asked Questions (FAQs)

Contacts:
UNC Charlotte: Benefits@uncc.edu | 704-687-8134
TSERS: https://www.myncretirement.com | ORBIT | 1-877-627-3287

ORP:
- TIAA: Tamara Johnson Grate | tamjohnson@tiaa.org | 704-988-1456
- Fidelity: Jared McVey | jared.mcvey@fmr.com | 704-614-4167
FAQs - 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 (reduced benefits). If you are a TSERS participant who is eligible for early retirement (reduced benefits), 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 $33,560 for 2019 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 ensure 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, 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 $33,560 for 2019 and subject to change effective January 1 of following years.) If there is not a TSERS conflict, and you and your department agree, you may teach the 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 (with the exception of the Special Bonus Leave - BONSPPL and Bonus Special Annual Leave - BONSAL) 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 mandatory retirement plan benefits are eligible for the retiree health benefit.

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