

IU Phased Retirement Program

Department Instructions

Updated November 2023



Phased Retirement allows eligible faculty members to reduce their workload by taking a partial leave without pay with continued participation in medical, dental, and other IU-sponsored benefits. In addition, participants may withdraw accumulations from the following retirement plan accounts while still working: IU Retirement Plan, IU TDA, and IU 457(b) funds held at Fidelity.

To participate in the program, the faculty member must agree to reduce their workload by 20–50% for a period of 12–36 months (“phased retirement period”). At the end of the phased retirement period, the participant must separate (retire) from the university. During the phased retirement period, the participant may not be employed by an entity defined by the IRS as an IU affiliate. For additional program details and requirements visit hr.iu.edu/benefits/phasedretire.html. For questions contact IU Human Resources at askhr@iu.edu or (812) 856-1234.

PRE-APPLICATION

When a faculty member is interested in applying for the Phased Retirement Program, they must:

- ☐ Consult with their department head/dean to determine a reduced schedule that works for all parties involved.
- ☐ An agreement must be structured which outlines the faculty member’s schedule and expectations during the Phased Retirement period and meets all of the program criteria including the following:
 - the faculty member must take a partial leave without pay
 - reduction of the faculty member’s workload by 20%–50%
 - the Phased Retirement period must be between 12 and 36 months long
 - the end date (retirement date) is irrevocable
 - arrangements for post-retirement employment cannot be made prior to, or as a part of, the phased retirement agreement

Note: The leave percentage may fluctuate during Phased Retirement, but may be no less than 20% and no more than 50%.

APPLICATION PROCESS *(at least 60 days prior to the start of the Phased Retirement Period)*

- ☐ Once an agreement has been structured, the faculty member must complete the required application & agreement form (available online at hr.iu.edu/pubs/forms/phasedretire.pdf). The form must be signed by the following individuals:
 - the faculty member,
 - the department head,
 - the school dean, and
 - the campus faculty affairs office.
- ☐ Once completed, the campus faculty affairs office should submit the application to IU Human Resources at the email or campus address listed on the form **at least 60 days prior** to the start of the phased retirement period.
- ☐ Once approved, enter an Academic Leave of Absence eDoc with an Action Reason of “**Faculty Phased Ret.**”

DURING THE PHASED RETIREMENT PERIOD

- ☐ If the needs of the department or the participant’s personal situation changes to the extent that a modified phased retirement agreement is required, the participant should consult with their department head/dean.
- ☐ Once a written agreement has been approved, **the duration of the Phased Retirement period cannot be lengthened**. However, the participant can opt for an earlier retirement date and/or change the leave percentage by mutual agreement. Any exceptions require review and approval by IU Human Resources.
- ☐ If an agreement is reached to modify the schedule or further reduce the faculty member’s workload, a revised application form (available at hr.iu.edu/pubs/forms/phasedretire.pdf) must be submitted to IU Human Resources.

AT THE END OF THE PHASED RETIREMENT PERIOD

- ☐ Enter a Return to Duties eDoc with Action Reason “**Return from Leave.**”
- ☐ Once you’ve requested the return, enter a termination:
 - Action Reason of “**IU Retiree Status**”

Rehire Eligibility. If you wish to rehire a faculty member after they have retired, you may re-employ them as long as the rules of a bona fide separation have been followed. A bona fide separation consists of the following requirements: a 30-day break in employment, plus arrangements for post-retirement employment cannot be made prior to, or as a part of, a Phased Retirement Program agreement. The only exception is if the employee is at least age 62 and has met the requirements for IU Retiree Status upon separation of service. These employees can return to employment on a part-time basis without a break in service. To confirm retiree or bona fide status eligibility, contact askhr@iu.edu.