

# IU Phased Retirement Program

## Frequently Asked Questions

Updated April 2021



### GENERAL QUESTIONS

#### Can I be forced to participate in this program?

No. This is a voluntary program that requires an agreement between the faculty member, the department head, and the dean of the school.

#### When did the university's Phased Retirement Program option originally start?

The program originally began January 1, 2009. The program was enhanced in 2019 to expand the eligible faculty population. The university reserves the right to amend or terminate this program at its sole discretion.

#### Who is eligible for the Phased Retirement Program?

The following ranks of full-time faculty are eligible to request participation in the program if they meet the age and service requirements listed below:

Age	Years of IU Service
62	16
63	14
64	12
65 & Over	10

*The "Years of IU Service" requirement is prorated for ages that fall between the ages that are listed in the above table.*

Eligible Faculty Ranks	
Tenure Track Faculty/Librarians	On-Campus Health Center Physicians
Lecturer	Teacher
Clinical Faculty	Dually employed IU and IU Health Physicians
Professor of Practice	Research Scientist/Scholar
Academic Specialist	Research Associate

#### How do I start the process?

Begin by consulting with your department head/dean to find a reduced schedule that works for all parties involved. Once a schedule is agreed upon, you will then need to structure your agreement and submit the required [Phased Retirement Application & Agreement Form](#) to IU Human Resources at least 60 days prior to your Phased Retirement begin date.

#### Can sabbatical leave affect my eligibility?

Yes. A request for Phased Retirement following a sabbatical leave can only be approved once the sabbatical obligation is met, i.e., you must return to full-time status for one year following the sabbatical leave before beginning the Phased Retirement period.

#### Can I take a leave without pay during the Phased Retirement Period, thus extending the arrangement?

No. Once the Phased Retirement Period begins, you will not be eligible for additional leave time or sabbatical.

#### Can I transfer to a different position or be promoted while participating in Phased Retirement?

Transfers and promotions are allowed at the sole discretion of the department.

#### I am a 10-pay faculty member. Can I draw from grants during the summer months without affecting my Phased Retirement Program agreement?

Phased Retirement is linked to your primary job at IU. Generally summer appointments for teaching or research on a grant are considered a secondary job. Your Phased Retirement agreement is tied to your primary job, and you can accept grants during the summer months if your department agrees and enters the funding or teaching as a secondary job.

#### Which forms of distribution are available for my retirement fund withdrawals?

You may receive a distribution of retirement funds in any one of the following forms or combination of forms:

- Single sum distribution of cash
- Annuity
- Installment
- Any legally permissible form of distribution permitted by an authorized investment company.

## **CHANGING AN APPROVED AGREEMENT**

### **Does the leave percentage have to be fixed throughout the entire Phased Retirement period?**

No, the leave percentage can change as long as it remains within the program limits and all parties agree to the amended arrangement.

### **Can my Phased Retirement period be extended?**

Once a written agreement has been approved, the duration cannot be lengthened. However, you 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.

### **How do I modify my schedule once this arrangement is in place?**

If the needs of your department or your personal situation changes to the extent that you need to modify your agreement, a revised [Phased Retirement Application & Agreement Form](#) must be submitted to IU Human Resources. Any amendments require review and approval by the department head and dean of the school.

### **Who do I need to contact if I decide to retire earlier than my agreed upon retirement date?**

If you are considering retiring earlier than the date originally agreed upon, a revised [Phased Retirement Application & Agreement Form](#) must be submitted to IU Human Resources. Any amendments require review and approval by the department head and dean of the school.

### **Am I allowed to return to work after retiring from the Phased Retirement Program?**

Returning to a paid IU position is possible, however the rules of a bona fide separation must be 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.

## **BENEFITS DURING PHASED RETIREMENT**

### **Are my medical and dental plan premiums affected by participation in Phased Retirement?**

You may continue participation in IU-sponsored medical and dental coverage while on Phased Retirement. Premiums are based on your base salary for the fiscal year meaning your premiums are not reduced while on partial leave.

### **How are the IU Retirement Plan contributions calculated during the Phased Retirement Period?**

IU contributions to your base retirement account will be based on your actual salary paid for each regular pay period (does not include any supplemental pay received).

### **If I contribute my own money towards a supplemental retirement plan, what happens if I drop my time worked or take a semester off without pay?**

Your contributions will be made based on your actual salary paid. If you take off a semester without pay, you will not make any contributions to the supplemental retirement plan.

### **Are my Supplemental Life Insurance premiums or benefit payouts affected by participation in Phased Retirement?**

No. Employee Supplemental Life Insurance coverage is based upon the employee's level of coverage and annual salary. The monthly premium rate changes as the employee ages and, depending upon level of coverage, with changes in the employee's annual salary. Visit the [Supplemental Life Insurance web page](#) for additional details.

### **Are my Long-term Disability premiums or benefit payouts affected by participation in Phased Retirement?**

A reduced salary may affect the Long Term Disability (LTD) benefit payout. The LTD monthly income benefit for an approved LTD claim is 60% of the employee's budgeted base salary reduced or offset by benefits from other sources the employee receives or is eligible to receive while monthly income benefits are payable (e.g. Social Security Disability, Worker's Compensation, etc.) up to a maximum monthly income benefit of \$10,000. Any change in earnings after the last day of active work will not affect the budgeted base salary the LTD benefit amount is based upon.

## **RETIREE STATUS**

### **If I do not reach Retiree Status, am I still eligible to participate in Phased Retirement?**

Yes, you are still eligible to participate; however you will not have access to any of the benefits associated with Retiree Status once you retire from the university.

### **If I do reach Retiree Status, what are the benefits?**

Visit the [Retiree Benefits site](#) for details on the benefits associated with Retiree Status.

### **When my retirement date approaches, are there any special steps I need to take?**

You should treat the retirement process the same as any other IU Retiree by contacting your department to notify them of your retirement, and reaching out to IU Human Resources for information on the benefits available to you in retirement.