Phased Retirement Summary

Phased Retirement allows employees to reduce the number of hours actually worked, while retaining eligibility for University benefits as full-time employees. There are additional departmental costs when employees enter into a Phased Retirement Agreement; therefore, approval for Phased Retirement is discretionary based on the department’s needs and budget.

Minimum Requirements:
1. Employees must be age 55 or older
2. Employees must have completed five years of continuous full-time service immediately prior to participation in the Phased Retirement Program
3. An agreement will be completed with the necessary signatures approving the Phased Retirement

Phased Retirement Basics:
1. The employee must reduce their FTE (“Full Time Equivalent”) by at least 0.25 FTE. For example, an employee currently expected to work 40 hours per week, must reduce their expected work hours by at least 10 hours; an employee with a current 0.75 FTE, must reduce their FTE to 0.50 or lower.
2. A one-year trial Phased Retirement is available.
3. Phased Retirement Agreements are generally for a maximum of three years.

Special Rules for Employees Enrolled in a Utah Retirement System Plan:
1. Employees participating in URS Retirement Program cannot receive additional years of service with URS if their FTE drops below 0.50 FTE.
2. Employees who plan to begin drawing URS benefits during phased retirement, are not eligible for phased retirement under University Policy. URS has its own phased retirement rules, which include a requirement that the phased retirement can only be 0.50 FTE. Contact Human Resources or URS for additional information.

Phased Retirement Benefits:
1. Retirement Contributions. Retirement contributions will continue to be paid by the University. An amount equal to 14.2% of the Phased Retirement salary will be contributed to the University’s 401(a) Plan.
   a. Phased Retirees receive additional pay equal to the amount of 401(a) Plan contributions they are missing because of the reduction in salary.
   b. Phased Retirees may withdraw funds from 401(a) Plan accounts. (This option is not available in a one-year trial option or for Phased Retirees enrolled in the URS Retirement Program.)
2. **Other Employee Benefits.** Phased Retirement participants retain all benefits they have enrolled in at the time of the Phased Retirement at the same rates as full-time employees.

   a. Because Phased Retirees and their family members remain enrolled in the University’s Employee Health Care Plan, they do not need to enroll in Medicare until the Phased Retirement ends.

   b. Benefits with premiums based on salary, such as disability plans, will be based on the new phased salary.

3. **Leave Accruals.** Leave accruals are prorated based on the new FTE.

4. **Health Coverage After Phased Retirement:**

   a. At least three months before the end of Phased Retirement, Phased Retirees will need to begin considering health coverage options. Contact UHRM for information.

   b. To qualify for retiree health coverage through the University at the end of Phased Retirement, retirees must be at least age 60 or have 30 or more years of service with the University.

If you have any questions about Phased Retirement, see [University Policy 5-309](#) or contact Human Resources at (801) 581-7447.