



Guide for Phased Retirement

The purpose of the Phased Retirement Program of the University of Utah is to (1) encourage staffing flexibility, consistent with overall University and individual department needs, and (2) provide Faculty and Staff an opportunity to devote increased time to personal interests by partially retiring, or retiring in planned stages, while continuing to provide service to the University in their area of greatest expertise.

Phased Retirement allows departments staffing flexibility to meet their business needs by retaining necessary expertise, as well as meeting employee's individual needs. It allows faculty and staff members to reduce the number of hours actually worked. When employees enter into a Phased Retirement agreement, there are additional departmental costs; therefore, to maintain the efficiency and financial integrity of the department, this option is subject to departmental and dean/cognizant vice president approval.

Minimum Requirements:

1. You must be age 55 or older.
2. You must have completed five years of continuous full-time service at The University of Utah immediately prior to participation in the Phased Retirement Program.

Phased Retirement Basics:

1. Participation in the Phased Retirement Program is not an entitlement or a right automatically available to all persons who meet the eligibility criteria.
2. You must decrease your FTE ("Full Time Equivalent") by at least 25%. For example, if you are currently expected to work 40 hours per week, you must drop your expected work hours by at least 10 per week.
3. Phased Retirement Agreements are generally for a maximum of three years. U Health Academics will approve initial agreements for only three years or less.
4. Extensions may be considered based on the needs of the department. Requests to extend a phased retirement arrangement should be submitted to the cognizant vice president at least 3 months before the end of the agreement.
5. A formal Phased Retirement Agreement, listing the terms of the Phased Retirement will be prepared by Human Resources. The agreement must be approved and signed by the appropriate University officers and returned to Human Resources.

Special Rules for Employees Enrolled in a Utah Retirement Systems Plan:

1. Employees participating in a URS Retirement Program cannot receive additional years of service with URS if their FTE decreases below 50%.
2. Employees who plan to begin drawing URS benefits during Phased Retirement are not eligible for Phased Retirement under University Policy. URS has their own Phased Retirement rules, which include a requirement that the Phased Retirement can only be 50% FTE. Contact Human Resources or URS for additional information.

Phased Retirement Benefits:

1. Phased Retirement participants may retain all benefits enrolled in at the time of the Phased Retirement at the same rates as if they were a full-time employee. 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.
2. Leave accruals are prorated based on the new FTE.
3. Benefits with premiums based on salary, such as disability plans, will be based on the new salary.
4. 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. Human Resources will calculate the difference between the contribution amount you would have received at your pre-Phased Retirement salary and your post-Phased Retirement salary. The amount the University will contribute to the 401(a) Plan will be subtracted from that amount and the balance will be added to your salary. (This does not apply for employees enrolled in a URS retirement plan.)
5. You may withdraw funds from your 401(a) Plan account. If you are participating in a one-year trial option or enrolled in a URS Retirement plan, this option is not available. (Withdrawal of funds from 403(b) Plan accounts can be made by any employee age 59½ or older.)
6. At least three months before the end of your Phased Retirement, you will need to begin considering health coverage options. If you are or will be eligible for Medicare, you will need to apply for Medicare. This can take one to two months to put into place. If you will not be eligible for Medicare at the end of your Phased Retirement, you will want to look at other individual plan options.
7. To qualify for retiree health coverage through the University at the end of your Phased Retirement, you must be at least age 60 or have 30 or more years of service with the University. If you will meet these qualifications, schedule a time to meet with a retirement counselor at least three months prior to the end of your Phased Retirement. They will be able to provide you with information on the University's group retiree health care plans, as well as other University benefits for qualified retirees.

Pay While On Phased Retirement:

1. While you are on Phased Retirement, you will continue to receive pay through the University's payroll system.
2. Premiums for benefits will be deducted from your pay. In the event your pay is too low to cover the cost of benefits, contact Human Resources to be set up on billing.
3. Under the Fair Labor Standards Act (FLSA), employees can only be paid a salary if their pay is at least \$684 per week (\$35,568 per year) and their duties meet one or more of the "duties tests". In the event your Phased Retirement pay (including the additional pay for the loss of retirement benefits) goes below \$684 per week, the FLSA requires that we change your status from salaried to hourly. This means you will be required to report hours worked in [Kronos](#). In the event this occurs, HR will provide you with instructions for entering your work time.

To Apply for Phased Retirement:

1. Speak with your supervisor or department chair about the possibility of Phased Retirement. If your supervisor or department chair believes it may be a possible option for you, they will consult with the dean or cognizant vice president to discuss the business feasibility. After that discussion, they will provide you with a denial or tentative approval.

2. Upon receipt of tentative approval from your department, contact Human Resources to schedule an appointment with a retirement counselor.
3. The retirement counselor will be able to discuss the details of your situation with you, provide calculations of pay and retirement contributions, and prepare an agreement you can submit to your department for final review and approval.

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

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