

Phased Retirement

A Transition from Administrator to Professor

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Abstract - Phased Retirement Programs have been introduced in many universities as a faculty benefit. The Program implementation may be different at different institutions, but the basic concept is to allow faculty members to gradually retire over a number of years and to give the university a clearer picture of who would retire and when. This paper defines the Phased Retirement Program in the University of North Carolina System and the specifics at North Carolina A&T. It also looks at how two administrators, who had faculty tenure, phased into retirement at North Carolina A&T State University. It discusses the positive and negative aspects of administrators entering the Program.

Keywords: Retirement,

Introduction

The University of North Carolina established a Phased Retirement benefit for faculty in 1997 to provide “an orderly transition to retirement through half-time (or equivalent) annual service. The goals of the Program are to promote renewal of the professoriate in order to ensure institutional vitality and to provide additional flexibility and support for individual faculty members who are nearing retirement.” Administrators with faculty credentials are allowed to retreat from administrator to faculty and then to phased retirement at the same time. The transition from administrator to professor requires many changes in daily activities and actions particularly if the administrator has been away from teaching for an extended period.

The concept of phased retirement has been reported in several papers and dissertations [1, 2, 3, 4, 5]. This paper does not attempt to study the Program, but it is about the experiences of two administrators at North Carolina A&T State University who earned faculty rank and tenure before becoming an administrator and took advantage of this program. Both transitioned back to the classroom when beginning their phased retirement. It is hoped that their experiences will prove helpful for others.

The University of North Carolina Phased Retirement Program

The University of North Carolina (UNC) implemented the Phased Retirement Program in March 1997 for a trial five (5) year period. The Innovations in Faculty Work Life Committee, a UNC University-wide committee in April 2001 [6] recommended that the University adopt the program as a continuing benefit for eligible faculty. They reported that most of the goals of the Program were being met and there was no data that showed they would not be met if the program became a permanent faculty benefit. On this basis, the UNC Board of Governors adopted the Phased Retirement Program as Policy 300.7.2 with the latest amendment dated September 7, 2007. [7] The purpose of the program was to provide “an orderly transition to retirement through half-time (or equivalent) service. The goals of the Program are to promote renewal of the professoriate in order to ensure institutional vitality and to provide additional flexibility and support for individual faculty members who are nearing retirement.” As of this writing, there continues to be a voluntary program for full-time tenured faculty members who meet the following criteria:

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- For faculty in the NC Teachers' and State Employees Retirement System (TSERS):
 - 62 years old
 - 5 years of full-time service
 - Eligible to receive retirement benefits under TSERS
- For faculty in the Optional Retirement Program (ORP):
 - 59 1/2 years old
 - 5 years of full-time service to receive retirement benefits under the ORP

The application by a faculty member must be approved at the department, school/college and university levels. The application must be made six months before the Program is to begin and after it is properly signed it is binding after a 14-day consideration period – only the retiree may opt out during this period; the university may not. Faculty do not have an absolute right to the Program. The department, school/college, or university may deny participation for any one or more of the following conditions:

- Lack of funds to support the faculty member
- Low enrollment in the department
- A limit to the number of Program participants (this is university dependent)

Faculty who enter the Program must agree to:

- Give up tenure and all of its privileges
- Perform faculty activities (teaching, research, service) for half-time for the academic year – half-time can be defined as half-time for the full academic year or full-time for one semester
- The work plan defined in the application which must start with the fall semester
- Release the university from the Age Discrimination in Employment Act (ADEA) conditions
- Fifty percent (50%) of the last academic salary – administrators working on a 12 month basis must negotiate the 9-month academic year salary based upon the last 12 month salary
- All UNC-Code and Policies including the limits on how much a retiree can earn from any State agency. This means that the faculty member cannot work for pay during the summer while on this Program
- End health benefits as an active employee – as a retiree the faculty member receives health benefits from the retirement system
- At least a one year, but no more than a five year contract – again, this is a university-specific period.

Although accepting the Program is binding on the faculty member and university, both may agree to terminate the program after one year with proper notice.

A Report to the Personnel and Tenure Committee on the UNC Phased Retirement Program in November 2009 [8] provides the number of the faculty members at all the UNC institutions who have selected the Program. According to the report only 191 faculty were participating in the Program in 2008. Also published by the University of North Carolina is an early survey of phased retirees, Report to the Personnel and Tenure Committee UNC Board of Governors Survey of Phased Retirement Program Participants, released November 11, 2004.[9] In this survey, no participants from two UNC institutions including North Carolina A&T were received. However, those who did respond had an average of 35.5 years of service experience in higher education and 30 years experience within their current UNC campus. There were a few interesting findings some potentially representative of phased retirement programs:

- 1) In addition to teaching, respondents remained involved in a significant amount of research activity during their phased retirement, more than they were involved in before their retirement.
- 2) Based on a mean income of slightly over \$94,000 from all sources before entering PRP, respondents report receiving a mean retirement benefit representing a mean 90% of their income before retiring when salary, retirement benefit, Social Security, and other income are included.
- 3) Regarding the reasons for choosing phased retirement, the breakdown of reasons includes, in order of descending popularity:
 - (69%) chose Phased Retirement because they wanted to transition into retirement;
 - (10%) chose the program because they planned to pursue other interests.

- (7.3%) reported entering the program because they could not afford to retire fully .
 - (6.3%) reported that they chose it because of changing University policies, and
 - (1.0%) chose it as a result of University of North Carolina post-tenure review.
- 4) The 96 responses to the PRP survey represent approximately 21% of all faculty enrolled in the program since implementation and 46% of those employed in the most recent cohort, fall 2003.

Other universities and university systems have similar phased retirement systems. The Syracuse University [10] program is about the same age as the UNC System and is very similar.

Back to Teaching and Working with Students

After many years as an administrator, your faculty colleagues, when you last taught, have changed and they along with the more recently minted students both require that you change to meet new expectations. This transition is complex at times and simple at other times. Since most of the faculty at NC A&T who have entered the Program chose to work full-time for one semester instead of half-time for the year, the transition to the classroom must occur quickly. The retiring faculty member who chooses the fall semester has only a little over a month to get ready for the assigned classes and few faculty from the department have time to help in the preparation during the summer. There is virtually no time for productive faculty with summer research commitments to assist even if they wish to. If the retiring faculty member chooses the spring semester, there is more time, but the faculty member may have to spend time at the university with faculty in the fall semester to start the preparation for teaching the assigned classes.

The administrator returning to teaching is considered a senior faculty member and may be asked to teach a design course. In many design courses, design codes may have changed multiple times since the faculty member last taught the course. This means that if the administrator has not kept up with these changes, there will be a steep learning curve to teach a design course.

If the administrator has been out of teaching for ten or more years, the technology used in the classroom is likely to be different. One of the authors used combinations of chalkboard and overhead presentations when he last taught. The classroom to be used by this author now has a computer, LCD projector, and whiteboard, but no overhead projector. This means that all new lecture notes must be developed in new formats.

Most, if not all, of the administrators who take the Phased Retirement Program are teachers at heart and remember the excitement of being in front of the class and discussing the course materials. Upon returning to the classroom, the excitement soon disappears when students seem to not pay attention and you have to respond to the same question twice or rework a problem because they did not get it the first time. It also seems to take longer to get ready for class, even if you have notes from teaching the course before. It is very disappointing when you think you are prepared, but find out in the classroom presentation that you are not sure about something in your notes or you make silly mistakes in the presentation that the students catch.

The fixed course schedule can be very confining. As an administrator, you had many regular meetings that were fixed on a certain day and time, such as staff meetings every Tuesday at 1:30 pm. However, you could, at times, ask someone to attend for you or even have the meeting cancelled or changed to another time to meet your schedule. This cannot happen with the course schedule which is fixed with little room for change. Of course, you may get another faculty member to cover a class or two for you, but this may not work as well now that you have little real power. This can be a real personal scheduling problem with aging parents and children who always need a little help on their time frame.

Also, in the last ten or more years course objectives have changed to learning objectives. ABET assessment policies frequently drive other changes, and classroom assessment practices put additional time demands on faculty. In other words, the development of course materials has changed from what the faculty will teach to what the student will learn.

One of the authors has just completed his final phased retirement semester. In it, he taught a large class in Statics, a required introductory course in all engineering departments. Forty-nine students enrolled in the course, and forth-seven students completed it. Student evaluations of the instructor are based on 26 questions where students rate the instructor on a 5-point scale with 5 being the highest satisfaction level. The average for the course was 4.23, above average for an initial course in mechanics, and the lowest evaluation was: "The instructor returned tests and graded assignments in a timely manner." This score was 3.9 and in truth, the homework grader, a doctoral student

preparing for his dissertation defense, was sometimes late in returning homework assignments. As per the instructor, pop quizzes were returned at the following class, and major tests typically took a week to return and they were reworked in detail during that class period.

He also taught a course in advanced solid mechanics in which five doctoral and two masters students were enrolled. All but one of them completed this course. In the prior year of phased retirement, he retained his position as graduate dean and taught only a statics course of nearly identical enrollment. This transition from administrator to teacher was more gradual in his case since during the first year of phased retirement he retained his duties relating to administration and taught the same statics course during the fall of 2009. Because he was active in undergraduate and graduate teaching and research, the move to retirement was more gradual and perhaps less discontinuous than for most administrators.

It seems obvious, that returning to the classroom will require careful study and preparation particularly for administrators entering the Program. Finally, the decision for an administrator to enter the Program may depend upon whether the administrator believes this preparation can be accomplished in the limited time between entering the Program and the start of the semester to teach.

Lack of Administrative Support

After many years as an administrator with control over budgets and authority to make things happen, suddenly you have no budget and little or no authority. After living and sleeping your administrative responsibilities as an administrator, suddenly you have time to think, relax, and do some things that you have put off for years. After many years with a large office and administrative support, you suddenly have a small office or you share one with a colleague and have little or no administrative support. The administrator must consider this support or lack of support in the decision to enter the Program. For some administrators this may be a major obstacle to entering the Program.

One of the authors upon returning to the department was placed in a office two floors from the department office because there were no office space available in the department area. This location made asking for supplies difficult and cumbersome. On several occasions, the response to a request for needed supplies for the office or the classroom was “I do not know” or “we do not have that” because departments do not have enough supply budget to support the faculty. As a senior administrator, the response would have been “how many to you want and when do you need them.” Every department has its own pecking order for getting supplies and the retiring faculty member may not be in that order especially if the departmental support staff has changed since the retiring administrator left the department years ago. Being one of the many demanding faculty members is very different than the administrative position just left.

Financial Considerations

At first glance, it would appear that only receiving half of a nine month academic year salary after receiving an administrator’s twelve month salary would create a financial problem. However, if the faculty member has 20 or more years in TSERS the reduction is acceptable. In one author’s situation with 24 years in TSERS, the combined half salary and retirement benefit is 84% of the 12-month administrator’s salary. For the other author, an administrator with 35 years in TSERS, the combined half salary and retirement benefit is 86% of the 12 month administrator’s salary. If the faculty member has reached full Social Security retirement age, he/she may also opt for social security benefits. For both authors, if Social Security payments are included, the total compensation is more than the 12-month administrator’s salary. For the authors, it seems very obvious that receiving 84% or 86% of your salary for half-time work for 9 months is a very attractive option to working full-time for 12 months as an administrator!

In a 2004 web-based survey conducted campus-wide in the UNC System, respondents indicated the following about the financial aspects and desirability of the earlier program: [9]

Responses to the Phased Retirement Program (PRP) survey suggest that the program is fulfilling its dual purposes of providing UNC faculty members an opportunity to transition into retirement gradually and improving UNC institutions’ personnel planning related to retirements. The overwhelming majority of respondents to the survey are satisfied with the program: 93% would make the same decision again, and

90% would recommend the program to colleagues. Respondents report a mean combined income that is 90% of their institutional income before retiring in PRP (including salary, retirement benefits, Social Security, and other income). Most report that their income in PRP is about what they expected when entering the program. [In addition] nearly 90% expect to stay in Phased Retirement for the entire period of their contracts.

In addition, phased retirement compensation is metered in twelve equal checks starting July 1 and ending June 30th of each phased retirement year. It can be daunting to receive six months of half-time salary starting in July for a full-time spring teaching obligation, because if you are unable to fulfill the spring commitment, funding must be returned. Hence, health welfare considerations including those of a spouse or child must be considered when there is a substantial prepayment for services.

Administrators who are in the Optional Retirement Program will have to evaluate their specific retirement portfolio to see how it has performed to determine their individual financial conditions. It appears that most will also be in good financial shape during phased retirement.

Positive Impacts

For the faculty member, the Phased Retirement Program allows for a gradual transition from administrator to faculty to retired faculty. The impact of the sudden reduction in work load is spread over several years and not one day. The State Retirement System restricts the employment of retirees after retirement for all State employees including faculty. This means that a faculty member or administrator who retires cannot be employed by the university for six months and after that can only earn up to 50% of their last salary. The Program provides the framework to allow this transition without the six-month waiting period.

For the department, the administrator returning to the department usually brings considerable experience that could be very helpful to the chair and faculty. The half-time assignment could include some administrative responsibilities to help the department. For instance, a number of departments have faculty familiar with ABET self-study requirements, and this can be a substantial help to an inexperienced chair and faculty if it is part of the phased retirement package. In other cases, experience in industry or in the appropriate professional society can also produce benefits to faculty and students alike.

For the students, the administrator usually is a good teacher. He/she achieved the administrative position because of good teaching and/or research. Most came to the university because they wanted to teach and work with students; this is the case of both authors. Both have prior industry experience as well, which adds value to the department particularly in the case of Ph.D. to Teaching faculty with no transitional experience.

Thus, the Program can be a win-win for all involved.

Administrative Concerns for the Department

The department is required to supply the half salary for the faculty member returning to the department. For small and medium sized departments this could create some budget problems. In the authors' cases, half salary is more than 50% of the average faculty salary in a position in the department. This means that the chair must use more funds (typically from unfilled or partially filled faculty positions) to finance the returning phased retirement faculty. Since the type and level of courses that the faculty member in the Program can teach, the chair may feel that the department is better served to seek less experienced adjunct faculty to cover courses. If the chair is forced to seek funds from the dean or higher administrator, the dean may be tempted to get involved at the operational level and dictate some or all of the work assignments for the faculty member in the Program.

Office space and support staff also maybe problems for many departments. Since the retiring faculty member (former administrator) will be doing mostly undergraduate teaching, the assigned office must be in a location where undergraduate students have access. Many times the available office space will be located in research areas which may not be easily accessible to undergraduate students.

The retiring faculty member (former administrator) may expect to travel to professional meetings which were covered by an administrative budget before entering the Program. Now, the department chair is asked to cover such expenses, which puts the chair in a very difficult position. Many times this request occurs after the travel budget has been allocated to the regular department faculty. The retiring faculty member must consider this possibility before accepting responsibilities in professional organizations just before entering the Program.

The program would work best with a high level of planning between the department chair and the faculty member planning her/his phased retirement. In the case of one co-author, there was a change in chairmanship and a change in programs in the department because some faculty migrated to a new department. Such external influences are not easy to predict, but they do bear on the teaching assignments and research priorities.

Conclusions

The following conclusions can be drawn from the observations and research available:

- The retiring faculty member must be prepared for a continuing teaching/work commitment as was the pre-retirement case.
- The faculty member and teaching department should work closely to ensure a productive experience for both the department and employee.
- While phased retirement has been an option in a number of universities and university systems for years, outside survey data from participants is not publicly available in a common format that would assist potential applicants in determining if they should participate.
- Financial considerations for participation are usually favorable or inconsequential, and rarely negative

It appears that the UNC Phased Retirement Program is a very attractive faculty benefit and that more faculty and administrators with faculty tenure should consider it when they are ready to retire.

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Biographical Information

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At North Carolina A&T State University, Dr. Murray has served as Professor and Chair of Civil Engineering, Associate Dean and Dean of the College of Engineering, and Dean of the School of Graduate Studies and Associate Vice Chancellor for Academic Affairs prior to his retirement.

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At North Carolina A&T State University, Dr. Craft has served as Professor and Chair of Mechanical Engineering, Associate Dean of Engineering. He has also served as Interim Dean School of Engineering and Interim Dean, School of Graduate Studies and Associate Vice Chancellor for Research, the Universities Space Grant Director and National Institute of Aerospace Liaison Professor.

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