

**NSU**

Florida

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NOVA SOUTHEASTERN  
UNIVERSITY

# Phased Retirement Program



# Phased Retirement Program

Faculty represent the University's most important asset and our more senior faculty embody an impressive accumulation of expertise and service. Based on the number of faculty who are of early and normal retirement age (age 55 and older) and the inquiries received, we know that many colleagues are considering retirement but are uncertain as to how to begin the transition.



# Phased Retirement Program

- Nova Southeastern University is introducing a new retirement option for full-time faculty and administrative faculty.
- The *Phased Retirement Program* (PRP) enables faculty to transition into retirement by reducing their workload and salary over a one or two year period while retaining faculty benefits, rights and privileges along with office space.
- The Phased Retirement Program enables a faculty member and College to plan effectively for his/her retirement.
- The program will provide approved faculty members with a unique opportunity to share their invaluable institutional knowledge and experience with the next generation of academicians.



# Phased Retirement Program

- Special program for full-time and administrative faculty designed to ease the transition into full retirement
- Offered at the discretion of the College Dean
- Permits half-time course load assignment for a period of one or two years
- Salary will be 55% of regular full-time base salary, no overload or stipend
- Benefit and retirement plan eligibility continues during the phased retirement period



# Eligibility

- Full-time faculty or full-time administrative faculty \* member
- Must hold a continuing contract track or continuing contract appointment; in the College of Law College a vested contract, tenure track or tenured appointment
- Must be at least 55 years of age
- Must have a least ten years of NSU full-time service; full-time service determined by combined full-time NSU service in faculty, administrative faculty and non-faculty staff positions from the most recent date of hire

\*Administrative faculty must relinquish administrative duties and fulfill a course load assignment during the phased retirement period



# Eligibility

- Faculty on an approved family medical leave or other medical leave or discretionary leave of absence and who satisfy the eligibility criteria are eligible to apply for the PRP
- Faculty on sabbatical leave are eligible to apply for the PRP, but are required to complete their post-sabbatical leave requirements, i.e. one year completed full-time service, before commencing phased retirement.



# Who is not Eligible

- Faculty members in their terminal contract year or otherwise subject to non-renewal
- Clinical Faculty
- Instructors, Lecturers and other annual contract faculty





# Application & Approval Process

- Applications for the PRP can be made January 15 - March 1
- A completed and signed Application Form and Reduced Workload Worksheet must be submitted to the Dean's office no later than 5:00 p.m. on March 1
- Late applications will not be accepted

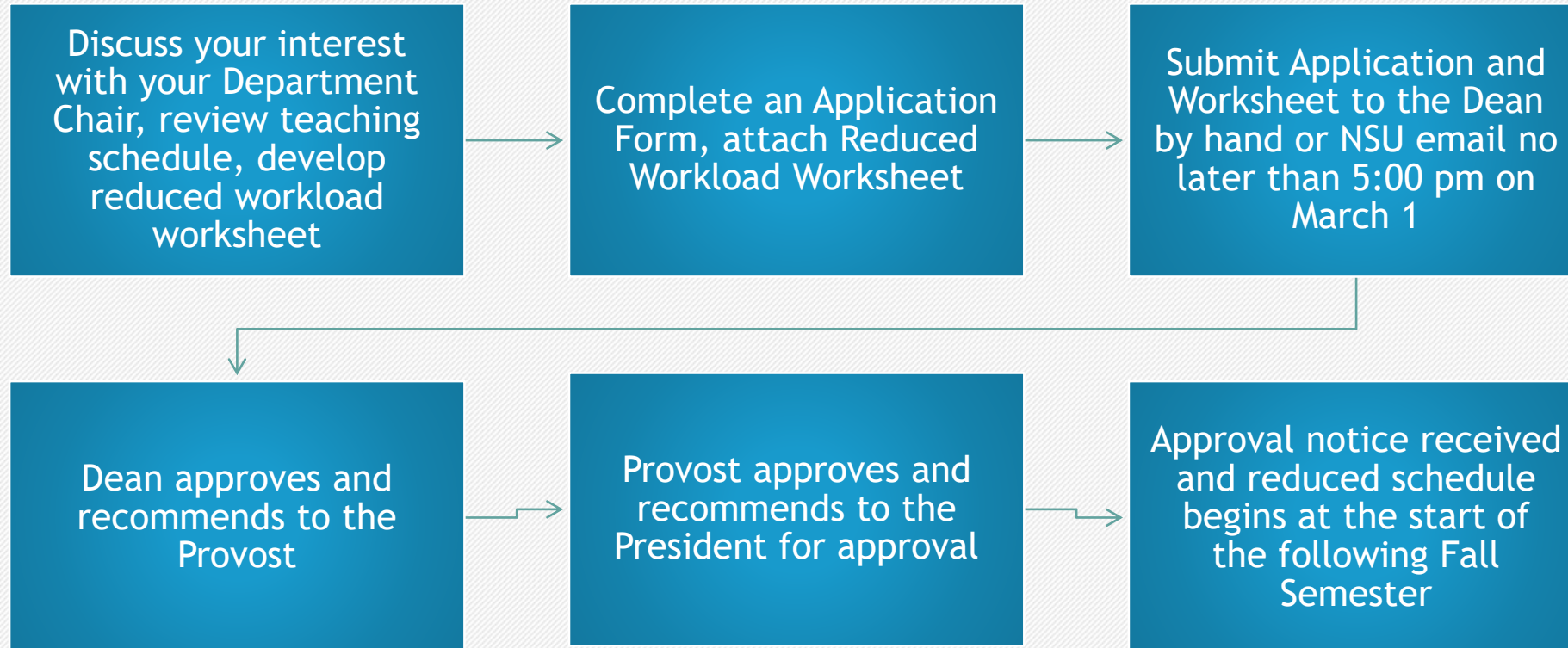


# Application & Approval Process

- PRP applications will be recommended and submitted for approval by the Dean and Provost to the President
- Considerations in the recommendation and approval process include but are not limited to:
  - The College's faculty compliment
  - the applicant's expertise and discipline
  - Ability to redistribute the Applicant's workload
  - Enrollment projections
  - Accreditation
- Notifications of approved applications will be made no later than April 1



# Application & Approval Process



# Revocation

- Applicants have three (3) calendar days following the approval of an application to revoke a decision to enter the Phased Retirement Program
- If not revoked, the decision becomes effective on the fourth (4<sup>th</sup>) calendar day following the date of approval and cannot be modified or revoked thereafter
- A revocation must be in writing and received by the third (3<sup>rd</sup>) day following notification of acceptance
- Any revocation must be hand-delivered or sent from an NSU email address to the Dean's office no later than the third (3<sup>rd</sup>) day following the application approval date
- When an election is revoked, the University will have no obligation to provide a reduced teaching load or any other benefits available under the PRP



# Period of Phased Retirement, Work Load & Salary Reduction

- You may elect either one or two years as your phased retirement period
- The election may not change once the application is approved
- Commencing with the fall semester following the approval of your application , your workload will be reduced to 50% of the College's full-time teaching load
- During the phased retirement period you will receive 55% of your regular full-time base salary (i.e., “regular earnings” as shown on your pay statement at the time of entry into the PRP)
- Stipends, overloads payments or other special payments are not considered part of a faculty member's base salary



# Period of Phased Retirement, Work Load & Salary Reduction

- The annual workload assignment may be satisfied by completion of a half-time load for two semesters or a full-time load for one semester
- Permitted PRP schedules include: full-time fall/off winter; off fall/full-time winter, etc.
- Regardless of schedule, PRP participants are required to complete faculty responsibilities for the last semester of the phased retirement period including any transition items specified by the Dean and/or Department Chair



# New Appointment Letter

- Following approval, a new faculty appointment letter will be prepared and will include confirmation of the following:
  - Salary
  - Length of phased retirement period
  - Reduced course load assignment
  - Retirement date
  - Any other terms and conditions of the phased retirement
- You will retain your faculty rank, but the duration of your contract will coincide with the end of your PRP period



# Separation from Service & Reemployment

- The retirement date for PRP participants will be, and the end of the contract year, June 30 following completion of faculty responsibilities for the phased retirement period
- PRP participants may be hired to teach as an adjunct faculty member at the discretion of the Dean and with written approval of the Provost
- During the phased retirement period, NSU Conflict of Interest provisions will continue to apply prohibiting a participant from teaching as a full-time, part-time or adjunct faculty member or employee at another entity without the specific written permission of the Dean and Provost





# Employee Benefits During Phased Retirement Period

Medical Insurance   Dental Insurance   Vision Insurance  
Life Insurance/AD&D   Short-term Disability Program  
Long-Term Disability Insurance   Retirement Plan   Voluntary Benefits  
Vacation Leave   Sick Leave   Tuition Waiver Benefits



# Medical Plan

- Faculty covered by the NSU medical plan upon entry into the PRP will continue participation in the same plan and coverage tier; HRA contributions will continue
- The University will increase premium contributions to offset the reduction in compensation during the phased retirement period thereby reducing your premium contribution by 45% (the same % amount as compensation will decrease)



# Dental, Vision & Flexible Spending Accounts

- PRP participants may continue their dental and/or vision plan coverage during the phased retirement period under the current terms and conditions of the policies
  - 100% of the premium will continue to be paid by the faculty member
- Flexible Spending Account participation may continue
  - Contributions will continue to be made as usual through payroll deductions



# Life & Disability

## Life

- \$75,000 in life insurance will be provided by the University during the phased retirement period
- The benefit amount will reduce by 50%, to \$37,500, for covered faculty who are age 70 or older
- Supplemental life insurance coverage will continue during the phased retirement period at the coverage level in-force at entry into the PRP, subject to salary reduction provisions found in the current in-force policy
- It will not be possible to increase the amount of supplemental life insurance during the phased retirement period

## Disability

- Eligibility for the NSU Short-term Disability program and Long-term Disability/Accidental Death & Dismemberment will continue during the phased retirement period
- Benefits will be calculated based upon the reduced salary



# Voluntary Benefits

- Legal Shield and AFLAC Supplemental Insurance will continue during the phased retirement period



# Retirement Plan

- PRP participants are eligible to participate in NSU's Defined Contribution 401(k) Retirement Plan and are eligible for University contributions
- Plan revised to provide additional access to retirement funds through in-service distribution option
  - Participants between the ages of 55 and 59 ½ may take an annual distribution of employer matching contributions and employee roll-overs; distributions may be subject to an early withdrawal surcharge
  - Participants age 59 ½ and older have access to all employer and employee contributions.



# Vacation & Sick Leave

- Continued accrual of vacation and sick leave will be based upon the reduced schedule
- Accrued and unused vacation and sick leave will be available for use during the phased retirement period
- At retirement, accrued vacation days that have not been used by the retirement date will be paid out according to NSU policy
- Pursuant to NSU policy, accrued but unused sick leave time is not paid out at retirement



# Tuition Waiver

- The tuition waiver benefit is available during the phased retirement period but will end at the time of retirement





# Benefit Continuation After Retirement

Benefit coverage will end at midnight on the date of retirement



# Health Insurance Continuation

- If covered by a University health plan when the phased retirement period ends, coverage may continue for yourself, spouse, and domestic partner or family members as a retiree or through COBRA
- Coverage may also be obtained through the public exchange or Medicare



# ICUBA Retiree Health Insurance Eligibility

- Participants must be enrolled in an ICUBA plan 3 months immediately prior to retirement
- Eligibility for retiree coverage through an ICUBA plan requires that participants are at least 55 years of age, have provided a minimum of 5 full-time years of service to NSU and meet the “Rule of 65” (combination of age and service must be equal to or greater than 65)



# ICUBA Retiree Health Insurance Continuation

- PRP participants and covered dependents may continue medical, dental and vision coverage into retirement; flexible spending accounts do not continue into retirement
- Participants may use their vested HRA balances to pay for ICUBA retiree plan premiums
- Instructions will be provided to Continuum, ICUBA's Retiree Health Plan administrator, to send retiree packages to PRP participants at home



# ICUBA Retiree Health Insurance Continuation

- There are two retiree plans that may be available to eligible PRP participants who are covered by an ICUBA plan on their retirement date
  - The ICUBA Retiree Health Plan, which is the same in-force health plan available to active employees
  - Participants who are Medicare eligible will also be offered an ICUBA Retiree Medicare Supplemental Plan which is designed to supplement health coverage provided by Medicare
- ICUBA plans require retired Medicare-eligible participants to enroll in Medicare Parts A and B and pay the associated premiums
  - Both the ICUBA Retiree Health Plan and the ICUBA Retiree Medicare Supplemental Plan pay secondary to Medicare and will pay benefits based on the premise that the retired participant elected coverage under Medicare Parts A and B, regardless of whether the retired participant actually has



# ICUBA Retiree Health Insurance Continuation

- Retiree insurance promises continuous health plan coverage, however it is not uninterrupted
  - Participants have 30 days from the retirement date to enroll in a retiree plan
  - The initial premium payment is due 60 days from the retirement date
- To minimize coverage interruption It is important to enroll and pay the premium immediately
- After premium is paid coverage is reinstated retroactively from the retirement date
- Participants who do not elect an ICUBA Retiree Health Plan at retirement are not able to elect into the plan at a later date



# ICUBA COBRA Health Insurance Continuation

- PRP participants and their covered dependents who are not eligible for an ICUBA Retiree Health Plan may continue their coverage under the provisions of The Consolidated Omnibus Budget Reconciliation Act (COBRA) for up to 18 months
- Medical, dental and vision insurance participation may continue through COBRA; under certain circumstances it may also be possible to continue flexible spending and non-vested HRA account participation
- The COBRA plans are the same in-force ICUBA plans available to active employees
- Instructions will be provided to Continuum, ICUBA's COBRA administrator, to send COBRA packages to all PRP participants at home



# ICUBA COBRA Health Insurance Continuation

- While COBRA promises continuous health plan coverage, it is not uninterrupted
  - Participants have 60 days from the employment separation date or from the date on the COBRA offer letter (whichever date is later) in which to elect COBRA coverage
  - From the COBRA election date participants have an additional 45 days to pay the first premium
- Therefore, it is important to enroll in COBRA and pay the first premium as soon as possible after the offer is received to minimize coverage interruption
- Once the first COBRA premium is paid, healthcare coverage is reinstated retroactively from the retirement date
- When COBRA is elected, a subsequent election into retiree coverage is not permissible





# Life & Disability Insurance Continuation

- Basic and supplemental life insurance may be converted to an individual plan
  - The conversion must be requested within 30 calendar days from the retirement date so it is important to explore this decision before retirement
- Conversion information, rates and options can be obtained by contacting contact the carrier, Reliance Standard Life Insurance Company
  - The Customer Care Center - 800-351-7500
  - The policy holder name - Nova Southeastern University
  - Policy number - GL 152576
- Eligibility for the NSU Short Term Disability program and Long Term Disability/Accidental Death will not continue into retirement



# Voluntary Benefit Continuation

- Voluntary benefits can be converted to a direct invoice option
- For further information about these plans and your conversion options please contact the plan representatives directly using the contact information below:
  - AFLAC Plans (954) 560-6000 [evansfin@bellsouth.net](mailto:evansfin@bellsouth.net)
  - LegalShield Plans (954) 214-0327 [Kelley@akasolutionsinc.com](mailto:Kelley@akasolutionsinc.com)



# Retirement Plans

- Financial Advisors from VALIC and TIAA are available for one-on-one meetings to discuss income options available to faculty as they prepare for full retirement, to take advantage of this free service and meet with an advisor call to make an appointment:
  - TIAA CREF / 1-800-842-2252
  - VALIC / 1-800-448-2542
- 403(b) and 401(k) Retirement Plans
  - Participants with account with balances of over \$5,000 have no deadline or requirement for initiating a distribution or roll-over out of the NSU Plan after retirement
- 457(B) Deferred Compensation Plan
  - The 457(b) plan document requires participants in the NSU 457(b) plan to choose a distribution option within 60 days after employment ends
  - If this election is not made during this 60-day election period, participants will receive a lump sum payment as provided for in the plan document and the cash distributions will be taxed in the year received and a 1099R will be issued for tax reporting purposes
  - Discuss your distribution options directly with your investment provider



# Website

<https://www.nova.edu/hr/phased-retirement>



# Questions



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