

**WILLIAM MARSH RICE UNIVERSITY
FACULTY PHASED RETIREMENT PLAN
2017-2018**

FREQUENTLY ASKED QUESTIONS

To the extent that there is any inadvertent inconsistency between these FAQs, the letter and agreements you received, and the Plan document, the terms of the Plan document shall control.

Purpose

1. Why is the University offering the Faculty Phased Retirement Plan (the “Plan”)?

Rice is offering the Plan to allow eligible faculty members the opportunity to elect an early retirement date if such a decision, in their own judgment, is in their best interest. The Plan will allow eligible faculty to transition to retirement in a way that is gradual and provides a standard approach to financial incentives.

General Terms

2. What is the Plan?

The Plan is a completely voluntary early retirement plan for eligible faculty members.

To participate in the Plan, an eligible tenured faculty member must submit a signed Retirement Agreement (the “**Agreement**”) to the Office of the Provost by **5:00 PM on Friday, April 30, 2018** (you may return the Agreement sooner), and not revoke your acceptance of such agreement within the allowed 7 days. Pursuant to the Agreement, you will:

- (1) select a retirement date of either (i) June 30, 2019, (ii) June 30, 2020, or (iii) June 30, 2021 on which you irrevocably commit to relinquish your tenure and to retire (your “**Retirement Date**”);
- (2) agree to teach your assigned teaching load for each academic year and to perform assigned administrative, service and research responsibilities until your Retirement Date;
- (3) enter into agreement with the University upon acceptance into the Plan; and
- (4) agree not to receive any benefits under any other early or phased retirement arrangement provided by the University.

You will still be eligible to receive any summer salary due to you for research and administrative duties prior to your Retirement Date. (See also Q&A 9.)

3. When would I terminate my employment under the Plan – that is, who selects my Retirement Date?

You would select your own retirement date of either (i) June 30, 2019, (ii) June 30, 2020, or (iii) June 30, 2021. Pursuant to the Retirement Agreement, you would irrevocably commit to retire on the Retirement Date. Please contact your Dean or Department Chair to discuss your situation.

4. Can I just retire and not participate in the Plan?

Yes, for any retirement discussion either in or out of the Plan, please contact your Department Chair or Dean or the Vice Provost for Academic Affairs.

5. Is there flexibility in the Plan to rearrange the effort and salary within the total 1½ years effort and 200% of salary over a three-year period? For example, could I be at 100% effort in year one and 100% salary and then reduce to 25% effort in each of the last two years with salary at 50%?

No, the plan is a standardized plan that offers a uniform package to all eligible faculty members. If you wish to continue at 100% effort, then you should consider deferring your phased retirement (if eligible to do so) and then consider a two-year agreement.

6. What happens to my tenured faculty status with the University? Will I be eligible for Emeritus status?

You retain your tenured faculty status until the Retirement Date that you have selected, but by entering into the Retirement Agreement, you would irrevocably commit to relinquish your tenure on your Retirement Date.

Upon retirement in good standing and completion of the Retirement Agreement, the Dean at his or her discretion may recommend you to the Provost for Emeritus status. Emeritus status is governed by Policy 201, paragraph 3.b.7.

7. What will be my duties and responsibilities prior to my Retirement Date?

Pursuant to your Retirement Agreement, you would agree to teach your assigned teaching load and perform administrative, service and research responsibilities assigned to you by the Dean in consultation with your Department Chair for each academic year until your Retirement Date. Failure to comply with these requirements and to remain in good standing may result in termination of your participation in the Plan as well as other potential discipline.

8. What will my salary be while I am still employed prior to my Retirement Date? Am I still eligible for salary increases?

Your salary for the 2018-2019 academic year will be set at 80% of your 2017-2018 salary and will include any applicable pay raises, as deemed by the Department Chair and Dean. You will continue to be eligible for pay raises in subsequent plan years.

9. Prior to my Retirement Date, am I eligible for summer salary?

Yes. You remain eligible for any summer salary due to you for teaching, research and administrative duties until your Retirement Date. Summer salary charged to sponsored projects will be based on academic year salary and must be commensurate with effort worked on the sponsored project, e.g., summer salary can be charged at 100 percent (Based on a full FTE academic year salary rate) if the faculty member has 100 percent effort on the sponsored project for the period charged. See University Policy No. 311, Salary Support Through Sponsored Projects. Any other summer salary commitments will be paid based on the salary rates in the Faculty Phased Retirement Plan.

10. If I choose to participate in the Plan, am I eligible to participate in other retirement incentive plans if they are later offered prior to my Retirement Date?

No. By entering into a Retirement Agreement, you agree not to receive any benefits under any other early or phased retirement arrangement, whether as part of a program or individually negotiated, provided by the University. See Q&A 22 stating expectations for future Plans.

11. If I want to be considered for promotion during the phased retirement plan, what is the process?

The process for promotion remains the same as for non-participants of the Plan (see University Policy No. 201, Faculty Appointments, Promotions, and Tenure and [Guidelines for Faculty appointments, promotion, tenure, and renewal of contracts](#)).

12. May I take a sabbatical while participating in the Plan?

Yes, faculty with at least 6 semesters accrued toward sabbatical as of June 30 of the calendar year in which they commence phased retirement will be eligible to apply for no more than one semester of sabbatical during the phased retirement period at the salary rate in the sabbatical policy. No sabbatical credit will be earned during the phased retirement period. However, should you opt to retire June 30, 2018, you would not be eligible for a sabbatical since faculty must return to Rice for at least one year following a sabbatical. See Q&A 15 and 16.

13. If I have at least six semesters of credit accrued, is sabbatical granted automatically? If not, what is the process for applying?

No, a sabbatical is not granted automatically for any faculty member. Sabbatical leaves are intended, in the words of [Policy 208](#), "for the purposes of study, research, or other pursuit of value to the scholarly agenda of the faculty member and the University," which enables faculty members "to increase their effectiveness in teaching and research and their usefulness to the University." Sabbaticals are not granted automatically, but are authorized based on a written proposal from the faculty member, the recommendation of his or her Chair and the approval of his or her relevant dean, the provost, the president, and the Board of Trustees. Faculty who wish to apply for sabbatical leave should first consult the Department Chair and then submit a written proposal for consideration.

The sabbatical terms should be agreed upon in writing between the faculty member and his or her Dean or Department Chair when the retirement agreement is signed by the participating faculty member.

14. If I have more than twelve semesters of sabbatical credit accrued, can I be granted more than one semester of sabbatical?

No. The maximum is one semester of sabbatical.

15. If I am granted a sabbatical, when could I take it during the phased retirement period?

Assuming a faculty member opts to retire after three years, the faculty member may use accrued sabbatical time during year one or year two of the phased retirement period not to exceed one semester of sabbatical leave. If the faculty member opts to retire after two years, he or she must take the sabbatical in year one.

16. Must I return to the University after a sabbatical leave while on phased retirement?

Yes. All faculty members who use accrued sabbatical time during the phased retirement period must return to Rice for at least one year following the sabbatical.

17. What will my salary be during my sabbatical semester?

The faculty member's sabbatical salary will be at the percentage of academic year salary stated under the sabbatical policy for the sabbatical semester.

18. If I have more than twelve semesters of sabbatical credit accrued, can I be granted more than one semester of sabbatical?

No.

19. In my School, some tenured faculty receive travel funds. Under the Plan, am I still eligible for travel funds?

Yes, participants in the Plan are subject to the same rules for travel funds to conferences as similarly situated tenured faculty members who do not participate in the Plan.

20. In my School, some tenured faculty receive research funds. Will I still receive the full amount of research funding or will I receive only 50% of any such research funds?

The terms of your current research fund/stipend apply. If the written terms of your research allocation expire during the phased retirement program, any extension during the balance of the retirement period will need to be negotiated with the Dean and documented in writing.

21. Do I still have obligatory University service commitments (i.e., to serve on University committees)?

No, participants in the Plan will have their obligatory University service commitments waived during their phased retirement. They will, however, need to come to an agreement with the Department Chair and/or Dean about department and school service commitments, which are distinct from University commitments.

22. Will programs like the Plan be offered again in the future?

The University plans to offer this package on an ongoing basis. The Plan is available only to faculty who will be aged 62 to 70 on August 15th of the calendar year in which they commence phased retirement. Also, the University may choose to alter or cease the Plan at any time (with adequate warning to eligible faculty).

For example, if you are 62 years old by August 15, 2017, you may participate in the FPRP as of July 1 for the following years (until aged 70): 2017 (age 62), 2018 (age 63), 2019 (age 64), 2020 (age 65), 2021 (age 66), 2022 (age 67), 2023 (age 68), 2024 (age 69) and 2025 (age 70).

Eligibility

23. How do I know if I can participate in the Plan effective July 1, 2018?

To be eligible to participate in the Plan, a faculty member must:

- (1) be an active tenured faculty member at the rank of Professor or Associate Professor in good standing during the 2017-2018 academic year;
- (2) not be currently enrolled in another retirement incentive plan or have a separate retirement agreement;
- (3) on or before August 15, 2018, be at least 62 years of age and not greater than 70 years and have at least 10 years of continuous¹ service as a faculty member with the University.

24. Can I participate in the Plan if I am enrolled in another early retirement plan at the University or if I have a separate retirement agreement?

No. Faculty members who are enrolled in another retirement incentive plan at the University or have a separate retirement agreement are not eligible to participate in the Plan.

Participation

25. Can I elect to participate in the Plan at any time?

No. The Plan is available only for a limited time each academic year. In order to participate in the Plan for 2017, you must sign and submit a Retirement Agreement to the Office of the Provost no later than 5:00 PM on Friday, April 30, 2018 (you may return the Agreement sooner), and not timely revoke your acceptance of the agreement.

26. Can my Department Chair require me to decide before April 30th?

No, you are not required to officially decide until the deadline, April 30, 2018. However, we encourage you to discuss considerations around the Plan with your Department Chair and/or Dean so there are no last-minute surprises for class planning and teaching needs.

¹ “Continuous service” means time of continuous benefits-eligible service as a faculty member at Rice, including any University approved leaves such as sabbaticals or junior faculty leave.

27. If I do not elect to participate in the Plan will my decision affect any future personnel actions?

No. The Plan is purely voluntary. Your decision to participate or not to participate will have absolutely no effect on any future employment-related decisions (such as levels of salary increases). Your decision on whether to participate should be based on your own personal needs and assumptions and on any advice that you may receive from your financial and/or legal advisors.

28. What will happen if not enough faculty members elect to participate in the Plan?

There is no minimum requirement for participation in the Plan. The Plan is purely voluntary.

Retirement Agreement

29. What general terms will the Retirement Agreement contain?

As stated in Q&A 2, a Retirement Agreement will generally consist of:

- (1) your selection of a Retirement Date of June 30, 2019, June 30, 2020 or June 30, 2021;
- (2) your irrevocable commitment to relinquish your tenure and to retire on your chosen Retirement Date;
- (3) your commitment to teach your assigned teaching load for each academic year and perform assigned administrative and departmental and school service responsibilities until your Retirement Date;
- (4) waiver of claims upon acceptance into the Plan; and
- (5) your agreement not to receive any benefits under any other early or phased retirement incentive arrangement provided by the University.

30. Can I change my mind after I enter into a Retirement Agreement?

Yes, but only for a limited time. After receiving the signed copy of the Retirement Agreement from the School, you will have seven (7) calendar days to revoke your decision if you choose to do so. In other words, your decision to participate in the Plan will NOT become effective or enforceable until the seven-day period has expired without your revocation.

If you do decide to revoke your decision, please contact the Office of the Provost **in writing** no later than 5:00 PM on the seventh (7th) calendar day after the signature date of your agreement.

31. The Retirement Agreement seems to be an important document. Shouldn't I seek legal advice to be sure I understand what I am signing?

The University recommends that you review all the material given to you concerning the Plan, especially the Retirement Agreement. Additionally, federal law requires that we advise you to consult with your attorney prior to signing the Retirement Agreement.

32. Whom can I speak with if I have any questions?

The University wants you to make your decision based on complete and accurate information. If you have any questions, please contact your Department Chair, Dean or the Vice Provost for Academic Affairs.

Other Issues Including Employee Benefits

33. When can I begin distributions under the Rice Retirement 401(a) Plan, 403(b) Plan or the 457(b) Deferred Compensation Plan?

Distributions may commence following your full retirement in accordance with the terms of the Rice Retirement Plan, the 403(b) Plan or the 457(b) Deferred Compensation Plan without being subject to a penalty.

Under the federal tax laws, faculty who are 59½ or older can commence distributions from their voluntary 403(b) account prior to their Retirement Date without any penalty in accordance with the terms of the Plan. Additionally, under the Rice Retirement 401(a) Plan and the 403(b) Plan, retired participants must generally begin to receive minimum distributions from the plan starting at age 70½ once they are no longer actively employed at the university .

If you have any questions, such as regarding distribution options, minimum distribution requirement, vesting restrictions, or other related issues, you should consult the University's Benefits Office website (<http://benefits.rice.edu>). You may also contact TIAA-CREF at 800-842-2776 or Fidelity at 800-343-0860.

34. Prior to my Retirement Date, will Rice's contribution to the University retirement plan continue?

Yes. Until your chosen Retirement Date, University contributions to the Rice Retirement 401(a) Plan will continue based upon your actual paid salary.

35. Will participating in the Plan affect my eligibility for employee benefits, including health, dental, disability and life insurance, and tuition assistance, prior to my Retirement Date?

No. You will have the same eligibility for employee benefits, including health, dental, disability and life insurance, and tuition assistance, as similarly situated faculty members who did not participate in the Plan.

Benefits that are based on your salary will be affected. Optional life insurance coverage is based on your annual base salary during your phased retirement (either 80%, 70% or 50%). Both the life insurance premiums and any payouts of life insurance will be based on this lower salary amount. (Note also that at age 70 and above, both the premiums and payouts are reduced for all policyholders, as explained in the Benefits Booklet.)

Short-term disability, long-term disability payments and retirement plan contributions are similarly based on your reduced salary during your phased retirement.

36. What about retiree benefits after my Retirement Date?

After your Retirement Date, you will have the same eligibility for retiree benefits, including health, dental, life insurance, and tuition assistance, as similarly situated retired faculty members who did not participate in the Plan.

37. Will participating in the Plan affect my access to any University facilities or activities after I retire pursuant to the Plan?

After your Retirement Date, you will have the same access to University facilities or activities as similarly situated retired tenured faculty members who did not participate in the Plan.

38. When may I begin my Social Security benefits?

Faculty may apply for Social Security retirement benefits while still employed by the University, including when participating in the Faculty Phased Retirement Plan by visiting <http://socialsecurity.gov/applyforbenefits>. Faculty members are advised to apply for benefits approximately three months before the date on which they wish to begin receiving benefits. For the Social Security benefit calculator, visit <https://www.ssa.gov/planners/benefitcalculators.html>. You may also defer your Social Security payments until post-retirement, but do not delay past age 70, as deferring your benefits no longer increases your payments past this age.

Post-Retirement Employment

39. After my Retirement Date, will I be allowed to pursue employment at the University?

Yes. Although your employment with the University will terminate completely as of your Retirement Date, you will be allowed to pursue future non-tenured employment opportunities with the University, but there is no guarantee.