

WILLIAM MARSH RICE UNIVERSITY
FACULTY PHASED RETIREMENT PLAN

Effective November 1, 2012
Amended November 1, 2015

I. PURPOSE

1.1 The William Marsh Rice University Faculty Phased Retirement Plan for tenured faculty is designed to provide enhanced early retirement benefits to eligible tenured faculty members who start phased retirement no later than the beginning of the academic year (typically August 15th) on or before their Normal Retirement Age.

II. DEFINITIONS

2.1 “Normal Retirement Age” shall mean age 70 for purposes of this Plan.

2.2 “Participant” shall mean a member of the faculty appointed to a tenured position who has met the requirements for participation set forth in Section 4.1.

2.3 “Phased Retirement Agreement” shall mean a written Agreement between an eligible tenured faculty member and the University as described in Section 5.1.

2.4 “Phased Retirement Start Date” shall mean the July 1 or August 15th date on which the faculty member begins workload of fifty-percent effort pursuant to a Phased Retirement Agreement under Article V.

2.5 “Plan” shall mean this Faculty Phased Retirement Plan for tenured faculty.

2.6 “Plan Year” shall mean the period of twelve months commencing July 1 annually.

2.7 “Salary” shall mean the Participant’s institutional annual base salary. “Salary” shall not include administrative supplements, term allowances, extra service payments, and other payments not included in base salary.

2.8 “University” shall mean William Marsh Rice University.

2.9 “Year of Faculty Employment” shall mean each full twelve-month period during which the individual continues to hold an appointment as an eligible faculty member or is absent from employment as a faculty member with the University pursuant to an approved leave of absence, commencing on the date that a faculty member commences a faculty appointment at the University, or anniversary of such date, and ending on the Phased Retirement Start Date.

III. ADMINISTRATION

3.1 The Plan shall be administered by the University. As part of its administrative rights and duties, the University shall make rules and decisions which shall be final and binding upon every person regarding all aspects of the Plan, including, but not limited to, as follows: eligibility to participate; loss of eligibility to participate; requirements to submit waivers of employment claims, or other forms, as a condition of participation; entitlement to and calculation of benefits set forth hereunder; teaching and administrative responsibilities, including transition of responsibilities, prior to full retirement, including during any period of a Phased Retirement Agreement; and resolution of disputes, claims or questions. Changes to the offered terms, as provided under the Plan, of a Phased Retirement Agreement under Article V may be made by the Provost on an individual basis for special circumstances, where the Provost determines that such changes serve the best interests of the University.

3.2 Whenever the University under the terms of the Plan is permitted or required to do or perform any act, make any rule, or decide any issue, the same may be done by any duly authorized Officer of the University.

3.3 Any disagreement or dispute by any person claiming a benefit under the Plan regarding any aspect of the Plan or its implementation or administration shall be presented in writing to the University, Office of the Provost, and the University's determination shall be final and binding.

IV. ELIGIBILITY

4.1 An employee of the University who is an active tenured faculty member in good standing shall be eligible to become a Participant if he or she (a) has or will have completed, on the August 15th in the year of his or her Phased Retirement Start Date, at least ten (10) continuous Years of Faculty Employment with the University in an eligible position, (b) enters into an agreement for a Phased Retirement Agreement under Article V and does not timely revoke his/her acceptance of such Agreement, (c) pursuant to the Phased Retirement Agreement, gives an irrevocable written commitment on or before the April 30 immediately preceding the Phased Retirement Start Date to the University (in a form prescribed by the University) to relinquish the faculty member's tenure and to retire after the phased retirement period, and does so retire, (d) will be at least 62 years of age on the August 15 of the year of the Phased Retirement Start Date, (e) will commence a phased retirement no later than the August 15 following the date he or she reaches Normal Retirement Age (age 70), and (f) continues to be in active status during the period between the written commitment and the Phased Retirement Start Date.

V. PHASED RETIREMENT AGREEMENT

5.1 Upon the request of an active tenured faculty member who is eligible to become a Participant, the University and the faculty member shall enter into a Phased Retirement Agreement under this Plan. Under a Phased Retirement Agreement, the Participant shall not be required to work more than a workload constituting fifty percent (50%) effort for a period of one to three years starting at the beginning of a Plan Year (to be selected by the faculty member) at

eighty percent (80%) Salary for year one, seventy percent (70%) Salary for year two and fifty percent (50%) Salary for year three, with continuing participation in the University's regular employee benefit plans based on the relevant annual plan terms during the period of phased retirement. Notice of intent to elect a Phased Retirement Agreement should be given no later than the April 30 prior to beginning the period of phased retirement. The Phased Retirement Agreement shall contain (a) an irrevocable written commitment (in a form prescribed by the University) to relinquish the faculty member's tenure and to retire following the phased retirement period; (b) a commitment to teach the assigned teaching load and to perform assigned administrative responsibilities, (d) waiver of claims by the faculty member as part of the Phased Retirement Agreement and (e) an agreement not to receive any benefits under any other early retirement or phased retirement Agreement provided by the University. The University may consider adjustments of teaching and administrative duties and other commitments as part of an agreement to retire.

VI. SPECIAL TRANSITION ELECTION

6.1 A special one-time transition election shall be available to each active tenured faculty member who, on the effective date of the Plan, is eligible to become a Participant as set forth in Section 4.1 except that the faculty member will be older than Normal Retirement Age (age 70) by August 15, 2013, and must elect no later than April 30, 2013 to participate in a Phased Retirement Agreement that shall commence no later than July 1, 2013.

VII. AMENDMENT AND TERMINATION

7.1 The University shall have the right to amend or terminate the Plan at any time prospectively or retroactively, and in whole or in part, to the extent that it may deem advisable including, but not limited to, an amendment or a termination that the University determines is necessary or appropriate to comply with any federal or state law, regulation, or other interpretation thereof. Any amendment or termination shall impose no obligation or liability on the University with respect to any faculty member, whether or not the faculty member has applied to become a Participant, prior to the time when the Phased Retirement Agreement has been signed by the faculty member and received by the University.

7.2 In the event that the Plan is amended in a manner that materially affects its terms or benefits, the irrevocable commitment to retire by each faculty member who has previously entered into a Phased Retirement Agreement, but who has not yet actually retired, shall continue in full force and effect. The University shall acknowledge in writing that the terms and benefits of the Plan prior to such amendment will continue to apply with respect to such faculty member.

VIII. INTERPRETATION AND OTHER CONDITIONS

8.1 The provisions of this Plan shall be construed and enforced according to the laws of the State of Texas.

8.2 Participation in this Plan shall preclude participation in any other early retirement or phased retirement Agreement provided by the University.

8.3 Any obligations arising under the Plan shall be paid from the general assets of the University, and nothing contained in the Plan shall be deemed to create an obligation of the University to set aside or earmark funds. This Plan is unfunded.

8.4 In addition, this Plan is intended to constitute a voluntary retirement incentive plan within the meaning of 29 U.S.C. §623(m).

8.5 The University shall comply with applicable federal and state tax laws, including withholding appropriate federal and state taxes with respect to the payment of benefits.

8.6 Payouts and benefits under this Plan are non-assignable and non-transferable. The University shall not be liable for the debts, contracts, or obligations of any Participant or his or her beneficiaries, and the rights to awards under the Plan may not be taken in execution by attachment or garnishment, or by any other legal or equitable proceeding while in the hands of the University; nor shall any Participant or his or her beneficiaries have any right to assign, pledge, or transfer any benefits or payments hereunder. Notwithstanding the foregoing, the University shall comply with a domestic relations order, issued by a court of competent jurisdiction, with respect to amounts due to a Participant after he or she has entered into a Phased Retirement Agreement.