

William Marsh Rice University

Faculty Phased Retirement Plan Information Sheet 2017-2018

The University continues to offer a Faculty Phased Retirement Plan (FPRP), effective November 1, 2012, to tenured faculty. Faculty members between the ages of 62 and 70 with 10 or more years of continuous faculty service may participate in the program. The Faculty Phased Retirement Plan allows participating faculty to move gradually toward retirement by phasing down their teaching and service responsibilities over a period of up to three years.

At the start of phased retirement, eligible faculty would reduce their effort to 50% for each of three years and receive 80% of academic year salary in year one, 70% of academic year salary in year two, and 50% of academic year salary in year three. Academic year salary for the purposes of this plan is Institutional Base Salary received from the University. Faculty are eligible for raises and promotion during the phased retirement period. In addition, when eligible, faculty may apply to take a sabbatical leave for no more than one semester during year one or year two of the phased retirement period.

Faculty Phased Retirement Plan		
Year 1	50% effort	80% Salary
Year 2	50% effort	70% Salary
Year 3	50% effort	50% Salary
Year 4	Full Retirement	

Faculty members may retire fully after year one or two (depending on the timing of any sabbatical leave), and must retire and relinquish their tenure no later than the end of year three. Faculty who take a sabbatical leave of absence must return to Rice for one year before retiring.

To the extent there is any inadvertent inconsistency between this Information Sheet and the Plan document, the terms of the Plan document shall control.

Eligibility

An eligible faculty member at the University may elect this program if he or she meets all of the below criteria:

- is at least 62 as of August 15 and not over 70 before August 15 of the calendar year in which he or she commences participation in the Plan;
- commences participation in the Plan no later than the August 15 immediately following his or her 70th birthday;

- is a tenured faculty member in good standing;
- has 10 years of continuous¹ service in a faculty position by August 15 of the year in which phased retirement commences;
- commits to teach the assigned teaching load and to perform assigned administrative duties during the phased retirement period; and
- agrees to relinquish his or her tenure and to retire by the end of the phased retirement period.

Faculty may begin the program as early as the July following his or her 62nd birthday, but no later than the August 15 immediately following his or her 70th birthday.

Faculty members electing the Faculty Phased Retirement Plan may not participate in any other future early or phased retirement incentive arrangement of the University. The University currently has no plans to offer any other similar ongoing arrangements.

Irrevocable Agreement

Electing the Faculty Phased Retirement Plan is a final decision that may not be revoked once it becomes effective. A faculty member's election becomes effective after the seventh calendar day after it is signed by the faculty member and may be revoked by written notice made by 5:00 PM on the seventh calendar day as set forth in the Faculty Phased Retirement Plan Election and Agreement.

Waiver

A material part of the Retirement Agreement is a waiver of claims based on or arising from your employment with the University or the termination of that employment against the University. The waivers are in exchange for your participation in the Plan and are intended to reduce the possibility of litigation through full disclosure and mutual understanding. **You should consider the waiver carefully and consult with an attorney before signing the Retirement Agreement.**

Sabbatical Leaves

Faculty with at least 6 semesters of accumulated service credit as of June 30 of the calendar year in which they commence a phased retirement may apply for one semester of sabbatical leave of absence for the purposes of study, research or other pursuit of value to the scholarly agenda of the faculty member and the university. The salary rate during the sabbatical leave will be based on the schedule in the sabbatical policy (University Policy No. 208). No sabbatical credit will be earned during the phased retirement period. Sabbaticals must be taken in year one or year two of the retirement plan and the faculty member must return to Rice for one year after the sabbatical. The terms of the sabbatical should be agreed upon in writing by the faculty member and his or

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

her Dean or Department Chair at the time the faculty member executes the Retirement Agreement.

Office and Research Space

Continued use of office, laboratory and/or studio space during the phased retirement period will be negotiated with the faculty member's department chair consistent with University guidelines for space allocation and in consideration of the needs of the department, school and university. Such arrangements will be subject to approval of the Dean and Provost and confirmed in writing at the time of the retirement agreement.

For More Information

For specific information about the FPRP, you may contact the Vice Provost for Academic Affairs at (713) 348-5923 or at vpaa@rice.edu.

Benefits During Phased Retirement

While participating in the Faculty Phased Retirement Plan, faculty members are eligible for the same benefits as all benefits-eligible faculty. Following are details on benefit programs.

Health/Dental/Flexible Spending Accounts

Eligibility for the health, dental, and flexible spending accounts remains the same during phased retirement.

William Marsh Rice University Defined Contribution Retirement 401(a) Plan

While participating in the Faculty Phased Retirement Plan, faculty continue to be eligible to receive University contributions to the Rice Retirement 401(a) Plan. University contributions will be determined in the same manner as for faculty not participating in the FPRP and based on the actual salary paid in the year (*i.e.*, 80% salary the first year, 70% the second, and 50% the third or the sabbatical rate for those on sabbatical leave and any summer salary). Faculty are not eligible for distributions from their Rice Retirement 401(a) Plan account during their participation in the FPRP, per the plan document. Faculty will have access to their Rice Retirement 401(a) Plan accounts when they are no longer employed at the University, as with all other faculty and staff in the plan.

Supplemental 403(b) Voluntary Retirement Plan

Eligible faculty may contribute to the voluntary 403(b) Plan while participating in the Faculty Phased Retirement Plan, not to exceed the annual statutory maximum, which is \$24,000 (for age 50+) for 2016. Any participant over age 59 ½ has access to funds they contributed and earnings on those contributions while still employed at the University, per the plan document and as taxed appropriately.

Life Insurance and Long-Term Disability

Coverage and contributions are based on the actual salary paid during each year of phased retirement.

Tuition Remission

Eligibility for this benefit continues during phased retirement.

Financial Planning Support

The University is offering a one-time reimbursement of up to \$750 for independent financial planning support for all benefits-eligible faculty age 50 and over. For more information on this reimbursement, please see http://people.rice.edu/Faculty_Financials.aspx.

In addition, Rice's retirement plan providers, TIAA and Fidelity Investments offer one-on-one financial counseling and investment advice.

- Faculty members may contact TIAA directly to discuss retirement planning by calling (800) 842-2776. Information is also available at the TIAA website: <http://www.tiaa.org>.
- Faculty members may also contact Fidelity Investments directly to discuss retirement planning by calling (800) 343-0860. Information is also available at the Fidelity website: <http://netbenefits.fidelity.com>.
- For general questions on retirement benefits, faculty may also contact the University Benefits Team at (713) 348-2363 for further assistance with available retirement and financial planning support. Also, the following website is maintained regarding additional financial planning resources: <http://people.rice.edu/financial-counseling-resources/>.

Benefits in Retirement

The University provides retirees the opportunity to participate at their own cost in the University medical and dental plans to supplement Medicare Part A and Part B coverage. Faculty may be enrolled in Part A at age 65 and will need to enroll in Part B at the end of phased retirement. If you choose not to participate in the Rice medical plan post-retirement, you will also need to enroll in a Medicare Supplement Plan and Medicare Part D plan (for prescription drugs). Faculty may only participate in Rice retiree medical and dental plans if they participate in the plans at the time of retirement.

Spouses and other eligible dependents may also elect to continue participation in the University medical and dental plans. Dependents must also be enrolled in the plan at the time of a faculty member's retirement to continue in the retiree plans.

To obtain full details on costs and coverage options, please visit the Rice Benefits website at <http://benefits.rice.edu> or contact the University Benefits Team at (713) 348-2363. If you would like more information about Medicare and Medicare Supplement plans and how they can meet

your needs during retirement, please contact the Benefits Department for a referral to a local Medicare expert.

Privileges for Retired Faculty

Faculty who participate in the FPRP will be eligible for the same privileges once they retire as are generally available to retired faculty in accordance with University policies. See University Policy No. 422, Retiree Definition and Benefits, for details of the retiree benefits.

Emeritus Title

Eligible faculty members who are entering full retirement and are in good standing with the University may be considered for emeritus status in accordance with University Policy 201.

Research Faculty Appointments

Faculty members who participate in the Faculty Phased Retirement Plan and have external funding as an active principal investigator under a grant (and who do not assign that status to another faculty member) may be appointed to a non-tenured, research position for the duration of their grants. Their effort and salary must be aligned with the effort spent on the sponsored research grant up to the amount properly chargeable to the grant in accordance with University Policy No. 311, Salary Support Through Sponsored Projects. Research faculty may be eligible to continue to participate in active health insurance and other active benefits based on University policies.

Post-Retirement Employment

Except for research appointments, employment with the University will terminate completely as of the retirement date. Retired faculty may be eligible to pursue future employment opportunities with the University after retirement, subject to the University's policies on retiree hiring and there is a need for the faculty member's services. If rehired, faculty members may become benefits-eligible pursuant to University Policy 403. During any benefit-eligible term of service, rehired faculty will receive retirement contributions from the University, and cannot access any Rice 401(a) Plan retirement funds.

Teaching and Research Activities in Retirement

Faculty may consult with their Department Chair regarding opportunities for continued activities in retirement. Please see the Faculty Handbook (see <http://fachandbook.rice.edu>) for further information.

Graduate Advising

Retired faculty may continue to advise their current graduate students to bring them to completion of their degree. They may serve as thesis advisor for current students and as a thesis committee member for committees that have been constituted before their retirement. However, they may not serve as thesis committee chair. These arrangements must be approved by the Department Chair, the Dean, and the Dean of Graduate and Postdoctoral Studies.

Helpful Contacts

Vice Provost for Academic Affairs	(713) 348-5923	vpaa@rice.edu
Benefits Team	(713) 348-2363	benefits@rice.edu
TIAA-CREF	(800) 842-2776	http://www.tiaa.org
Fidelity Investments	(800) 343-0860	http://netbenefits.fidelity.com