

27 September 1999

TO: Members, University Senate

FROM: University Senate Council

RE: AGENDA ITEM: University Senate Meeting, Monday, 11 October 1999.
Recommendations to change Phased Retirement Policy and Program, AR II-1.6-2. If approved, the proposed changes will be sent to the Administration for consideration.

Background and Rationale:

Early in the Spring Semester, 1999, the Senate Council appointed a Subcommittee to study the current phased retirement program. The Subcommittee met and studied the status of early retirement programs for faculty. They briefly discussed programs to encourage early retirement, such as buy out programs, but did not determine a need for such programs. Currently faculty may retire based on the "rule of 75," which means that retirement is an option at the time when the sum of age and years of service is equal to or greater than 75. This was deemed to be an adequate early retirement program.

However, the committee does recommend expanding the time available for faculty to elect the phased retirement option to begin at age 60. There are two reasons for this recommendation: it will provide a transition to full-time retirement for faculty members and it will increase the ability of the university to respond to changing priorities and needs.

It is possible that giving the option of faculty to enter the phased retirement program beginning at age 60 instead of waiting until age 65 would lead to a loss of key faculty. The committee seriously considered this possibility, but felt that it is more likely that such a program would actually help UK keep faculty. Another potential problem is that particular units with a large portion of older faculty could lose a large portion of its total faculty. However, under current regulations, the approval process allows such units to be protected.

Joan McCauley of the Office of Institutional Planning, Budgeting and Effectiveness provided data on age distribution of faculty for the University and by unit. Of the 1650 faculty in the data series, 69 (4.2%) are 65 and older, about 9% are 60 through 64, distributed as follows: 20 age 64, 28 age 63, 34 age 62, 33 age 61 and 32 age 60 (as of April 1, 1999). The committee didn't

feel that these numbers put the University at risk of major impacts from loss of faculty opting for phased retirement.

In summary, the committee has two recommendations:

1) that the current phased retirement program be opened for faculty from age 60 through

65. (Under current regulations, the option may only be elected by faculty in their 65th year.) If the administration prefers, the committee is open to a five year trial period.

2) Under current regulations, III., A. 2. faculty are **not** eligible for proportional merit salary adjustments. The committee recommends that faculty **should** be eligible for such adjustments.

Current regulations do not specify an appeals process. The committee did not recommend that this be changed. But if the Senate feels that it is necessary to specify an appeals process, the subcommittee would recommend one following the procedure used for promotion and tenure decisions.

Proposed AR Changes:

Phased Retirement Policy and Program AR II-1.6-2\par

ELIGIBILITY AND APPROVAL

A. The Phased Retirement Program is available to all full-time faculty members who have completed fifteen years of full-time service at UK and who have reached the age of 60. Individuals who have already taken regular retirement are not eligible for phased retirement under this Program.

B. A decision to request or not request phased retirement appointments rests entirely with individual faculty members. Delete: [A request ... , and points (1) and (2)]

keep: Phased retirement that is requested

III. TERMS AND CONDITIONS

A. 2. ... Faculty members electing phased retirement appointments shall [delete: not] be eligible for proportional merit salary increases ...

Note: Copies of the Current ARs are attached.

US Agenda: Phased Retirement Policy and Program

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