



Grady College Phasing Into Retirement Program

Many universities have policies that allow tenured faculty members who are near retiring to phase out of their faculty positions over a period of years. UGA's current policy is pretty basic: one day you're a faculty member; the next day you're retired.

The Grady College is establishing a program to allow faculty members to phase into their retirement over a period of one to three years. During this time, faculty members would have reduced assignments and comparably reduced salaries.

No faculty member will have a right to phase into retirement; rather, it must be negotiated and approved by the faculty member, her/his department head and the dean. The faculty member may terminate the phasing agreement at any time. The college may terminate it only upon a showing of cause.

There are two options for phasing into retirement. Each has its strengths and weaknesses. Faculty members should consult with Human Resources and their tax advisor before choosing the appropriate option.

Option One

A faculty member reduces her/his effort to 50 percent with a comparable decrease in salary. As long as the faculty member is employed at 50 percent or more, health, retirement and other university benefits will continue.

Advantages: The number of years worked while on a reduced assignment count towards the years for retirement with TRS and the University System retirement eligibility provisions.

Disadvantages: For faculty in the TRS retirement program, the highest 24 months of salary used to calculate the final retirement benefit will occur prior to the reduced assignment. Salary increases received while on the reduced work assignment would not impact the salary used to calculate the retirement benefit. For the faculty member who participates in the Optional Retirement Program (ORP), the University and employee contribution decreases since the contribution is a percentage of salary.

Option Two

A faculty member officially retires and has full access to all retirement benefits.

Advantages: The faculty member would receive his or her retirement benefits and would be re-employed as a rehired retiree. As a rehired retiree, the faculty member would be able to receive pay of up to 49% of his/her final pay prior to retirement. A faculty member who participates in TRS and has 30 years of service could receive up to 60% of final pay as a TRS retirement benefit and an additional 49% as a rehired retiree.

Disadvantage: The faculty member must retire and be rehired in the rehired retiree status.