



INDIANA UNIVERSITY
UNIVERSITY HUMAN RESOURCE SERVICES

To: Tenured Faculty
Deans and Department Chairs

From: Daniel Rives, Associate Vice President for Administration

Date: February 19, 2009

Subject: IU Retirement Plan and Phased Retirement

Indiana University is pleased to announce that the IU Retirement Plan has been amended to allow certain tenured faculty the option of withdrawing retirement accumulations prior to separating from the University. This provision for early withdrawals of retirement accumulations is part of a Phased Retirement program that provides eligible tenured faculty the option of reducing teaching and research effort prior to entering full retirement. During Phased Retirement, a tenured faculty member would remain in their full-time position while taking a partial leave-without-pay (LWOP), with continued participation in medical, dental, and other benefits. Phased Retirement is a valuable option for tenured faculty who want to reduce their work load and ease into retirement. Departments benefit from a Phased Retirement arrangement by obtaining a specific retirement date and having "salary savings" to re-allocate for other purposes.

Phased Retirement Program

Eligibility: Full-time tenured faculty members are eligible in this program after reaching age 65 and completing at least 10 years of continuous full-time service (excludes individuals who are potentially eligible for 18/20 Early Retirement Plan benefits¹).

Leave Percentage: With agreement of the department chair and school dean, an eligible faculty member may initiate a Phased Retirement leave-without-pay of 20 percent to 50 percent time. LWOP may vary, but must be no less than 20 percent and no more than 50 percent.

Period of Time: A period of Phased Retirement may be no shorter than 12 months and no longer than 36 months.

Benefits: During Phased Retirement, University benefits will continue in the same manner as any other full-time employee, including University contributions to medical and dental coverages; except that IU Retirement Plan contributions will be based on actual salary paid.

Retirement Date: Phased Retirement is accompanied by a designated date of separation (retirement) from Indiana University that is at the end of an associated period of partial leave. The separation date is irrevocable.

¹ IRS rulings do not allow the University to modify the 18/20 Early Retirement Plan, and thusly prevents Phased Retirement provisions for employees eligible for such benefits.

Employment at University Affiliates: During Phased Retirement, the faculty member may not also be employed by an entity defined by the IRS as an Indiana University affiliate.

A faculty member participating in the University's Phased Retirement Plan will continue in her/his full-time position, with continued eligibility for all employee benefits provided to full-time employees. During the period of Phased Retirement, the faculty member may withdraw funds from her/his IU Retirement Plan account.

The University's Phased Retirement Plan option is effective January 1, 2009. The University reserves the right to amend or terminate this plan at its sole discretion.

Additional information and an application/agreement form for Phased Retirement is located at: www.indiana.edu/~uhrs/benefits/phasedretire.html.

cc: Provost and Chancellors
Vice Provost/Chancellors of Academic Affairs