# Phased Retirement Agreement between

# the University of Minnesota and

       
Name

             
Employee ID Number Date of Birth

**Verification of Eligibility** (check all boxes that apply)

Tenured faculty  Academic professional in a continuous appointment

Age 55 years or older  Continuous appointment of at least 75% on a 9-month basis

This Agreement is subject to the phased retirement procedure instituted by the Office of Human Resources in May 2004 under the provision of Board of Regents Policy: *Faculty and Staff Retirement*.

**SECTION I**

Under this Agreement, I will resign from my current appointment effective      /     /     . I will begin my phased retirement on      /     /     . I will terminate my employment, including my tenure/continuous appointment, on      /     /      (no more than five years after the initial date). I understand that my agreement to resign my current appointment, begin my phased retirement, and terminate my employment is final and binding. Once I sign this Agreement, I understand that I cannot change my mind, rescind, revoke, or withdraw from my agreement to resign my current appointment, begin my phased retirement, and terminate my employment in accordance with the terms of this Agreement. If I hold an appointment of less than 12 months but am being paid over 12 months, I understand that terminating prior to the end of the fiscal year may result in salary overpayment. I will be responsible for the repayment of this overpaid amount to the University and have discussed this final pay date with my departmental human resources professional.

During the phased retirement period, I understand that my appointment will be as follows:

      % Leave of absence without pay from      /     /      through      /     /      and (if applicable)

      % Leave of absence without pay from      /     /      through      /     /      and (if applicable)

      % Leave of absence without pay from      /     /      through      /     /      and (if applicable)

      % Leave of absence without pay from      /     /      through      /     /      and (if applicable)

      % Leave of absence without pay from      /     /      through      /     /     .

During the phased retirement period, I will be eligible to receive the benefits described below. In order to receive those benefits, the following must occur: 1) I must sign the Release used in connection with this program on my last day of regular appointment, and return it to Employee Benefits; and 2) The rescission periods described in the Release must have expired without my rescinding the Release. I understand that the [Release is available](https://policy.umn.edu/sites/policy.umn.edu/files/forms/um1891.pdf) on the University’s website.

I acknowledge that the University has provided me with a copy of the Release for review, and/or I have obtained a copy of the Release for review from the University's website.

After the termination date designated above, I will be eligible to receive the additional benefits described below. In order to receive those benefits, the following must occur: 1) I must sign a second copy of the Release on my last day of employment, and return it to Employee Benefits; and 2) The rescission periods described in the Release must have expired without my rescinding the Release.

If the conditions described above are not met, I understand that I will not be eligible to receive the benefits described below. However, it will not impact my agreement to resign from my current appointment, begin my phased retirement period, and terminate my employment. Regardless of whether I sign one or both copies of the Release, rescind one or both copies of the Release, and/or receive the benefits described below, my agreement to resign, begin phased retirement, and terminate my employment is final and binding once I execute this Agreement, and I will have no right to return to my former appointment.

I have read and fully understand this Agreement. I enter into this Agreement voluntarily and of my own free will after consulting with legal counsel to the full extent I deemed necessary. Any questions I had regarding this Agreement were answered to my satisfaction prior to signing.

**SECTION II**

In return for this consideration, subject to verification of eligibility, the employee will receive the following:

**A. During the period of the Phased Retirement**

1. The University's contribution to the University-sponsored medical and dental benefits plans continue during the phased retirement period, regardless of the percentage of leave without salary in effect at any time during the phased retirement period, provided that these plans continue to be offered to regular benefits-eligible employees of the University. The University's contribution will be based on the employee's coverage level, work location and permanent residence.
2. The University's contribution to life insurance coverage continues during the phased retirement period regardless of the percentage of leave without salary in effect at any time during the phased retirement period. Life insurance coverage will continue during the phased retirement period based on full salary regardless of work effort.
3. University's contribution to the Faculty Retirement Plan continues during the phased retirement period regardless of the percentage of leave without salary in effect at any time during the phased retirement period. Contributions to the individual's Faculty Retirement Plan account will be based on the individual's full salary regardless of work effort, subject to contribution limits imposed by law.
4. The University's contribution to the Academic Disability Program continues during the phased retirement period regardless of the percentage of leave without salary in effect at any time during the phased retirement period. In the event of certification of disability, payments may not exceed the level of the phased retirement actual salary.
5. FICA (Social Security plus Medicare) and income tax withholding are based on actual earnings.

**B. At the End of the Phased Retirement Period**

1. The University's contributions to the University-sponsored medical and dental insurance plans continue during the phased retirement period, provided that these plans continue to be offered to regular benefits-eligible employees of the University. The University's contribution will be based on the employee's work location and permanent residence. In addition, for those who have coverage at the end of the phased retirement period, the University will deposit a lump sum amount to the State of Minnesota's Health Care Savings Plan (HCSP). This lump sum will be calculated as of January 1 of each calendar year and will be based upon the subsidy of two adults for 24 months in the Twin Cities base medical and dental plans. If an employee fulfills the terms of the program, retires and signs the release, but dies prior to the deposit to the HCSP, a taxable cash payment equal (in gross) to the amount of the HCSP lump sum will be made to the employee's spouse, or if none, to the employee's estate.

If the employee has waived participation in the HSCP under the terms of the plan, no lump sum will be paid and no further benefits will be due post-employment.

1. **Retiree Medical and Dental Coverage**

If eligible, participants in the program may continue medical and/or dental coverage in force at the time of retirement as retirees, subject to the terms of the program in which they participate (either UPlan or federal). Employees in the UPlan may choose another medical or dental plan in the 60 days immediately preceding the effective date of retirement. Additional information on UPIan retiree coverage may be found at the [Human Resources Benefits for Retirees](https://humanresources.umn.edu/benefits/benefits-retirees) website. If participants wish to continue UPlan coverage, additional paperwork is required and should be completed during a retirement appointment with an Employee Benefits

Counselor. These appointments should be made at least 2 months prior to retirement and can be made by calling Employee Benefits at 612-624-8647. If the proper retirement paperwork is not completed, retiree medical and dental coverage will not continue after retirement. If the employee chooses not to continue coverage, the employee is not eligible to rejoin the UPlan Retiree Group in the future. Employees not eligible to join the UPlan Retiree Group are eligible for COBRA continuation as described below.

1. **COBRA**

The continuance benefits coverage under COBRA runs for 18 months following the last day of employment. In addition to medical and dental coverage, COBRA coverage is available for life insurance benefits. To exercise COBRA rights, participants should contact Employee Benefits at 612-624-8647 for election forms and additional information.

The employee acknowledges that they have been advised in writing prior to the signing of this Agreement of their right to consult with an attorney. The employee acknowledges that they have either consulted with an attorney or has elected not to consult. The employee acknowledges that they had up to 45 days to consider the terms of this Agreement. Employee Benefits counselors are available to discuss the benefits provided under this Agreement. This Agreement must be signed by the employee and the appropriate academic leaders and is not effective until signed by the Director, Employee Benefits (Office of Human Resources). Once signed, this Agreement may be changed only by mutual consent of the parties. Any and all amendments must be in writing, comply with applicable policy, be signed by the parties and reviewing senior leader, and will become effective only when signed by the Director, Employee Benefits (Office of Human Resources).

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Date Faculty Member/Continuous Academic Professional

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Date Unit Administrator

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Date Dean/Chancellor/Vice President

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EFS Account Number