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Chestnut Hill, MA: [Sloan Work and Family Research Network], 2005

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Workplace Flexibility Case Study
The University of North Carolina and Phased Retirement
by Ken Giglio

Company: The University of North Carolina (www.northcarolina.edu)

Company profile: UNC is a 16-campus university whose combined enrollment exceeds 183,000 students. There are approximately 10,000 full-time faculty in the University of North Carolina system, which employs a total of about 36,000 full-time workers. UNC campuses collectively offer degrees in more than 300 disciplines. Each of the constituent institutions in the UNC system also are engaged in research and public service. Chartered in 1789, UNC was the first public university in the United States.

Program profile: The University of North Carolina phased retirement program allows full-time tenured faculty an opportunity to transition into retirement by retiring, relinquishing tenure and returning to work on part-time status. The program, which is the first flexibility initiative offered by UNC, is designed to provide flexibility and support for individual faculty members who are nearing retirement. Enrollment in the program is voluntary and is open to qualified, tenured faculty who are at least 50 years old, with at least five years of full-time service at his or her current institution, and eligible to receive retirement benefits. Under policy, phased retirement contracts can range from one to five years in length. Responsibilities and schedules are individually negotiated at the campus level. The phased retirement program was begun as a trial in 1998 and was approved as a continuing benefit for UNC faculty in 2001. Since the program's inception, 524 faculty members have taken part. In fall 2004, the most recent semester for which statistics are available, 69 faculty members were actively participating in phased retirement on UNC campuses, down from 208 participants in fall 2003. Among faculty responding to a university survey on the program, the overwhelming majority were male, white and married, paralleling the broader demographic characteristics of senior faculty within UNC. The mean age of respondents was 65 years; some 80 percent were male; nearly 93 percent were Caucasian; approximately 84 percent were married. In addition, 74 percent held the rank of professor before entering the program. Respondents had spent an average of 30 years in service at their current institution. The university has considered expanding the program to include administrators within the faculty personnel system, but so far has not done so.

The Challenge: UNC's challenge was twofold: it needed to be able to better anticipate and plan for the eventual retirements of its tenured faculty, and it wanted to be able to assist those long-term professors as they transitioned into a new phase of their lives. The university and its participating faculty members agree that the phased retirement program has thus far been successful in addressing those challenges.

Benefits to Employees: Research by the university suggests that the program is fulfilling one of its primary goals of allowing faculty members the opportunity to gradually transition into retirement. The vast majority of respondents are satisfied with the program: 93% said they would make the same decision again, if given the chance; 90%

said they would recommend the program to a colleague. Participants use their new-found free time in a variety of ways, including self-employment, volunteer activities and caring for a sick relative. Phased retirees report teaching slightly fewer classes than they did while working full-time. They spend slightly more time on research and scholarship, slightly less time in public service, and significantly less time in administration. The phased retirement program allows participants to plan for full retirement in an orderly and predictable manner.

Benefits to Employer: The university has found that the program, as designed, is allowing UNC to improve its personnel planning related to retirement. There are concerns that some faculty who would have otherwise continued working full time have opted to work part time under the phased retirement program. In other words, instead of protecting the university from losing valuable senior faculty, it is potentially allowing those faculty members to reduce their workload earlier than they had planned. However, UNC research also indicates that with improvements in the economy and faculty salaries and an aging faculty, the phased retirement program is likely to increase the university's ability to recruit and retain valuable faculty members. Also, phased retirement is seen as a more humane way of allowing faculty to approach and plan for retirement than might otherwise be the case following the removal of a mandatory retirement age for faculty in 1994.

Lessons Learned: The university has found that the program is quite popular with participants, who generally report being very satisfied with their decisions to participate. For its part, the university feels that its phased retirement program is well-designed and equitably applied, benefiting faculty as well as the university system's institutions

Personal profile: Following the deaths of his father and father-in-law, economics professor Jim Wilde at UNC Chapel Hill decided to take advantage of the university's phased retirement program so that he could attend law school. The way the program was set up, he was able to alternate semesters spent teaching and attending law school over the course of four years. In the fifth year, he dedicated himself full time to his law studies, as required by the American Bar Association.

"I am grateful that phased retirement as offered by UNC has allowed me to be supremely faithful to the Lifetime Learning ideal that I preached as a professor throughout my academic career. I trust that our increasing longevity can be matched by an extended productivity."

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