

SAMPLE VOLUNTARY PHASED STAFF RETIREMENT AGREEMENT

Once a proposal is approved, an agreement such as the one below is required to help clarify for all involved parties the specifics and expectations of the arrangement. The agreement must be signed by the staff member, supervisor and the school/center senior administrator or designee.

From: Supervisor
To: Requestor
Subject: Agreement for Voluntary Phased Staff Retirement
Date:

The following details the specifics and expectations of your voluntary Phased Staff Retirement arrangement which you will assume as of (date) and will end as of (date) [Not more than two years.] However, the arrangement is subject to review every six months for continued appropriateness. The existence of the Phased Retirement program does not give staff members a contractual right or entitlement to Phased Retirement or continued employment. The University has sole discretion to approve or deny any request for Phased Retirement or terminate such arrangement at any time for any lawful reason.

1. Your work schedule shall not be less than 60% of your prior work schedule.
2. We will meet at a minimum of every six months to discuss how this arrangement is going and to make adjustments as needed. If the arrangement is no longer meeting the needs of this department, you may choose to retire or return to work on a full-time basis in the same or an equivalent position with equivalent pay, benefits, and other terms and conditions of employment. If the arrangement is no longer meeting your needs, you may choose to retire or discuss alternative arrangements; based on business needs, this department will make the final decision on alternative arrangements, if any.
3. Your salary during Phased Retirement shall be reduced to _____% of your full-time salary. Your base salary will be \$XX,XXX which will be paid in monthly/weekly installments. (Include any other compensation that the staff member may be eligible for during this time, e.g., will still be eligible for incentive plan, shift differential, etc.) During the period of Phased Retirement, you will be eligible for promotional, merit or other salary increases based on your reduced salary.
4. With the exceptions described below, you will be eligible for all University benefit plans and policies in the same manner as if you were a full-time staff member (see Exhibit I). The exceptions are as follows:
 - If a benefit plan requires a certain amount of service in order to receive a benefit (e.g., the Retirement Allowance Plan requires 1,000 hours of service in a 12-month period to accrue a year of service), you will not receive a benefit under that plan unless you satisfy the applicable service requirement.
 - If a benefit plan provides a benefit based upon the amount of compensation (e.g., life insurance benefits are based upon your benefits base compensation), your benefit will be based on your lower compensation during the period of Phased Retirement.
 - If a leave policy plan requires a certain amount of service (e.g., eligibility for family and medical leave requires 1,250 hours of service in a 12-month period), you will not be entitled to receive leave under that policy unless you satisfy the applicable service requirement.
 - Paid time off (including sick leave and holidays) will be pro-rated based on your reduced schedule.

5. If organizational needs require, there may be times when it will be necessary for you to forgo your work arrangement to support unusual projects or conditions in the office. It is expected that you will make every attempt to adjust your schedule accordingly. Similarly, the University will take into consideration your work arrangement when scheduling meetings or gatherings that require all staff to be in attendance or when distributing workload.
6. Additional provisions for this arrangement include: (Please List)
7. The Staff Grievance Procedure (Policy 620) does not apply to any decisions regarding Phased Retirement requests. Also, Phased Retirement decisions are not subject to review in the benefits appeal process.
8. Upon your retirement at the conclusion of the Phased Retirement period, you will not be entitled to Position Discontinuation and Staff Transition (PDST) benefits. However, you may be entitled to such benefits if your position is discontinued under the PDST Policy during the Phased Retirement period due to budgetary or other reasons unrelated to the Phased Retirement arrangement. Pay continuation benefits under the PDST Policy will be based on your regular base pay prior to Phased Retirement if the position discontinuation occurs within the first six months of the Phased Retirement period. If the position discontinuation occurs after the first six months, pay continuation benefits will be based on your reduced base pay at the time notice of the position discontinuation is given.
9. Upon your retirement at the conclusion of the Phased Retirement period, you will not be eligible to be rehired into this school/center/department for at least two years following the end of the Phased Retirement period.

My signature affirms that I have reviewed the Voluntary Phased Staff Retirement Policy and this agreement and understand their provisions, including the impact to my University benefits during the Phased Retirement period. My signature also affirms that I voluntarily elected to enter into the Voluntary Phased Retirement Program and the University did not impose this agreement on me. I also have confirmed with the Benefits Office in the Division of Human Resources that I meet the eligibility criteria for Penn’s Health and Welfare Plan for Retirees and Disabled Employees. I understand that this Phased Retirement agreement does not constitute a contract, and that the University may terminate the Phased Retirement/reduction-in-duties arrangement at any time for any lawful reason.

REQUESTOR _____	Date: _____
SUPERVISOR _____	Date: _____
COMPENSATION DEPT. APPROVAL OF PIQ _____	Date: _____
SCHOOL/CENTER APPROVAL _____	Date: _____

Copies of the signed Phased Staff Retirement agreement should be given to the staff member, retained in the departmental files and sent to the Benefits Office in the Division of Human Resources. Human Resources will place a copy of the agreement in the staff member’s official personnel file.