

IU Phased Retirement Program

Frequently Asked Questions



HUMAN RESOURCES

General Questions

Questions? Contact IU Human Resources at askhr@iu.edu or (812) 856-1234.

Can I be forced to participate in this program?

No. This is a voluntary program that requires an agreement between the faculty member, the department head, and the dean of the school.

When did the university's Phased Retirement Program option originally start?

The program originally began January 1, 2009. The program was enhanced in 2019 to expand the eligible faculty population. The university reserves the right to amend or terminate this program at its sole discretion.

Who is eligible for the Phased Retirement Program?

Full-time faculty in an eligible class who meet the program's age and service requirements are eligible to request participation in the Phased Retirement Program. Please note: the conditions of Phased Retirement must be mutually agreed upon and participation is subject to approval from your department, the dean of the school, and Campus Faculty Affairs.

How do I start the process?

Begin by consulting with your department head/dean to find a reduced schedule that works for all parties involved. Once a schedule is agreed upon, you will then need to structure your agreement and submit the required [Application & Agreement Form](#) to IU Human Resources at least 60 days prior to your Phased Retirement begin date.

Can sabbatical leave affect my eligibility?

Yes. A request for Phased Retirement following a sabbatical leave can only be approved once the sabbatical obligation is met, i.e., you must return to full-time status for one year following the sabbatical leave before beginning the Phased Retirement period.

Can I take a leave without pay during the Phased Retirement Period, thus extending the arrangement?

No. Once the Phased Retirement Period begins, you will not be eligible for additional leave time or sabbatical.

Can I transfer to a different position or be promoted while participating in Phased Retirement?

Transfers and promotions are allowed at the sole discretion of the department.

Which forms of distribution are available for my 403(b) retirement fund withdrawals?

- Single sum distribution of cash
- Annuity
- Installment
- Any legally permissible form of distribution permitted by an authorized investment company

I am dually employed by IUHP, does this impact my eligibility?

If approved by IU and IUHP, the IU Phased Retirement period can run concurrent to the IUHP Extended Notification period. The IUHP benefit package stays intact for physicians who stay at or above .60 FTE. However, if a physician drops below .60 FTE, they are no longer eligible for Life, Long Term Disability, and the ability to purchase Short Term Disability.

Changing an Approved Agreement

Does the leave percentage have to be fixed throughout the entire Phased Retirement period?

No, the leave percentage can change as long as it remains within the program limits and all parties agree to the amended arrangement.



Can my Phased Retirement period be extended?

Once a written agreement has been approved, the duration cannot be lengthened. However, you can opt for an earlier retirement date and/or change the leave percentage by mutual agreement. Any exceptions require review and approval by IU Human Resources.

How do I modify my schedule once this arrangement is in place?

If the needs of your department or your personal situation changes to the extent that you need to modify your agreement, a revised [Application & Agreement Form](#) must be submitted to IU Human Resources. Any amendments require review and approval by the department head and dean of the school.

Who do I need to contact if I decide to retire earlier than my agreed upon retirement date?

If you are considering retiring earlier than the date originally agreed upon, a revised [Application & Agreement Form](#) must be submitted to IU Human Resources. Any amendments require review and approval by the department head and dean of the school.

Am I allowed to return to work after retiring from the Phased Retirement Program?

Returning to a paid IU position is possible, however the rules of a bona fide separation must be followed. A bona fide separation consists of the following requirements: a 30-day break in employment, plus arrangements for post-retirement employment cannot be made prior to, or as a part of, a Phased Retirement Program agreement.

Benefits During Phased Retirement

Are my medical and dental plan premiums affected by participation in Phased Retirement?

You may continue participation in IU-sponsored medical and dental coverage while on Phased Retirement. Premiums are based on your base salary for the fiscal year meaning your premiums are not reduced while on partial leave.

How are the IU Retirement Plan contributions calculated during the Phased Retirement Period?

IU contributions to your base retirement account will be based on your actual salary paid for each regular pay period (does not include any supplemental pay received).

If I contribute my own money towards a supplemental retirement plan, what happens if I drop my time worked or take a semester off without pay?

Your contributions will be made based on your actual salary paid. If you take off a semester without pay, you will not make any contributions to the supplemental retirement plan.

Are my Supplemental Life Insurance premiums or benefit payouts affected by participation in Phased Retirement?

If you are enrolled in Supplemental Life Insurance and are on Phased Retirement, you may have a reduced monthly premium. You may also may have a reduced benefit payout in the event of death, because the payout is calculated from actual salary paid, not base salary. Visit the [Supplemental Life Insurance webpage](#) for additional details.

Are my Long-term Disability premiums or benefit payouts affected by participation in Phased Retirement?

A reduced salary may affect the Long Term Disability (LTD) benefit payout. The LTD monthly income benefit for an approved LTD claim is 60% of the employee's budgeted base salary reduced or offset by benefits from other sources the employee receives or is eligible to receive while monthly income benefits are payable (e.g. Social Security Disability, Worker's Compensation, etc.) up to a maximum monthly income benefit of \$10,000. Any change in earnings after the last day of active work will not affect the budgeted base salary the LTD benefit amount is based upon.

Retiree Status

If I do not reach Retiree Status, am I still eligible to participate in Phased Retirement?

Yes, you are still eligible to participate. You will not have access to any of the benefits associated with Retiree Status once you "retire" from the university.

If I do reach Retiree Status, what are the benefits?

Visit the [Retiree Benefits site](#) for details on the benefits associated with Retiree Status.

When my retirement date approaches, are there any special steps I need to take?

You should treat the retirement process the same as any other IU Retiree by contacting your department to notify them of your retirement, and reaching out to IU Human Resources for information on the benefits available to you in retirement.