

**PACIFIC LUTHERAN UNIVERSITY**  
**[REVISED] POLICIES AND PROCEDURES**  
**FOR REDUCTIONS IN LOAD AND PHASED RETIREMENT**

Revised June 1997

Administrative update approved by President's Council November 2002  
June 2004 revisions adopted for eligible employees

**I. Reductions in Load**

Recognizing that reduction in load can significantly facilitate professional growth or otherwise enhance the ability of individual faculty to perform their remaining obligations at an optimal level, and considering that both of the above are in the long-term interest of the university, the faculty has adopted the following policies and procedures.

- 1) A faculty member's teaching load may be reduced to no fewer than two courses (8 semester hours) for full-time faculty, and one course (4 semester hours) for part-time tenure eligible faculty, distributed over the academic year. The provisions for a regular leave of absence govern release from all teaching responsibilities for one or more semesters.
- 2) A faculty member proposing to teach a reduced load for the following academic year or seeking to renew a current reduced load contract shall submit a request in writing to the appropriate unit chair(s) and to the provost. The provost, after consultation with the unit chair(s), has the authority for granting such requests and shall notify the faculty member of his or her decision in writing, detailing the following:
  - a) the conditions of approval, including:
    - i) the reduction in load approved,
    - ii) the commensurate salary,
    - iii) the effect on accumulation of time toward tenure, sabbatical leaves, and points for reduction in force,
    - iv) any adjustments in provision of office space or other accommodations, and
    - v) any alterations in tuition remission,
  - or
  - b) the reasons for denial.
- 3) All other benefits for the faculty member shall remain in full except those for which contributions paid by the university are a part of actual salary (social security and retirement).
- 4) To facilitate staffing adjustments and enhance their prospects for approval, faculty members are advised to submit their requests in writing by December 15 of the previous year.

**II. Phased Retirement**

**1. PURPOSE**

PLU has adopted this Phased Retirement Policy for the purpose of providing a voluntary early retirement incentive plan that offers eligible employees an opportunity to begin a transition from regular employment while remaining an employee of the University. One option involves a planned call for service; the other option involves a minimal call for service. During this transition period, eligible employees electing one of these options would have a substantially reduced workload, and would receive compensation and benefits as described below. No employee is required to take a phased retirement; this plan is offered as an option to eligible employees as an additional benefit in recognition of extended service on behalf of the University. PLU encourages all personnel to make such personal planning as would best suit each person's individual and/or family needs and has provided these phased retirement options to expand the range of choices available to eligible employees.

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**2. ELIGIBILITY**

Eligibility for phased retirement is limited by the following criteria, all of which must be satisfied:

- a. The employee must be either (1) a tenured faculty member or (2) an administrative employee who has either (a) a written employment contract in the year preceding the commencement of phased retirement or (b) who has been otherwise informed in writing that he or she is eligible for phased retirement.
- b. The employee must reach a minimum age of 60 in the academic year in which phased retirement begins.
- c. An otherwise eligible administrative employee must have also completed a minimum of 15 years of service with Pacific Lutheran University at the conclusion of the academic year preceding the year in which phased retirement begins AND must have held an administrator position (exempt status) prior to 12/31/02.
- d. The employee's employment with PLU must have begun on or before December 31, 1996.

**NOTE: ALL EMPLOYEES HIRED ON OR AFTER JANUARY 1, 1997, ARE NOT ELIGIBLE FOR PHASED RETIREMENT.**

**3. PLANNED CALL FOR SERVICE**

- a. Eligible employees selecting phased retirement with planned call for service before the "Normal Retirement Age" as defined in the Pacific Lutheran University 403(b) Retirement Plan ("the PLU retirement plan") (age 65 as of 1997) may receive income payments equal to one-fifth (20%) of the employee's base salary in the academic year immediately preceding the phased retirement for up to five succeeding years. Eligible employees may request that the income payment period be reduced from five years and, in such circumstances, PLU may, in its discretion, leave the income payment at one-fifth of the last base year salary or may agree to adjust the income payment to reflect the number of years of the income payment period.
- b. For an employee to receive a phased retirement with planned call for service, PLU and the employee must agree, in writing, on the service the employee will provide over the phased retirement period. The annual contract will include notes regarding service to be performed during that period. Acceptable planned service includes, but is not limited to:

<b>Scholarship</b>	<b>Teaching</b>	<b>Service</b>
- Research, publications, and/or presentations in which one is the primary or a lead author/initiator; these may be performed with other faculty and/or with students	- Teach one class per year (between two and four credits total) or the equivalent - Supervise independent student research projects	- Participation in PLU departments and/or programs (examples include admissions, church relations, campus ministry, archives, and retiree activities) - Service on PLU committees or initiatives - Fundraising - Recruit, advise, mentor students

- c. In the event that the person selecting phased retirement with planned call for service materially breaches the service commitment, PLU may, in its sole discretion, reduce such person's income

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continuation level to that associated with phased retirement with minimal call for service (5%) in any or all succeeding years. Any dispute as to whether a material breach of the service commitment has occurred shall be resolved under the dispute resolution procedures in the applicable contract.

d. Eligible employees who are at or past the "Normal Retirement Age" defined in the PLU retirement plan may also elect a phased retirement, provided, however, that the time period over which income payments may be spread shall not in any circumstances extend beyond the last date on which an income payment would have been received had such employee selected phased retirement before the "Normal Retirement Age" defined in the PLU retirement plan and, provided further, that there must be at least two years over which the transition to retirement will occur and the income payments will be spread as a part of phased retirement.<sup>1</sup>

e. During the years of phased retirement in which an eligible employee is receiving an income payment, most benefits available to regular employees of the University will continue to be available at whatever costs are applicable during any given year. Those benefits include – but are not necessarily limited to – medical and dental insurance, life insurance, and tuition remission. The University reserves the right to alter or adjust benefits based on the requirements of local and/or federal laws or budgetary considerations.

f. In the event that a person participating in this program becomes eligible for group medical, dental and life insurance benefits from another source, whether through employment or otherwise, PLU reserves the right to discontinue any such benefit. Any person who becomes eligible for health and/or dental insurance benefits pursuant to Medicare shall utilize such benefits and benefits pursuant to Medicare shall be primary and benefits provided by PLU shall be secondary.

g. In the event of the death of an individual participating in phased retirement and receiving income continuation payments, the income continuation will be paid through the date of death and an additional amount equal to one-twelfth of such eligible employee's base salary in the year immediately preceding phased retirement will also be paid.

h. The employment status, tenure status, and all other rights of employment will automatically end for all eligible employees selecting phased retirement as of the date the last income payment is made to such eligible employee. Thereafter, such eligible employee shall hold the status of a retiree.

**4. MINIMAL CALL FOR SERVICE**

a. Eligible employees selecting phased retirement with minimal call for service before the "Normal Retirement Age" as defined in the Pacific Lutheran University 403(b) Retirement Plan ("the PLU retirement plan") (age 65 as of 1997) may receive income payments equal to one-twentieth (5%) of the employee's base salary in the academic year immediately preceding the phased retirement for up to five succeeding years. Eligible employees may request that the income payment period be reduced from five years and, in such circumstances, PLU may, in its discretion, leave the income payment at one-twentieth of the last base year salary or may agree to adjust the income payment to reflect the number of years of the income payment period.

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<sup>1</sup>Eligible employees who are over the "Normal Retirement Age" at the time this policy was enacted in 1997 are exempt from the latter of these two restrictions.

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b. Eligible employees who are at or past the "Normal Retirement Age" defined in the PLU retirement plan may also elect a phased retirement, provided, however, that the time period over which income payments may be spread shall not in any circumstances extend beyond the last date on which an income payment would have been received had such employee selected phased retirement before the "Normal Retirement Age" defined in the PLU retirement plan and, provided further, that there must be at least two years over which the transition to retirement will occur and the income payments will be spread as a part of phased retirement.<sup>2</sup>

c. During the years of phased retirement in which an eligible employee is receiving an income payment, most benefits available to regular employees of the University will continue to be available at whatever costs are applicable during any given year. Those benefits include – but are not necessarily limited to – medical and dental insurance, life insurance, and tuition remission. The University reserves the right to alter or adjust benefits based on the requirements of local and/or federal laws or budgetary considerations.

d. In the event that a person participating in this program becomes eligible for group medical, dental and life insurance benefits from another source, whether through employment or otherwise, PLU reserves the right to discontinue any such benefit. Any person who becomes eligible for health and/or dental insurance benefits pursuant to Medicare shall utilize such benefits and benefits pursuant to Medicare shall be primary and benefits provided by PLU shall be secondary.

e. During the period in which a person is receiving income payments in connection with phased retirement, that person agrees to be reasonably available to PLU to respond to questions or address issues which may arise related to his/her areas of expertise.

f. In the event of the death of an individual participating in phased retirement and receiving income continuation payments, the income continuation will be paid through the date of death and an additional amount equal to one-twelfth of such eligible employee's base salary in the year immediately preceding phased retirement will also be paid.

g. The employment status, tenure status, and all other rights of employment will automatically end for all eligible employees selecting phased retirement as of the date the last income payment is made to such eligible employee. Thereafter, such eligible employee shall hold the status of a retiree.

**5. PROCEDURE**

a. Eligible employees electing a phased retirement must submit a written request no later than December 15 of the academic year before which phased retirement is commenced. Employees are encouraged to submit requests even earlier than this date to assist the university in planning. Faculty should submit such request to the Provost, with copies to their dean and/or chair and Human Resource Services. Administrators shall submit such request to the applicable Vice President, with copies to their department head and Human Resource Services.

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<sup>2</sup>Eligible employees who are over the "Normal Retirement Age" at the time this policy was enacted in 1997 are exempt from the latter of these two restrictions.

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- b. Any eligible employee seeking an income continuation period of less than five years shall include the duration of such period in the request for phased retirement submitted pursuant to subparagraph a (above).
- c. Faculty requesting to work a reduced load during the phased retirement period shall include the proposed reduced load specifying courses to be taught for the duration of the reduced load period with the request submitted pursuant to subparagraph a (above).

**THIS PHASED RETIREMENT POLICY REPLACES AND SUPERSEDES ANY PRIOR POLICY, PROGRAM OR PLAN FOR EARLY OR PHASED RETIREMENT, INCLUDING, WITHOUT LIMITATION, THE PHASED RETIREMENT PROGRAM SET FORTH ON PAGES 141 AND 142 OF THE 1995 FACULTY HANDBOOK.**