

Standard Practice Guide Policies

Retirement

201.83

Applies to: Eligible Faculty and Staff

I. POLICY

The University offers its faculty and staff members the option of retiring completely or “phasing” into retirement by various combinations of partial appointments and for eligible professorial staff, a partial furlough. Eligible individuals selecting full retirement are terminated from active status.

II. DEFINITIONS

A. RETIREE

A retiree is a University designated title for any individual who voluntarily terminates from the University and who meets the age and service requirements with a regular or supplemental appointment.

B. AGE AND SERVICE REQUIREMENTS TO RETIRE

Eligibility to retire and benefits associated with retirement are based on a combination of age and accrual of continuous years of eligible service. Staff members subject to collective bargaining agreements should consult the specific provisions in their current agreements regarding age and service requirements to retire. Visit the Benefits Office website for information on age and service requirements to retire and associated benefits at: benefits.umich.edu/events/retire/index.html (<http://benefits.umich.edu/events/retire/index.html>)

C. PHASE RETIREMENT

Phased retirement refers to reduced appointments that assist an individual in preparing for retirement. A reduced appointment may be combined with a retirement furlough for eligible employees.

D. RETIREMENT FURLOUGH (CONSULTANTSHIP)

A retirement furlough is taken as the last year preceding retirement or may be taken in installments over two or three years as part of a phased retirement program. Eligibility for a furlough applies to regular, professorial staff hired prior to January 1, 1984, age 62 or older, and who meet other eligibility requirements. See SPG 201.81 for further details about retirement furlough.

III. REGULATIONS

A. MEDICAL, PRESCRIPTION DRUG, DENTAL, AND LIFE INSURANCE BENEFITS

Medical, prescription drug, dental, and life insurance are continued by the University for faculty and staff members participating in these benefits at the time of retirement and whose eligibility for these benefits was maintained during all years of continuous service needed to be eligible to retire. Coverage under these benefits plans is continued for the retiree and eligible dependents, if any, covered at the time of retirement. Contact the Shared Services Center for information on eligibility of dependents for coverage on retiree benefits.

B. CONTRIBUTIONS FOR MEDICAL, PRESCRIPTION DRUG, DENTAL, AND LIFE INSURANCE BENEFITS

The University requires contributions by retirees and their dependents toward the cost of the benefit plans. The University reserves the right to change these benefit plans and its contribution for these programs at any time. The University's contribution and the retiree's contribution, if any, will be determined based on the selected plans, coverage level, service date, age, and retirement date. Contact the Shared Services Center for information on premium rates.

C. PHASED RETIREMENT

An individual must be eligible to retire prior to beginning phased retirement. Eligible individuals selecting phased retirement must reduce time worked by electing to continue working on a partial appointment basis or schedule a combination of time off with time worked. The phased retirement plan must include an end date at which point full retirement occurs.

A phased retirement plan must be requested by a faculty or staff member in writing and approved by the department. Once a plan is established and implemented, it should remain in effect until full retirement. Modifications to the plan can be made only with the agreement of the department.

Coverage and University contributions for medical, prescription drug, dental, and life insurance continue during periods without pay as well as periods with pay. The

staff member must make arrangements in advance to continue staff member contributions, if any, during periods without pay. The University contribution for medical insurance for the duration of the phased retirement will be based upon the salary band rate that was applicable prior to beginning phased retirement.

Should an employee be placed on a leave of absence or layoff while on phased retirement, University and employee contributions towards benefits will be based on the rules regarding the leave of absence or layoff rather than phased retirement.

Those who are participating in phased retirement, by reducing their hours of appointment, will be paid for all accrued vacation in excess of the maximum accrual eligibility for the reduced appointment. Anyone participating in phased retirement by taking a leave of absence for a fixed period of time will maintain vacation hours accrued not to exceed the maximum eligibility. Faculty on a one month in twelve vacation plan will use vacation during periods of work assignments.

D. RE-EMPLOYMENT OF UNIVERSITY RETIREES

Based on the nature of the position involved, an emeritus faculty member may be reappointed and retired staff may be reappointed as regular or temporary. Please see SPG 201.80, Emeritus Titles and SPG 201.57, Temporary Employment.

E. LIMITATIONS

The University in its sole discretion may modify, amend, or terminate the benefits programs with respect to any individual receiving benefits, including active employees, retirees, and their spouses, partners, and dependents. Although the University has elected to provide these benefits, no individual has a vested right to any of the benefits provided. Nothing in the benefits program materials gives any individual the right to continued benefits beyond the time the University modifies, amends, or terminates the benefit. Anyone seeking or accepting any of the benefits provided will be deemed to have accepted the terms of the benefits programs and the University's right to modify, amend, or terminate them.

IV. RESOURCES

Standard Practice Guide

1. Retirement Furlough: 201.81
2. Temporary Employment: 201.57
3. Retirement Savings Plan: 203.5
4. Health and Welfare Benefits: 203.02

Notes

April 7, 2017 updates name of Shared Services Center.

File Attachments

Printable PDF of SPG 201.83, Retirement (/sites/default/files/policies/201X83_1.pdf)

SPG Number:

201.83

Applies To:

Eligible Faculty and Staff

Date Issued:

May 1, 1991

Owner:

University Human Resources and the Office of the
Provost and Executive Vice President for Academic
Affairs

Last Updated:

April 7, 2017

Primary Contact:**Next Review Date:**

April 7, 2021

Benefits Office

Related Policies:

Health and Welfare Benefits (</policy/203.02>)

Retirement Furlough (</policy/201.81>)

Retirement Savings Plan (</policy/203.05>)

Temporary Employment (</policy/201.57>)

Related Links:

Benefits Office (<http://benefits.umich.edu>)

U-M Retirement Savings Plan (<http://benefits.umich.edu/plans/retire/>)

Retiring from U-M (<http://benefits.umich.edu/events/retire>)

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