Voluntary Phased Retirement Program

Zoominar for Members
Information Session Agenda

- Overview of the program
- Eligibility criteria
- Key features
- Restrictions and requirements
- Application procedures
- Q & A
Phased Retirement Program Overview

- VPRP negotiated as part of the 2018 renewal of the QUFA collective agreement & pension conversion.
- VPRP was finalized in 2020.
- Queen’s PRP based on established program at U of T.
- Offers faculty and librarians incentives for a respectful transition into retirement.
- Enhances workforce planning for Queen’s because members commit to retire.
- Members receive enhancements like full pension credits and supplement payments in return for that commitment.
Phased Retirement Program Caveats

- Once your application and plan for phasing have been accepted by the Dean or University Librarian, your commitment to retire is **irrevocable**.

- The program is **not flexible** with regard to start and end dates (July 1, June 30), age requirements or limits to workload; it is therefore a highly individual decision as to whether it’s right for you.

- You need to fully understand the **financial impacts** of your choices and are advised to seek expert advice.
Eligibility Criteria

• Tenured faculty, librarians, and archivists must have:
  • 10 years continuous service and at least 75% of full-time equivalent (FTE) appointment in each of those years.

• Continuing adjuncts must have:
  • 10 years continuous service and at least 50% FTE appointment.

• Ability to begin three-year program between 62 – 68 which means you:
  • Retire between 65 - 71
  • Apply between 61 – 67
Note that VPRP cannot be combined with Early Retirement; you must be 65 when you retire on June 30. The program runs on academic years (July-June). You also cannot be older than 71 when you retire because that is when you must activate your pension and therefore can no longer make pension contributions or have them made on your behalf.

<table>
<thead>
<tr>
<th>Birthdate</th>
<th>Apply</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Retire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earliest</td>
<td>Jan-Jun Birthday</td>
<td>Year you turn 61</td>
<td>62</td>
<td>63</td>
<td>64</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jul-Dec Birthday</td>
<td>Year you turn 62</td>
<td>63</td>
<td>64</td>
<td>65</td>
</tr>
<tr>
<td>Latest</td>
<td>Birthday Irrelevant</td>
<td>Year you turn 67</td>
<td>68</td>
<td>69</td>
<td>70</td>
</tr>
</tbody>
</table>
Key features

- Reduced workload (reduced salary) over 3 academic years (July 1-June 30):
  - Full responsibility members will work 150-200% over 3 years (rather than 300%). Continuing Adjuncts will reduce their work by 1/3 to 1/2 over the 3 years;
  - Full range of responsibilities including teaching a minimum of 0.5 course for full responsibility members and 1.0 course for Continuing Adjuncts each year.

- Full pension credit during the 3 years on the regular salary level you would have had if you were not participating in the program.

- Supplement Payment of 75% of your regular salary at time of entering program payable during the Program (25%/year) or at the end as a lump sum.
Understanding Salary Definitions

- Knowing what salary is used for what calculation is crucial for understanding the Phased Program:
  - **Nominal Salary** is the normal salary paid on 1.0 Full Time Equivalent appointment.
  - **Regular Salary** is the same as nominal for 1.0 FTE. For partial workloads or less than 1.0 FTE, if you are on a reduced workload to 0.75 FTE, your regular salary is:
    \[
    \text{Nominal Salary} \times 0.75 = \text{Regular Salary}
    \]
  - **Actual Salary** is the money deposited in your bank and is adjusted for administrative stipends, reductions for academic leaves etc.
Key Salary Calculations

• The Supplement payment is 75% of your Regular Salary, as determined in May of the year you begin the phased workload Program (not Nominal or Actual).

• Pension contributions are made up to the level of your regular salary when you started the program. You pay on your actual earnings which may be reduced with reduced workload or due to academic leave reductions. The University pays on what you would have earned if you hadn’t reduced your workload through VPRP.

   N.B. If you start the program at 75% FTE, pension contributions will be maintained at that level, they will not increase to 100% or Nominal Salary levels.
Workload Calculations

• You must reduce your workload during the 3-year period by at least one third and up to one half.
  • If you have a full appointment (100%), over three years, you would normally work 300%. Under the VPRP, you work a maximum of 150-200% work over the 3 years.
  • Academic leaves count for 100% work for the period of the leave. A 12-month leave counts as 100% work; a six-month leave counts as 50% work regardless of the level of salary received (e.g. 85% salary rate does not reduce workload count).

• Same calculation applies to full responsibility members with a reduced workload. For example, at 75% FTE, where you would have worked 225% over 3 years, you must reduce this to 150-200% over 3 years (not 112.5-150%).

• Continuing Adjuncts must likewise reduce workload by between one third and one half. With a 50% FTE, you would normally work 150% FTE over 3 years; you must work 75-100% FTE over the 3 years to comply with the 1/3-1/2 reduction.
Requirements and restrictions

• **Irrevocable**
  • You can earn and take academic leave during VPRP with some restrictions.
  • You must continue to perform **all aspects** of your job (teaching, research, service) as applicable.
  • You must work at least enough in each year (not on leave) to teach a 0.5 credit course if you are full responsibility and a 1.0 credit course if you are a Continuing Adjunct.
Application Process

• Deadline is July 1 the year before beginning the phased workload period.
• Standard application form (attached to VPRP LOA) outlines:
  • How you want to receive the supplement payment;
  • Academic leave plans;
  • Workload distribution in each year of VPRP.
• Requires approval by unit head and Dean or University Librarian:
  • Collegial planning – teaching plan must work for the unit;
  • If you are 65 when you apply, you cannot be denied as long as you have a feasible plan. If you are under 65, you may be denied once but must then be approved the following year if you have a feasible plan.
Case samples and discussion

- Tenured Faculty, Full Responsibility, Full Time

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nominal Salary</strong></td>
<td>150,000</td>
<td>153,000</td>
<td>156,060</td>
</tr>
<tr>
<td><strong>Regular Salary</strong></td>
<td>150,000</td>
<td>153,000</td>
<td>156,060</td>
</tr>
<tr>
<td><strong>Actual Salary</strong></td>
<td>75,000</td>
<td>130,050</td>
<td>37,515</td>
</tr>
<tr>
<td><strong>Workload = 175%</strong></td>
<td>50%</td>
<td>100%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Academic Leave</strong></td>
<td>Full credit earned</td>
<td>12-month Leave paid at 85%</td>
<td>No credit earned</td>
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<tr>
<td><strong>Retiring Supplement (75% of Regular Salary in YR 1)</strong></td>
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<td>112,500</td>
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</table>
**Case samples and discussion**

- Tenured Faculty, Full Responsibility, Reduced Workload (0.75 FTE) at Inception

<table>
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<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nominal Salary</strong></td>
<td>150,000</td>
<td>153,000</td>
<td>156,060</td>
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<tr>
<td><strong>Regular Salary</strong></td>
<td>112,500</td>
<td>114,750</td>
<td>117,045</td>
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<td><strong>Actual Salary</strong></td>
<td>75,000</td>
<td>76,500</td>
<td>78,030</td>
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<tr>
<td><strong>Workload = 150%</strong></td>
<td>50%</td>
<td>50%</td>
<td>50% (fully absorbed by the Academic leave)</td>
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<tr>
<td><strong>Academic Leave</strong></td>
<td>Full credit earned</td>
<td>Full credit earned</td>
<td>6-month leave at 100% salary</td>
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<tr>
<td><strong>Retiring Supplement (75% of Regular Salary in YR 1)</strong></td>
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<td>84,375</td>
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## Case samples and discussion

- Continuing Adjunct Member with 0.5 FTE at Inception

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<th>Year 3</th>
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</thead>
<tbody>
<tr>
<td>Nominal Salary</td>
<td>150,000</td>
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<td>156,060</td>
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<tr>
<td>Regular Salary</td>
<td>75,000</td>
<td>76,500</td>
<td>78,030</td>
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<tr>
<td>Actual Salary</td>
<td>75,000</td>
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<td>39,015</td>
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<tr>
<td>Workload = 100%</td>
<td>50%</td>
<td>25%</td>
<td>25%</td>
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<tr>
<td>Academic Leave N/A</td>
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<tr>
<td>Retiring Supplement (75% of Regular Salary in YR 1)</td>
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<td>56,250</td>
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More Information & Help

QUFA Pension Committee members are available to help you with phased work plans:

- Paul Young (youngpg@queensu.ca)
- Rob Hickey (hickeyr@queensu.ca)
- Grant Amyot (amyotg@queensu.ca)

QUFA Staff can also help with basic interpretations of the Plan (jermynl@queensu.ca).

The Plan Letter of Agreement and QUFA Infosheet are available here: https://www.qufa.ca/member-services/pension-information/