Phased Retirement Program (FACULTY) – policy effective February 1, 2015

Otis College of Art and Design offers a voluntary Phased Retirement Program to provide eligible faculty members the opportunity to transition into retirement by reducing their work effort based on their current employment role over a period of two (2) academic years. For the purpose of this policy, academic chairs and directors are considered “staff” employees.

ELIGIBILITY
As of the approved date of enrollment in the program, a faculty participant must be:

- 62 years of age or older; and
- A currently active, full-time faculty member of the College; and
- A faculty member who has completed at least 9 cumulative years of full-time employment with the College in any full-time employment capacity (staff and/or faculty) before the participation start date in the Phased Retirement Program. Personal leaves of absence and medical leaves will not be considered as breaks in continuous service.

PROGRAM DETAILS

- Participation in the program is strictly voluntary. Prior to entering into the Phased Retirement Program, participants sign a contract that delineates the terms of the program and establishes mutual agreement and consent between the participant and the College. The contract will include a waiver and release of claims, including claims for age discrimination under the Age Discrimination in Employment Act.
- Upon initiating participation in the Phased Retirement Program, faculty members agree to fulfill the terms of the program and may not reverse their participant status or cease participation.
- Applications for the Phased Retirement Program are accepted once every 3 years. For years in which the program is offered, the “open window” for accepting applications is November 1 – November 30, with the start date for the phased retirement specified for the following July 1st. The only exception is the program’s rollout year in which the “open window” will be offered March 1 – March 30 for a phased retirement start date of July 1 in the same year and a secondary “open window” spanning November 1 – November 30 also in that same year. Subsequent “open windows” will occur once every three years following the initial rollout year.
- Participation is subject to approval by the Home Department Chair (in consultation with any shared department Chair(s) or Director(s)) and the Senior Team.
- Once approved participants start the program, they agree to fully retire at the end of the agreed-upon term. The maximum duration a faculty member can participate in the Faculty Phased Retirement Program is two (2) academic years. At the end of two academic years, the faculty participant will officially retire/terminate from the College, as specified in the program contract. Condensed or shortened phased retirement terms can be negotiated if business/education delivery operations can accommodate such a request.
- Participants may not engage in additional paid work at the College while participating in the Phased Retirement Program, and cannot be rehired into a new position for at least two (2) full years after officially retiring from the College.
PHASED RETIREMENT AND COMPENSATION

Base Salary Adjustments:
For each academic year that a faculty member participates in the Phased Retirement Program, the participant will receive a percentage of his/her full-time base salary, as follows:

<table>
<thead>
<tr>
<th>Phased Retirement Program Year</th>
<th>% of Base Salary</th>
<th>Contact Hour and Service Workload</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 – July 1 – June 30</td>
<td>100% of base salary</td>
<td>2/3 load (67% regular full-time) = 12 contact hrs (studio) + 4 hrs service/wk</td>
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<td>= 8 contact hrs (liberal studies) + 4 hrs service/wk</td>
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<tr>
<td>Year 2 – July 1 – June 30</td>
<td>75% of base salary</td>
<td>1/3 load (33% regular full-time) = 6 contact hrs (studio) + 2 hrs service/wk</td>
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<td></td>
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<td>= 4 contact hrs (liberal studies) + 2 hrs service/wk</td>
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Lump Sum Payment: At the end of Year 2 (June 30th), the participating faculty member will receive a lump sum payment equivalent to one (1) weeks' worth of full-time pay for every year of full-time service completed at the College up to a maximum of 9 weeks or half the number of full-time service years completed, whichever is greater.

Notes, Reminders, and Other Conditions:
- Otis’ payroll system will record the faculty member’s official retirement date, effective June 30th of Year 2.
- Holiday pay will be prorated to a rate equivalent to the faculty member’s contact hour and service workload percentage while participating in the Phased Retirement Program.
- Program participants will not be eligible for merit step during or following initial participation in the program.
- Program participants will not be eligible to take on additional projects or activities that would result in salary supplements or extra pay, including those that may arise due to alternative funding sources such as gifts or grants, unless such funding was specified in the original agreement for participation in the Phased Retirement Program.
- Faculty members will retain their current academic rank and will not be eligible for promotion of rank during or following participation in the program.
PHASED RETIREMENT AND HEALTH/WELLNESS BENEFITS

While participating in and adhering to the terms of the Phased Retirement Program agreement, faculty members will be eligible to continue participation in the College’s benefit plans as follows:

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Benefits Coverage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 – starting July 1st and ending June 30th the following year</td>
<td>100% benefits coverage</td>
</tr>
<tr>
<td>Year 2 – starting July 1st and ending June 30th the following year</td>
<td>100% benefits coverage</td>
</tr>
</tbody>
</table>

- **End Date of Benefits Coverage** – Otis sponsored benefits will end on June 30th at the conclusion of the second academic year in the Program. Retired faculty members may elect to continue medical, dental, and/or vision coverage for up to 18 months under the provisions of the federal Consolidated Omnibus Reconciliation Act, more commonly known as COBRA. Contact Human Resources for more information about current COBRA rates.
- **Retirement Plan Contributions** – Contributions to Otis’ Retirement Plan will remain at the same contribution percentage but the dollar amount will adjust based on the salary level the faculty member is receiving from the College in Year 1 versus Year 2. The participant may change their contribution percentage to these plans at any time.
- **Group Medical, Dental, Vision Coverage** – Contributions towards Otis medical, dental and/or vision benefits will continue at the same rate as a full-time employee during the phased retirement period.
- **Flexible Spending Accounts (FSA) and/or Health Savings Accounts (HSA)** – Medical and/or Dependent Care FSAs and HSAs will continue at the same level unless the phased retirement participant chooses to change his or her election amount upon the initiation of the phased retirement as part of a “Qualifying Life Event” or during an open enrollment period.
- **Group Life Insurance, AD&D Insurance and Long Term Disability** – Contributions towards Otis’ group Life Insurance, Accidental Death & Dismemberment insurance, and Long Term Disability benefits will continue at the same rate as a full-time employee equivalent during the phased retirement period.
- **Tuition Remission Program** – Eligibility to utilize Otis’ Tuition Remission Program remains the same as a full-time employee during the phased retirement period.
- **Leaves of Absence** – Employees will remain eligible for statutory leaves of absence as required under state or federal law (i.e., FMLA, CFRA, Workers’ Compensation, and Pregnancy Disability Leave) and for other leaves as described in Otis’ Employee Handbook. The election of a paid or unpaid leave of absence while participating in the Phased Retirement Program will not extend an employee’s duration of employment with the College. If an employee changes to a paid or unpaid leave of absence while participating in the Phased Retirement Program, the employee contributions and the College’s contributions towards those benefits will be based on the rules regarding leave of absence under the respective benefit plan.
- **Workers Compensation Benefits** – If an employee is injured on the job while participating in the program, the Workers Compensation disability benefit payments will be based on the participant’s phased retirement salary rate at the time of the opened workers compensation claim.
- **Disability Benefits** – If an employee becomes physically or mentally unable to continue the reduced work effort during the phased retirement period, the Senior Team will authorize a leave of absence (LOA) consistent with LOA policies at that time. Being placed on an approved LOA will not extend the term of the phased retirement period and employee LOA benefits will terminate at the conclusion of the phased retirement period.
- **Death Benefits** – If a faculty member dies before completing the phased retirement period, the individual will be paid through the last day worked or through the last day that salary continuation was authorized, not to exceed the date of death. Designated beneficiaries are eligible to receive survivor benefits to which they are entitled under the College’s benefit program based upon the work effort status at the time of the faculty member’s death.
HOW TO APPLY

Application and Approval Process:
If an eligible full-time faculty member wishes to be considered for participation in the Program, an application should be submitted to the Home Department Chair/Dean during the program’s open window time frame for requests (November 1 – November 30) in the year prior to the desired start date (the following July 1st) of the phased retirement. Note open window exception for program rollout year only. Refer to previous section on “Program Details.”

If, upon consultation with any sharing department Chair(s) or Director(s), the Home Department Chair/Dean approves, the application is forwarded to Human Resources.

Human Resources will present the phased retirement request to Otis’ Senior Team for approval. If approved, Human Resources will work with the faculty member and his/her Home Department Chair/Dean to detail in writing the specific terms of the phased retirement agreement. If the request is denied, a rationale will be provided to the Home Department Chair/Dean who will convey the denied request to the faculty member.

Circumstances that can lead to a denial of participation in the Phased Retirement Program:
While the College will give consideration to all requests to participate in the Phased Retirement Program, requests may be denied for a number of reasons, including (but not limited to):

- The nature of the requestor’s work assignment not lending itself to a reduced schedule or responsibilities.
- The impact of adding new participants to an already-approved number of existing phased retirement participants would adversely impact business operations for a department or academic program.
- Granting a request would substantially weaken academic quality, adversely impact student learning or significantly disrupt program operations.
- Budget resources at the time of the request are not sufficient to accommodate participation in the program.

Denied Applications and Appeals:
If an application to participate in the Program is denied, a faculty member may appeal a denial in writing within 60 days after receipt of the denied request. In submitting an appeal, the applicant should include a written outline of any overlooked issues, support documentation and/or a comprehensive rationale that presents a sound argument against the denial. Appeals are submitted to the Provost for review. The Provost, in consultation with Human Resources and the Home Department Chair/Dean, will determine if the appeal brings forth new or compelling arguments that warrant further review with the Senior Team. If approved, Human Resources will present the appeal to the Senior Team at the next regularly scheduled meeting.

The Senior Team will review all submitted appeal documents and decide the appeal within 30 days after the request for review is made. The Senior Team will have full discretion to grant or deny an appeal. The decision of the Senior Team with respect to an appeal shall be final, conclusive and binding.

If an application or appeal is denied, that denial shall have no bearing on future applications for participation in the Program in subsequent years. Employees may apply for participation again after at least one (1) full year has passed from the date of the denial and during the next “open window” when the Phased Retirement Program is offered.

Plan Termination and Amendments:
Otis College of Art and Design reserves the right to amend or terminate the Phased Retirement Program for Faculty at any time. However no amendment will change any of the specific conditions for participants whose phased retirement agreements are already in effect at the time the Program is amended or terminated. To be considered “in effect” a Phased Retirement Agreement must be fully executed by all parties and all revocation periods must have already expired.