UNC Chapel Hill
Faculty Retirement Planning Guide

Prepared by the UNC-Chapel Hill’s Office of Human Resources in collaboration with the UNC Retired Faculty Association.

Updated 08/10/2021
Planning for your retirement is an important, career-long endeavor with serious personal, health, and financial implications. Consequently, this guide has been developed to facilitate a smooth process and reduce unnecessary hurdles. It provides key retirement advice and information to consider at successive career stages:

- **your mandatory initial choice of UNC retirement program**;
- **recommended practices and habits to develop early, which become more important as you age in your career**;
- **supplemental investment advisory programs to consider throughout your career**;
- **steps for executing a smooth transition from active employment to retirement, and**;
- **post-retirement tasks and continuing university relationships**.

Whether you participate in the Optional Retirement Program (ORP), currently with TIAA or Fidelity, or in the Teachers’ and State Employees’ Retirement System (TSERS), this guide will assist you with timely decisions. As you prepare to retire, you should initiate early discussions with your department chair or dean. You should also work closely with the UNC Benefits & Leave Administration in the Office of Human Resources (OHR). They are the campus experts on retirement and can provide current information, answer your questions, and guide you through the actual retirement process. We strongly recommend that you meet individually with an OHR Benefits Consultant 3-4 months in advance of your retirement.

The Retired Faculty Association at the University of North Carolina at Chapel Hill is pleased to have worked with the Provost’s Office and the Office of Human Resources to prepare this guide. Please send suggestions for guide additions or corrections to rfa@unc.edu.

For general information, you can utilize this guide and attend a Let’s Talk TSERS session or Let’s Talk ORP session sponsored by the UNC Benefits & Leave Administration office. You can locate these sessions at ConnectCarolina > Self Service > My Training. In the Carolina Talent search bar, type in “Let’s Talk TSERS” or “Let’s Talk ORP”. If there are available classes scheduled, they will show up on your screen so that you can enroll in them.

If you have specific questions or would like to set up an appointment, you can call the UNC-Chapel Hill OHR Benefits & Leave Support Center at 919-962-3071, or send an email to benefits@unc.edu.
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Preparing for retirement is about your vision for the future and saving funds to make your dream a reality. Building a retirement nest egg is a process that spans your entire career. And, because people are living longer than ever before, that nest egg likely will need to last you 20 years or more.

At UNC-Chapel Hill, we understand how important it is to save for your retirement, so we offer benefits that support your savings goals. And we’re here to help you make informed decisions to smooth the path ahead from the time you first arrive through your final career transition into retirement.

To get the most out of your retirement savings, you’ll need a strong plan that carries you through your retirement. Your resources must likely then continue to grow to compensate for increased expenses.

**ENVISIONING YOUR RETIREMENT**
Plan to satisfy personal needs and goals.

Planning for retirement is all about you. Who do you want to be and how do you want to live? How will you fund your life? Your plan should reflect your values, your wishes, and your particular responsibilities and situation. Even if you’re close to retirement, it’s never too late to save as much as you can. Even after retirement, money can grow over time through interest and investment earnings.

The cost of living continues to rise.

Your priority is paying for today’s needs, but if you don’t set aside money now, your retirement funding gap gets bigger each year. Your savings will need to grow to meet the rising cost of essentials. Most people assume they will be able to get by on less money in retirement, but that may not be the case. When asked about spending in retirement, 30% of retirees say it is unchanged from their working years. It could well be more. Fidelity estimated that the average couple retiring in 2020 would need $295,000 for retirement healthcare like Medicare premiums and out-of-pocket expenses, but excluding long-term care. It is best to go ahead and do the math to set a target.

You may think you’ll work into retirement.

While this makes sense, life can sometimes get in the way. In a recent study, 47% of retirees say they retired unexpectedly, often because of health problems, disabilities, or having to care for a loved one. When you save automatically, you’ll adjust to your new take-home pay while you have a pot of money building for you.
Start saving very early.

Time is absolutely your best investment friend. Beginning soon to save regularly, small amounts at first and more whenever possible, builds good habits. Compounded annual growth of invested savings over a longer time leads to a larger retirement financial cushion and better ensures security.

Include several types of retirement investment.

Building a rainy-day savings fund early is extremely important. Purchasing and building equity in a home can also be a good start. When young, purchasing relatively inexpensive term accidental disability or life insurance may be wise. As soon as feasible, also consider both supplemental taxable and tax-deferred investments that can provide enhanced diversity, future growth and later income. Such a strategy can add financial flexibility, reduce overall investment risk, and better ensure future security.

Invest carefully and thoughtfully.

Seek investment help from reliable, experienced, and unbiased advisors to develop an overall financial plan. Revisit that plan periodically with an advisor to assure that it evolves with your anticipated needs. As you approach retirement, compare your expenses with anticipated post-retirement income, and adjust your investment and retirement plans accordingly.

Don’t procrastinate!

Try to anticipate your own and your family's future obligations and healthcare needs, and plan early and actively to minimize large associated financial surprises. Even before retirement nears, begin to consider what, if any, post-retirement UNC resources and amenities you may want to maintain and initiate discussions with your dean or department chair to determine whether that will be feasible.
SOURCES OF RETIREMENT INCOME

Your retirement income should not come from a single place — you need several sources. Employer-related retirement plans and Social Security are investments with modest inflationary protection designed to provide an assured post-retirement income. Supplementing these sources today with other investment types is more typical for building a robust retirement portfolio. You should consider, and track regularly, each of these sources of retirement income as you develop your own personal plan:

State of North Carolina and UNC System Benefits:
- Mandatory Retirement Plans — either TSERS (Teachers’ and State Employees’ Retirement System) or ORP (Optional Retirement Program);
- Supplemental Retirement Plans (UNC System 403(b) Plan, NC 401(k) Plan, NC Deferred Compensation Plan (a 457(b) Plan) and the UNC System 457(b) Plan. See pg. 12;
- Retiree health insurance under the State Health Plan of North Carolina, if you are eligible.

Government-provided benefits:
- Social Security will provide only a portion of your retirement income;
- Medicare to provide your primary health care coverage (when you are age 65 or older) at retirement, although coverage under the State Health Plan of North Carolina for eligible participants can help pay medical expenses in retirement.

Personal Savings and Investments:
- Outside savings plans, such as an IRA, retirement savings from a previous employer;
- Your spouse’s retirement savings and investments, if you are married;
- Inheritance and any life or other insurance policies;
- Other types of investments wisely chosen to diversify and enhance your overall retirement investment portfolio;
- Consulting activities that can continue after retirement.
EARLY CAREER
CHOOSE A RETIREMENT PLAN
**UNDERSTANDING THE TSERS AND THE ORP**

Through the Mandatory Retirement Program, UNC System employees are required to participate in either TSERS or ORP. Your irrevocable selection between them must be made within 60 days of your date of initial UNC employment. The plans are compared below. For further details, see [go.unc.edu/Decision-Guide](http://go.unc.edu/Decision-Guide).

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<th>KEY PROVISION</th>
<th>TSERS</th>
<th>ORP</th>
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<td><strong>Who is eligible?</strong></td>
<td>Permanent employees working 30 hours or more per week.</td>
<td>Permanent employees working 30 hours or more per week.</td>
</tr>
<tr>
<td><strong>Type of Plan</strong></td>
<td>Defined Benefit (DB)</td>
<td>Defined Contribution (DC)</td>
</tr>
<tr>
<td><strong>Who contributes? How much?</strong></td>
<td>You contribute 6% of pay on a pre-tax basis; UNC System contributes an amount as defined by the General Assembly.</td>
<td>You contribute 6% of pay on a pre-tax basis; UNC System contributes 6.84%.</td>
</tr>
<tr>
<td><strong>Who makes the investment decisions and assumes investment risk?</strong></td>
<td>State Treasurer’s Division makes all the investment decisions and assumes investment risk.</td>
<td>You control and monitor your investment elections within a list approved by the UNC System for each carrier. You can choose from two carriers and allocate your and the UNC System’s contributions to one carrier.</td>
</tr>
<tr>
<td><strong>What about vesting?</strong></td>
<td>You must complete five years of membership service to be fully vested.</td>
<td>You are 100% vested in your contributions immediately; you are 100% vested in the UNC System’s contributions after five years of ORP participation</td>
</tr>
<tr>
<td><strong>How is the benefit determined?</strong></td>
<td>The benefit formula is based on your years and months of Creditable Service, salary, actuarial formula, and the payment option you choose when you retire.</td>
<td>Your benefit is based on the contributions to the plan, investment performance and the payment option you choose when you take a distribution from the plan.</td>
</tr>
<tr>
<td><strong>What happens if I am not vested before I leave for another institution?</strong></td>
<td>You must have five years of participation in this plan to be vested.</td>
<td>There is a provision for vesting if you leave UNC, go to another higher education institution, and within 12 months enroll in a like-retirement plan. The UNC System determines vesting.</td>
</tr>
</tbody>
</table>
MID-CAREER

WILL YOU HAVE ENOUGH TO RETIRE?
DETERMINING YOUR RETIREMENT BENEFIT

**TSERS**

A defined benefit plan.

Your benefit is determined by a set formula. This formula is based on your Average Final Compensation (the average compensation of your highest 48 consecutive months), your years of Creditable Service, and the Retirement Factor (currently 1.82%).

Nine-month faculty do not earn sick leave. For 12-month faculty, 20 days of unused sick leave as of your retirement date will convert to one month of Creditable Service.

You also receive one more month of Creditable Service for any amount of unused sick leave that is less than 20 days but at least one hour. For example, if you retired with 24 days of unused sick leave, you would receive an additional two months of Creditable Service.

To check your Creditable Service, obtain an Estimate of Retirement Benefits or access annual benefits statements to determine your retirement readiness, visit ORBIT at orbit.myncretirement.com. If you have not used ORBIT before, you will need to register by clicking on the Register button on the login page.

**ORP**

A defined contribution plan.

Your benefit is determined by the contributions you and UNC make to your ORP account and how well your investments perform over time. The benefit is based on the value of your ORP account at the time you begin taking a distribution.

Sick leave balances do not have any impact on the ORP account. You may wish to donate unused leave time to the University’s voluntary shared leave program.

Approved ORP vendors at UNC are TIAA and Fidelity. To access and monitor your ORP account information, visit your investment vendor’s website. You can also use its online tools and calculators to estimate your monthly benefit and identify potential income gaps.

You should talk or meet regularly with a retirement representative from your retirement vendor, especially before you retire.

*If you entered the ORP or TSERS prior to August 12, 1989, your retirement benefits may be exempt from State of North Carolina taxes. Talk with your UNC Benefits Consultant if you are in this category.*
SUPPLEMENTING TSERS AND ORP BENEFITS

As soon as your income and expenses balance and you also have sufficient “rainy day funds,” you should consider options for further strengthening your future security. Supplemental Retirement Plans at UNC are a great resource to help close gaps in your overall retirement savings and help diversify your retirement savings portfolio. The UNC supplemental retirement plans have some of the lowest management fees in the industry because of the size and scale of the UNC System and State.

These plans include:

**UNC System 403(b) Plan**
Current vendors are TIAA and Fidelity. All employees who pay Social Security and Medicare taxes are eligible to participate. Contributions can be made pre-tax and/or after-tax through a Roth account.

**UNC System 457(b) Plan**
Current vendors are TIAA and Fidelity. All employees who pay Social Security and Medicare taxes are eligible to participate. You may elect to make either pre-tax or Roth after-tax contributions.

**State 457(b) Deferred Compensation Plan**
Currently administered by Prudential. All North Carolina public employees are eligible to participate. Your contributions are made pre-tax and/or after-tax through a Roth account. As with the 401(k) plan, your account is held in a trust by the State of North Carolina exclusively for participants and their beneficiaries.

**State 401(k) Plan**
Currently administered by Prudential. All permanent employees who participate in TSERS or ORP are eligible to enroll. This state-sponsored plan also allows you to make contributions pre-tax and/or after-tax through a Roth account. Your account is held in a trust by the State of North Carolina exclusively for participants and their beneficiaries.
MEETING WITH AN INVESTMENT ADVISOR

Experience shows that one usually makes better overall investment decisions by consulting with an experienced, unbiased financial advisor rather than trying to “go it alone.” Thus, a good beginning is scheduling a meeting with an independent advisor or a retirement plan representative.

To eliminate bias, UNC System retirement contracts with TIAA and Fidelity require that their representatives not be paid any commission. This means their advice will be provided with your best interests in mind. They may suggest their own investment products in line with this advice.

The UNC System has another such agreement with CAPTRUST Financial Advisors, an independent third party firm for use by staff and faculty. CAPTRUST advisors help investors make informed, strategic investments.

Topics covered in 45-minute individual advisory sessions include, but are not limited to the following:

- Retirement planning
- General financial planning
- Debt management
- Investment education and advice

Information about scheduling a session with an advisor is available at hr.unc.edu/benefits/plans/retirement/retirement-reps
**TASKS FOR MID-TO-LATE CAREER**

**Catch-up contributions**
Beginning at age 50, you become eligible to make annual catch-up contributions to your supplemental 403b retirement plan.

**Beneficiary designations**
Periodically you should review and update your beneficiary designations for all retirement plans and life insurance policies.

**Powers of Attorney and Trusts**
To cover an occasion when you cannot act on your own behalf in certain legal matters, you may designate someone you trust to act as your “Power of Attorney” and “Health Care Power of Attorney” (note that these require separate documents). You can also set up a legal trust to manage some or all of your assets. A trust is a plan where a trustee holds money that you have transferred and manages it according to a written trust agreement.

**Long-term healthcare**

**Insurance Coverage**
According to longtermcare.gov, 70% of people turning 65 will need some form of long-term healthcare during their lives. The cost for such insurance coverage grows significantly more expensive with age, so early consideration is wise for your and any future family need. Neither UNC or the State offers any long-term care plans, but private plans are available.

**Continuing Care Retirement Communities**
An alternative, possibly supplementary arrangement that some consider is moving into a retirement community. These offer the elderly a continuum of accommodations, from independent living, to assisted living, to skilled nursing and/or memory care.

Many popular communities have lengthy waiting lists for their most attractive accommodations, and their financial models and fees vary considerably. Therefore, it is worthwhile to compare, and to consider making initial refundable deposits at several. Doing this well before you would want to move in can be another type of insurance for covering future healthcare needs.
Tasks for Mid-to-Late Career – Cont’d

**Tracking your expenses**
Balancing living expenses with income is a lifetime challenge, but tracking annual expenses in more detail is particularly informative as you grow older. Understanding how much you spend regularly for essentials, like housing, food, healthcare, and taxes, and for non-essentials such as travel, entertainment, and charitable giving, will better inform your projections for post-retirement years.

**Tracking your expected retirement income**

**Social Security**
Determine what Social Security payments are expected for your anticipated retirement date. Consult with Social Security or at [go.unc.edu/DRCTable](http://go.unc.edu/DRCTable) to learn how payments would change if you were to retire earlier or later. It could be advisable to retire later. You get an 8% bump in Social Security benefits for each added working year between ages 62 and 70.

**Retirement Accounts**
Review your retirement estimates for TSERS at [myncretirement.com](http://myncretirement.com). If in the ORP, contact TIAA or Fidelity to run some retirement projections for you. Similarly, estimate what retirement income you can expect from your other investments.

**Start to re-evaluate your tax plan**
You may want to consult a financial planner, estate planner, tax attorney, or certified public accountant to assist you in planning for your retirement.

**Retirement planning seminar**
UNC Chapel Hill Benefits offers Let’s Talk TSERS and Let’s Talk ORP sessions several times a year. Staff and faculty, age 50 and older, are encouraged to attend. The Preface to this guide provides enrollment information.

**Review and update your health insurance**
If you are eligible for retiree health insurance, you can only cover those eligible family members who are covered at the time you retire. **You may add your spouse or child (age 26 or younger) to your health plan during Open Enrollment in the year before you retire to continue that dependent coverage after your retirement.**
LATE-CAREER
FINDING YOUR PATH THROUGH RETIREMENT
RETIREE HEALTHCARE COVERAGE

This section describes detailed eligibility requirements for retiree healthcare under the State Health Plan. Very importantly, it also discusses how this plan meshes both with your prior coverage during active employment and with Medicare.

Eligibility Requirements
When employees first hired prior to October 1, 2006 retire, they are eligible to continue health insurance coverage under the State Health Plan of North Carolina based on the following two retirement service rules or requirements:
• They have at least five years of either TSERS contributory retirement service or ORP participation;
• They receive a monthly retirement benefit from TSERS or ORP.

Employees first hired on or after October 1, 2006, are eligible to continue health insurance coverage under the State Health Plan of North Carolina when they retire, based on the following two retirement service rules or requirements:
• They have at least 20 years of retirement service credit (Employees with fewer than 20 years of retirement service credit are eligible to continue health coverage under the State Health Plan of North Carolina when they retire by paying a larger percentage);
• They receive a monthly retirement benefit from TSERS or ORP.

In all cases, the full cost of coverage for spouse or dependents during retirement, if elected, must be paid by you.

When Retiree Healthcare Coverage Begins
Generally, your transition to retiree group health coverage begins without a break in coverage, provided your retirement date immediately follows your date of termination of active employment. For example, if your last day of work is June 30 and the first day of retirement is July 1, then, your UNC-provided health coverage would end on July 31, and the NC State Retirement System, that handles retiree health insurance, would pick you up on August 1.

To assure no gap in coverage as you retire, it is essential to meet with the UNC Benefits Office 120 to 90 days before your retirement date to complete the required paperwork.
Retiree Healthcare Coverage- Cont’d

Important note: You forfeit your eligibility for the State’s retiree group health plan coverage if you withdraw your entire account from TSERS or the ORP, or if you transfer or roll over the entire account to an individual retirement account (IRA) or another employer’s retirement plan.

How Retiree Healthcare Meshes with Medicare
See also shpnc.org/retiree-benefits/planning-retirement.

Retiring at 65 or Older
Retiring members who are eligible for Medicare and begin the retirement process 120 days (if enrolled in TSERS) or 90 days (if enrolled in the ORP) prior to the benefit effective date, and their dependents, will be auto-enrolled into the Group Medicare Advantage Base Plan.

Enrollment in the Group Medicare Advantage Base plan is contingent on your Medicare Part B coverages’ being in effect on the retirement date. Enrollment into Medicare Part B must occur 30-60 days prior to the retirement date but be in effect on the retirement date. If there is a delay in Medicare Part B enrollment, the retiree may default to the 70/30 health plan. The State Health Plan pays claims based on the assumption that the Medicare-Part B-eligible retiree is enrolled in Medicare-Part B, regardless of whether or not he/she has actually enrolled.

Retirees may select the state’s 70/30 plan, an option that may be preferable for some with dependents who also wish to enroll in a Medicare Supplement program. This option is not available to participants in Medicare Advantage plans.

The Medicare Advantage Base Plan, or the state 70/30 plan, may be premium-free for retiree-only coverage if the retiree was hired prior to October 1, 2006. Otherwise, there may be premiums paid, but pro-rated depending on years of service.

Changes to plan elections can be made during the next Open Enrollment period. For all retirees, including those enrolled in ORP, open enrollment is done through the State Retirement System in their ORBIT website. All retirees need to create an ORBIT account at some point.
Retiree Healthcare Coverage – Cont’d

If retirees have dependents that are not eligible for Medicare, they will be automatically enrolled into the same health plan they were included in during the year prior to retirement. Medicare eligible dependents can be added onto the Medicare Advantage Plan at the retiree’s expense.

Retiring, and not yet 65
Retiring members who are under 65 will be automatically enrolled in the health plan they were enrolled in as an active employee along with any covered dependents. Retiring employees with questions about their health plan options should contact the Eligibility and Enrollment Support Center at 855-859-0966. New health ID cards will have a group number starting with SR-.

Where to find additional information
Retirees who are not vested in a UNC retirement system or who have a spouse or other dependents with other options or needs can find extensive information about Medicare, Medicare Supplements, and Long-Term Care Insurance from the Medicare and Seniors’ Health Insurance Information Program (SHIIP).
# Other Retiree Benefit Options

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<th>Can This Continue After Retirement?</th>
<th>Additional Information</th>
<th>Contact</th>
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<tr>
<td>TSERS Dental and Vision Insurance</td>
<td>YES</td>
<td>Those retiring from TSERS can enroll in the Retirement Systems dental/vision plans. (ncretiree.com)</td>
<td>1-855-627-3847</td>
</tr>
<tr>
<td>NCFlex Dental Insurance</td>
<td>YES</td>
<td>If enrolled at retirement, you may continue coverage under COBRA for up to 18 months.</td>
<td>1-855-859-0966</td>
</tr>
<tr>
<td>NCFlex Vision Insurance</td>
<td>YES</td>
<td>If enrolled at retirement, you may continue coverage under COBRA for up to 18 months.</td>
<td>1-855-859-0966</td>
</tr>
<tr>
<td>NCFlex Flexible Spending Accounts</td>
<td>CONDITIONAL</td>
<td>May submit claims for healthcare expenses up to the last day worked and dependent care claims up to the last day of the plan year. May continue the health care flex spending coverage through COBRA on an after-tax basis.</td>
<td>1-866-916-3475</td>
</tr>
<tr>
<td>NCFlex Group Life</td>
<td>YES</td>
<td>May convert to an individual life policy within 30 days of retirement, otherwise it terminates. Rates will be higher.</td>
<td>1-877-464-5111</td>
</tr>
<tr>
<td>UNC MetLife Group Life</td>
<td>YES</td>
<td>If enrolled at the time of retirement, you may “port” current coverage and move to an individual policy. Rates will be higher. You also have the option to enroll in voluntary retiree life coverage offered to all retirees.</td>
<td>MetLife will reach out to you directly</td>
</tr>
<tr>
<td>NCFlex Accident Plan</td>
<td>YES</td>
<td>If enrolled at time of retirement, you may continue current coverage as a retiree and move to an individual policy.</td>
<td>1-877-464-5111</td>
</tr>
<tr>
<td>NCFlex Cancer Plan</td>
<td>YES</td>
<td>If enrolled at time of retirement, you may continue current coverage as a retiree and move to an individual policy.</td>
<td>1-866-232-1517</td>
</tr>
<tr>
<td>NCFlex Critical Illness Plan</td>
<td>YES</td>
<td>If enrolled at time of retirement, you may continue current coverage as a retiree and move to an individual policy.</td>
<td>1-866-232-1517</td>
</tr>
<tr>
<td>Long Term Disability</td>
<td>NO</td>
<td>This stops on your last day of work.</td>
<td>---</td>
</tr>
<tr>
<td>NCFlex Accidental Death &amp; Dismemberment (AD&amp;D)</td>
<td>YES</td>
<td>May convert to an individual policy within 30 days of retirement; otherwise it terminates.</td>
<td>1-402-351-3349 (Mutual of Omaha)</td>
</tr>
</tbody>
</table>
The University of North Carolina Phased Retirement Program is designed to provide an opportunity for eligible, full-time tenured faculty members to make an orderly transition to retirement through half-time (or equivalent) service.

Phased Retirement is a great way to phase out your work into retirement. Eligible faculty members include those who meet certain age criteria and are also eligible for retirement under the Optional Retirement Program (ORP) or Teachers’ and State Employees’ Retirement System (TSERS). There are both informal agreements and formal procedures that you need to consider before entering this program.

**Informally:**
You are strongly advised to initiate early discussions to reach an understanding with your chair or dean about what departmental or school resources or responsibilities you will have, both during your phased retirement contract period, and perhaps afterwards. For example, during phased retirement what will your teaching, research, and service obligations be? Will you be eligible for any annual salary increases? Can you retain your office?

However, during phased retirement, UNC System policy allows you to retain the right to vote on personnel recommendations that confer tenure or promotion, to the extent already provided to faculty of your rank.

**Formally:**
There are several steps before you can enter phased retirement:

1. The Academic Personnel Office notifies each eligible faculty member during the enrollment period for phased retirement. The phased retirement appointment/contract starts on July 1 of each year.
2. In phased retirement, you fully retire, but have a three-year work contract. It allows you to work up to .75 FTE in one semester. In order to balance out to .5 FTE, for the year, you can work .25 FTE during the other semester. In essence, any combination can be utilized (i.e., 75/25, 70/30, 65/35, etc.), that equates to .5 FTE for the year.
3. While on phased retirement you may only earn from UNC up to 50% of your faculty base salary. This can include income from teaching in regular or summer sessions, distance education classes, or grants.
4. Under phased retirement, your health insurance is provided to you as a retiree through the State Retirement System. However, as a half-time employee, you are allowed to continue your NCFlex benefits such as dental, vision and flexible spending accounts through UNC-Chapel Hill.
More information about UNC-Chapel Hill’s Phased Retirement Program can be found at academicpersonnel.unc.edu/policies-and-procedures/phased-retirement

Frequently Asked Questions

What is the chance that a regularly submitted request for phased retirement would be denied by UNC?
This is very rare. The Provost works to accommodate every request while balancing the educational needs of the University.

Is phased retirement also available for clinical or research faculty in health affairs units, or for long-term, full-time, but non-tenure teaching faculty?
Phased retirement is only available to tenured faculty members.

Can one continue to receive supplemental income during phased retirement from an external research contract or grant during the semester or summer when there is no formal teaching obligation associated with the phased retirement contract?
Faculty on phased retirement are limited to 50% of their salary prior to retirement. This may include summer salary or grants.

Can one still contribute to supplemental IRA or Roth IRA accounts during phased retirement?
Yes, as these are private plans, contributions to IRAs can still occur. Phased retirees may also continue contributions to the supplemental retirement plans such as the UNC 403b and UNC 457.
EXECUTING YOUR TRANSITION TO RETIREMENT
NECESSARY STEPS TO RETIRE FROM ORP

Within 120 to 90 days prior to your retirement date, you should:

• provide your chair or dean with written notice of your intent to retire, and;
• contact UNC Benefits & Leave Administration at 919-962-3071 or benefits@unc.edu to schedule an appointment to complete required paperwork for retirement.

ATTENTION!
Delaying such a meeting could risk missing deadlines to assure uninterrupted continuation of your healthcare after your retirement.

The Retirement Process for ORP (TIAA or Fidelity) Participants

1. At your virtual or in-person appointment with the UNC Benefits Office, you will need to sign an ORP-3 form. This form is required to verify your vesting in the plan so TIAA or Fidelity may begin distributions once you set these up with the vendor. After you sign this form, the UNC Benefits Office signs it and sends it over to the UNC System Office. The System Office will verify your vesting and sign off on the form. They update the TIAA and Fidelity systems to reflect your vested status and notify you by email.

2. Once you receive a vesting email from the UNC System, you will work with TIAA or Fidelity to set up your monthly distribution. Your retiree health insurance is contingent on you receiving a monthly benefit from your TIAA or Fidelity UNC ORP account. The monthly benefit must be scheduled to begin on the first day of your retirement. There are multiple options for receiving a benefit from your ORP account that you can discuss with TIAA or Fidelity.

3. Your retirement service representative can provide your projected retirement income and distribution options. You may work with our UNC Chapel Hill ORP representatives to begin your retirement distribution process:

   TIAA Advisor: Joshua Scott | 919-687-5240 | joshua.scott@tiaa.org
   Fidelity Advisor: Cleo Morgan | 919-500-1056 | cleo.morgan@fmr.com
NECESSARY STEPS TO RETIRE FROM TSERS

Within 120 to 90 days prior to your retirement date, you should:

• Provide your chair or dean with written notice of your intent to retire, and;
• Contact UNC Benefits & Leave Administration at 919-962-3071 or benefits@unc.edu to schedule an appointment to complete required paperwork for retirement.

ATTENTION!
Delaying such a meeting could risk missing deadlines to assure uninterrupted continuation of your healthcare after your retirement.

1. You can schedule a virtual or in-person appointment with the UNC Benefits Office to discuss your retirement. Instructions will be given for the retirement process.

2. Retirement is done through the ORBIT system found at myncretirement.com. This is the State Retirement System’s portal. You will start your retirement process online. Most forms are completed online but there are two forms in particular that must be printed, signed in front of a Notary Public and uploaded back into ORBIT. Unfortunately, these forms come at different points in the retirement process, meaning two visits to a Notary Public.

3. Once you start the retirement process in ORBIT, the UNC Benefits Office receives a Form 6-C to complete on your behalf. You will also receive a copy of this form. UNC Benefits will provide future pay information prior to your retirement along with any sick leave balances you may have if applicable. This form is sent back to the Retirement System via email by the UNC Benefits Office.

4. It is important to move through the steps as quickly as possible to avoid any delays. There are some steps where the Retirement System will have to provide some human intervention to move you to the next step. Patience is encouraged while you await your email from them to continue to the next step.
IMPLEMENTING OTHER RETIREMENT SUPPORT

You have flexibility in when to start receiving other retirement benefits.

Social Security

• At age 62, you should review your Social Security benefit options at ssa.gov or 1-888-759-3908. Consider using the table at go.unc.edu/DRCTable to decide whether delaying the onset of Social Security benefits until or beyond your “full” retirement age could be advisable for your personal situation.

• At age 65-67, you can start taking full or partial Social Security benefits according to your birth year.

• If not initiated earlier, by age 70 you should initiate payment of Social Security benefits since no additional scheduled payout adjustment occurs as you age further.

Medicare

At age 64 and 8 months, you can apply for Medicare online at ssa.gov or contact your local Social Security Office. If actively working, and on the State Health Plan through UNC, you only need Medicare Part A and can delay Part B until your retirement. During the retirement process with the UNC Benefits Office, for those over age 65, you will be provided an Employer Medicare Form that states you were covered under a group health plan to provide information as to why you delayed Part B enrollment.

Tax-Deferred Supplemental Retirement Accounts:

By age 72, you must begin taking Required Minimum Distributions (RMDs) from IRAs and other pre-tax investments. However, if you are still actively employed at UNC and contributing to TSERS or ORP, you can delay taking RMDs from the UNC accounts until you retire.

Once someone retires, TSERS and ORP are covered under the RMD rules. Rolling over funds from the ORP to the supplemental plans can be done but is tricky to navigate. Sufficient funds must be left in the original ORP or an annuity payment must be set up to meet the requirements for retiree health insurance eligibility.
Implementing Other Retirement Support – Cont’d

Leaving your funds in UNC’s supplemental retirement account(s) after retirement offers a continuing benefit because of reduced institutional account fees compared with fees for identical investments in an individual plan. Immediate or later rollover of these UNC supplemental funds is possible, perhaps to simplify their oversight and management with your other individual external funds.

If you encounter difficulty with such a rollover, identify the issue and contact UNC-Chapel Hill Benefits Office for help at 919-962-3071 or benefits@unc.edu.
RETIRERED FACULTY PRIVILEGES

Emeritus Designations and Directory Listings

Members of the voting faculty, whether tenured, clinical, research, or term, who take retirement and are no longer performing compensated services for the university, may continue to use the professorial titles and distinctions that they held immediately prior to retirement with the courtesy designation “emeritus”. It is also appropriate that faculty emeriti be included in school and departmental faculty lists in official University publications and websites.

The request for emeritus status should be made to the HR Representative in the department or dean’s office of the faculty member’s primary faculty appointment. The HR Representative will note the request on the final e-PAR, along with the current address.

UNC’s directory listings have now been standardized. It designates non-emeriti faculty as “Retiree UNC Chapel Hill” and lists the previous home department. Those with emeritus status are listed as “Emeritus, UNC-Chapel Hill”. There is no longer a process to customize such listings further. Faculty who plan to continue to publish or engage in other professional activities after retirement often pursue “Emeritus” status to reference more readily their prior academic experience. Others who continue active research with external support may choose to delay their request for this designation.

Additional benefits, such as continued use of department/school office and other resources, along with parking, must be negotiated between the faculty member and the department chair, based on need and availability.

Maintaining your UNC Connections

ID Card, Onyen, and Library Access

When the OHR Benefits office receives notification of a faculty member’s retirement, it will then establish an “affiliate status” for the faculty member that will keep their Employee ID (One Card) and ONYEN active. A card indicating this new status can be acquired from the One Card Office. Consequently, any University access based on the Employee ID and/or ONYEN, such as library privileges, IT Services, and UNC-Chapel Hill directory listing, can remain active and authorized.
Retired Faculty Privileges – Cont’d

Email
All retirees may continue their UNC-Chapel Hill email account. Access for 10 years is granted automatically, and may be renewed for another 10 years by contacting the OHR Benefits office for help prior to your 10-year renewal.

Retired Faculty Association
The UNC Retired Faculty Association (RFA) was established in 1986 to provide meaningful opportunities for UNC’s retired faculty and professional staff/administrators to stay connected with the University community through representation and advocacy, as well as through opportunities for intellectual engagement. Detailed information about the RFA’s mission, life-long learning programs, social activities, and membership application is available at uncrfa.web.unc.edu

Recreational Facilities
Retirees seeking to maintain their health and fitness often utilize gym and pool facilities and programs available at Carolina Recreation at campusrec.unc.edu or utilize discount memberships available to UNC retirees at the UNC Wellness Centers in Meadowmont and Cary. Visit uncwellness.com for more information.

Retiree discounts are also available to both continuing and new members at The UNC Faculty-Staff Recreation Association. Visit uncfarm.org for more information.

Faculty Elections
A member of the voting faculty who retires is still eligible to vote on matters of Faculty Governance. Faculty Code language governing these details can be found at go.unc.edu/faculty-code. Retirees who do not continue on the faculty with a fixed-term appointment that calls for at least one-half time effort may vote in elections for retired faculty representatives to the Faculty Council.

To activate this eligibility, send a request with your name, date, faculty rank upon retirement, and unit from which you retired to the Office of Faculty Governance, 201B Student Affairs Building, Chapel Hill, NC 27599-9170. Phone: 919-962-2146.

State Employees’ Credit Union
You can remain a member after retirement and retain the same privileges as active employees.
Retired Faculty Privileges – Cont’d

**Ram’s Club**

If you are an active member at the time of retirement, you are able to continue your membership into retirement.

**Faculty/Research Separation Checklist**

A faculty member involved in funded/sponsored research projects as Principal Investigator, Co-Principal Investigator, Key Personnel, or Collaborator must complete a Faculty/Research Separation Checklist upon retirement. This form can be retrieved from the Office of Sponsored Research at resadminosr@unc.edu or by calling 919-966-3411.

This checklist was developed to ensure timely communications between research units and OHR units when it relates to employee separation, and it impacts the status of a Principal Investigator or Co-Principal Investigator. It is also designed to mitigate risk of research protocols being left open.

**Archiving your professional materials**

Faculty seeking a secure place to preserve their records of professional work should consider the University Libraries Carolina Digital Repository.

[go.unc.edu/Carolina-Library-Digital-Repository](go.unc.edu/Carolina-Library-Digital-Repository)

**Re-employment**

Familiarize yourself with return to work policies. Retirees in TSERS must adhere to a mandatory six-month break in service rule, unless a formal phased-retirement contract is in force.

ORP retirees are permitted to return to work for a state employer with a recommended 30-day break in service. It is strongly recommended that you contact the OHR Benefits office for more information on this topic.

If re-employing with UNC or another State agency, retirees should not work over 29 hours per week so that retiree health insurance is not impacted.
Carolina Blue is the color of a bright future

We are here to help. Contact UNC Benefits & Leave Administration
benefits@unc.edu | 919-962-3071