

# ***UNC-Chapel Hill Faculty Retirement Planning Guide***



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

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HUMAN RESOURCES AND EQUAL OPPORTUNITY AND COMPLIANCE  
Human Resources



# ▶ PREFACE

Planning for your retirement is an important, career-long endeavor with serious personal, health, and financial implications. The creation of this guide was motivated by more than 30 UNC faculty retirees who wanted to facilitate a smoother process for still-active faculty by raising awareness of hurdles they faced planning their own retirement. This guide includes their key advice and provides you with information to consider at successive career stages, like:

- *Information to guide your mandatory initial choice of UNC retirement program.*
- *Recommended practices and habits to develop early, which become more important as you grow older.*
- *Supplemental investment advisory programs to consider throughout your career.*
- *Steps for executing a smooth transition from active employment to retirement.*
- *Post-retirement tasks to continue supportive University relationships.*

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 your suggestions for guide additions or corrections to [rfa@unc.edu](mailto:rfa@unc.edu).

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](mailto:benefits@unc.edu). It is strongly recommended that you meet individually with an OHR Benefits Consultant three to four months in advance of your retirement.

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# **LET'S GET STARTED RETIREMENT PLANS**

## **WHAT OPTIONS DOES UNC OFFER?**

The UNC System offers a choice of two retirement plans, the Teachers' and State Employees' Retirement System (TSERS) and the Optional Retirement Program (ORP).

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. To check for available sessions:

- Log in to [ConnectCarolina](#) using your Onyen and password.
- Click on the drop-down arrow in the center of the navy bar at the top of the screen.
- Choose the "Self Service" option.
- Select the "Carolina Talent Learning" tile.
- Type in "**Let's Talk TSERS**" or "**Let's Talk ORP.**" If classes are available, they will show up on your screen and you can enroll in them.

# WHY YOU NEED A PLAN

## *You should 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? Your plan should reflect your values, your wishes, and your particular responsibilities and situation.

## *You will need to cover your expenses.*

How will you fund your life? 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.*

If you don't set aside money now, your retirement funding gap gets bigger each year. Your savings 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 — and it could well be more. [Fidelity estimated that the average retired couple age 65 in 2022 may need ~\\$315,000 saved \(after tax\) to cover healthcare expenses in retirement](#) 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 continuing to work makes sense for some, 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 while you are working, you'll adjust to your new take-home pay while you have a pot of money building for you.

# RETIREMENT PLANNING ESSENTIALS

## ***Start saving very early.***

*Time* is your best investment friend. Beginning early 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 diversity, future growth, and later income. Such a strategy adds financial flexibility, reduces overall investment risk, and, again, better ensures future security.

## ***Invest carefully and thoughtfully.***

As a resource, the University provides 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. See page 13 for information about meeting with an advisor.

## ***Don't procrastinate!***

Try to anticipate your own and your family's future obligations and healthcare needs, and plan early to minimize large financial surprises. As retirement gets closer, consider which post-retirement UNC resources (e.g., lab space) you want to maintain and begin to discuss with your dean or department chair how to make that happen.

# 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 early with other investment types builds 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 (457(b) Plan), and the UNC System 457(b) Plan. See pg. 12 for more information.
- 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 will provide your primary healthcare coverage when you are age 65 or older at retirement, and coverage for eligible participants under the State Health Plan of North Carolina can help pay medical expenses in retirement.

## *Personal savings and investments*

- Outside savings plans, such as an IRA plan invested with a previous employer.
- Your spouse's retirement savings and investments, if you are married.
- Inheritance.
- Any life or other insurance policies.
- Consulting activities that can continue after retirement.
- Other types of investments wisely chosen to diversify and enhance your overall retirement portfolio.



## **EARLY CAREER**

# **CHOOSE A RETIREMENT PLAN**

## **ENVISIONING YOUR RETIREMENT**

Preparing for retirement is about your vision for the future and saving funds to make that vision a reality. The UNC System helps you realize that vision by mandating that the State's retirement contributions for you go to one of two retirement plans:

- *NC Teachers' and State Employees' Retirement System (TSERS)*
- *Optional Retirement Program (ORP)*

TSERS offers a State-managed plan that pools your contributions with the contributions of others into investments that enable a monthly State retirement income. Because your share of this pool grows over the years in relation to your increased compensation and number of years employed, TSERS is an attractive option for those who anticipate a long career as a UNC or State of North Carolina employee.

ORP directs your retirement contributions to a private investment firm whose advisors work with you to invest and manage the State's contributions in your best interest.

ORP is attractive to faculty seeking more personal control of their retirement resources or who desire a more portable plan should they leave UNC.

# UNDERSTANDING THE TSERS AND THE ORP

Through the Mandatory Retirement Program, UNC System employees are required to participate in either the Teachers' and State Employees' Retirement System (TSERS) or the Optional Retirement Program (ORP). Your irrevocable selection between them must be made within 60 days of your date of initial UNC employment. The plans are compared below and on page 11. For further details, see the [UNC System Decision Guide](#).

KEY PROVISION	TSERS	ORP WITH TIAA OR FIDELITY
<i>Who is eligible?</i>	<i>Permanent employees working 30 hours or more per week.</i>	<i>Permanent employees working 30 hours or more per week.</i>
<i>Type of plan</i>	<i>Defined Benefit (DB)</i>	<i>Defined Contribution (DC)</i>
<i>Who contributes? How much?</i>	<i>You contribute 6% of pay on a pre-tax basis; UNC System contributes an amount as defined by the General Assembly.</i>	<i>You contribute 6% of pay on a pre-tax basis; UNC System contributes 6.84%.</i>
<i>Who makes the investment decisions and assumes investment risk?</i>	<i>State Treasurer's Division makes all the investment decisions and assumes investment risk.</i>	<i>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.</i>
<i>What about vesting?</i>	<i>You must complete five years of membership service to be fully vested.</i>	<i>You are 100% vested in your contributions immediately; you are 100% vested in the UNC System's contributions after five years of ORP participation.</i>
<i>How is the benefit determined?</i>	<i>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.</i>	<i>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.</i>
<i>What happens if I am not vested before I leave for another institution?</i>	<i>You must have five years of participation in this plan to be vested.</i>	<i>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.</i>



**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 the [ORBIT website](#). If you have not used ORBIT before, you will need to register by clicking on the "Register" button on the login page.

## ORP WITH TIAA OR FIDELITY

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 diversify your retirement 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. Faculty can enroll in one of these plans below at any time during their career by logging into ConnectCarolina>Self Service> My Benefits> Benefits Enrollment (on left)> Supplemental Retirement Plans. To get additional information or help, contact the appropriate plan representative using information at the link at the bottom of the next page.

## ***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 Empower. 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, the 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 Empower. All permanent employees who participate in TSERS or ORP are eligible to enroll. This state-sponsored plan allows you to make contributions pre-tax and/or after-tax through a Roth account. The 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 people usually make better overall investment decisions by consulting with an experienced, unbiased financial advisor rather than by 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 on the [Retirement Plan Representatives page of the UNC-CH HR website](#).

# 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 403(b) retirement plan.

## ***Beneficiary designations***

Periodically you should review and update your successor 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 are 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](http://longtermcare.gov), 60% 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 needs. Neither UNC nor the State offers any long-term care plans, but [private plans](#) are available.

### ***Continuing care retirement communities***

An alternative, possibly supplementary, arrangement that some people consider is moving into a retirement community, which could often offer elders 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 communities 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.

### **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 [go.unc.edu/DRCTable](https://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](https://myncretirement.com). If in 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 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. Page 4 of 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. 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.

When employees first hired **on or after 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 20 years of retirement service credit. (Employees with fewer than 20 years of retirement service credit are eligible when they retire to continue health coverage under the State Health Plan of North Carolina by paying a larger percentage of the premium).
- 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. Employees first hired on or after January 1, 2021, are not eligible for retiree medical coverage.***

## *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, which handles retiree health insurance, would pick you up on August 1. **Contact the North Carolina State Health Plan for questions pertaining to retiree healthcare coverage once retired.**

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.

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

### *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 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 coverage's being in effect on the retirement date. Enrollment into Medicare Part B must occur at least 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 the retiree has actually enrolled.

Retirees may select the State's 70/30 Plan, an option that may be preferable for retirees 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.

If retirees have dependents that are not eligible for Medicare, the dependents will be enrolled into the same health plan they had the year prior to retirement. Medicare-eligible dependents can be added to the Medicare Advantage Plan at the retiree's expense.

### ***Retiring, and not yet 65***

Retiring members who are under 65, along with any covered dependents, will be enrolled in the health plan they had as active employees. New health ID cards will have a group number starting with SR-.

### ***How retiree healthcare meshes with Medicare***

See the [Planning for Retirement](#) section of the North Carolina State Health Plan website.

### ***Where to find additional information***

Complex situations may not be covered above. Retiring employees with questions about their health plan options should contact the Enrollment Support Center of the North Carolina State Health Plan at 855-859-0966.

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

BENEFITS	CAN THIS CONTINUE AFTER RETIREMENT?	ADDITIONAL INFORMATION	CONTACT
TSERS Dental and Vision Insurance	YES	Those retiring with TSERS can enroll in the Retirement Systems dental/vision plans at <a href="http://ncretiree.com">ncretiree.com</a> .	1-855-627-3847
NCFlex Dental Insurance	YES	If enrolled at retirement, you may continue coverage under COBRA for up to 18 months.	1-855-859-0966
NCFlex Vision Insurance	YES	If enrolled at retirement, you may continue coverage under COBRA for up to 18 months.	1-855-859-0966
NCFlex Flexible Spending Accounts	CONDITIONAL	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 healthcare flex spending coverage through COBRA on an after-tax basis.	1-866-916-3475
NCFlex Group Life	YES	May convert to an individual life policy within 30 days of retirement; otherwise, it terminates. Rates will be higher.	1-877-464-5111
UNC Group Term Life	YES	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.	UNC vendor will reach out to you directly
NCFlex Accident Plan	YES	If enrolled at time of retirement, you may continue current coverage as a retiree and move to an individual policy.	1-877-464-5111
NCFlex Cancer Plan	YES	If enrolled at time of retirement, you may continue current coverage as a retiree and move to an individual policy.	1-866-232-1517
NCFlex Critical Illness Plan	YES	If enrolled at time of retirement, you may continue current coverage as a retiree and move to an individual policy.	1-866-232-1517
Long-Term Disability	NO	This stops on your last day of work.	---
NCFlex Accidental Death & Dismemberment (AD&D)	YES	May convert to an individual policy within 31 days of retirement; otherwise, it terminates.	1-402-351-3349 (Mutual of Omaha)

# PHASED RETIREMENT – HOW IT WORKS

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?

During phased retirement, you give up your tenured status, but 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. 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.

## *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.

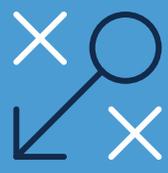
### ***Can one continue to receive supplemental income during phased retirement from an external research contract or grant during the semester or summer when there is no formal teaching obligation associated with the phased retirement contract?***

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 403(b) and UNC 457.

More information about UNC's Phased Retirement Program can be found on the [\*Phased Retirement page of the UNC-CH Academic Personnel website.\*](#)



***EXECUTING YOUR TRANSITION  
TO RETIREMENT***

# NECESSARY STEPS TO RETIRE WITH 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.
- Contact UNC Benefits & Leave Administration at **919-962-3071** or [benefits@unc.edu](mailto: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. It updates the TIAA and Fidelity systems to reflect your vested status and notifies 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 your 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 UNC ORP representatives to begin your retirement distribution process.

# NECESSARY STEPS TO RETIRE WITH 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.
- Contact UNC Benefits & Leave Administration at **919-962-3071** or [benefits@unc.edu](mailto: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 TSERS participants***

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](http://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. Prior to your retirement, you will need to check with your department's HR Consultant for future pay information and 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 the Retirement System 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](https://ssa.gov) or [1-888-759-3908](tel:1-888-759-3908). Consider using the table at [go.unc.edu/DRCTable](https://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](https://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, those over age 65 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.**

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 the UNC Benefits Office for help at [919-962-3071](tel:919-962-3071) or [benefits@unc.edu](mailto:benefits@unc.edu).

# RETIRED 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 of “emeritus” or “emerita” appended. It is also appropriate that faculty emeriti be included in school and departmental faculty lists in official University publications and websites.

Once the retirement is processed, the UNC Benefits Office will automatically update the campus directory to “emeritus” status and this will allow continued access to UNC email.

UNC’s directory listings have now been standardized. The directory 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.

Should emeriti faculty continue active participation in the academic life of the University, the appropriate department chair or dean is encouraged to accord continued amenities as may be appropriate for the nature and extent of their work, subject to financial, space, personnel, and other functional restraints. Such privileges include, for example, office space, laboratory facilities, library carrels, and parking.

Should emeriti faculty desire to have the title “emeritus” updated to “emerita” or wish to delay this designation, please email the UNC Benefits Office at [benefits@unc.edu](mailto:benefits@unc.edu) to request this change. Please include your name, PID and request.

## *Maintaining your UNC Connections*

### **ID Card, Onyen, and Library Access**

When the UNC Benefits Office receives notification of a faculty member’s retirement, it will then automatically establish for the faculty member an “emeritus status” that will keep the 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.

### **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 UNC 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 on the [UNC-CH Retired Faculty Association website](#).

### **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](http://campusrec.unc.edu) or utilize discount memberships available to UNC retirees at the UNC Wellness Centers in Meadowmont and Cary. Visit [uncwellness.com](http://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](http://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 on the [UNC-CH Office of Faculty Governance website](#). 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 Henry Owl Building, Chapel Hill, NC 27599-9170. For more information, you can call [919-962-2146](tel:919-962-2146).

## **State Employees' Credit Union**

You can remain a member after retirement and retain the same privileges as active employees.

## **Rams 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](mailto:resadminosr@unc.edu) or by calling **919-966-3411**.

This checklist was developed to ensure timely communications between research units and OHR units concerning 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](#).

## ***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 UNC 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 life you love in retirement!***

We are here to help. Contact UNC Benefits & Leave Administration  
[benefits@unc.edu](mailto:benefits@unc.edu) | 919-962-3071



HUMAN RESOURCES AND  
EQUAL OPPORTUNITY  
AND COMPLIANCE

Human Resources

