This job aid describes how to enter and end phased retirements in HRMS. The University of Minnesota’s Phased Retirement Program is a voluntary retirement program provided to tenured faculty members and academic professionals with continuous appointments who:

- have an appointment of at least 75 percent on a nine-month or greater basis; and
- will be at least 55 years of age on their Last Day of Regular Employment.

Faculty and academic professionals who participate in the program reduce their work effort over a period of between one to five years. The leave without salary during the phased retirement must be for at least 25 percent and not more than 75 percent time.

If the appointment is less than 100%, the leave without salary portion is prorated based on the reduced percentage. For example:

<table>
<thead>
<tr>
<th>Appt %</th>
<th>Leave w/o Salary Portion</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>25%–75%</td>
</tr>
<tr>
<td>75%</td>
<td>18.75%–56.25%</td>
</tr>
</tbody>
</table>

Refer to the Administrative policy “Phased Retirement Program” and FAQ’s in the Policy Library for more information on phased retirements.

Note: Phased retirements for 9 and 10 over 12 appointments are entered when their pay begins, not at the beginning of the contract year (i.e., 6/13/2016, not 8/26/2016). In their final year, 9 and 10 over 12 appointments must be changed to 9-month or 10-month appointments. Use Additional Pay to cover pay during the summer, except for the final year when it is not necessary.

**ENTERING PHASED RETIREMENTS**

Use the following pages in HRMS:

- **Position Management**: Enter a Reason of “Standard Hours Change,” select “Part-Time,” reduce the weekly hours in the Standard Hours field, and reduce the FTE.
- **Job Data**: Enter an Action/Reason of “Data Change DTA/Phased Retirement PHR,” and enter the retirement date as the Expected Job End Date.
- **Additional Pay**: Use the Earnings Code “SLV” on the Additional Pay page to indicate that the employee will receive full benefits during the phased retirement.

**STEP 1: ENTER THE HOURS REDUCTION IN POSITION MANAGEMENT (ONLY POSITION MANAGERS CAN DO THIS)**

1. Navigate to Organizational Development > Position Management > Maintain Positions/Budgets > Add/Update Position Information.
2. On the search page, enter the position number into the Position Number field and click <Search>.
3. On the Description page, click <+> to add a new row.
4. In the Effective Date field, enter the date the phased retirement starts. If possible, begin the phased retirement at the beginning of a pay period.
Phased Retirement (cont.)

5. Click the **Reason** field lookup and select “Standard Hours Change STD.”
6. In the **Job Information** section of the page, click the **Full/Part Time** drop-down and select “Part Time.”
7. In the **Salary Plan Information** section of the page, reduce the hours in the **Standard Hours** field. Tab out of the field to update.
8. On the **Specific Information** tab, open the **Education & Government** section and update the **FTE** field.
9. Scroll to the bottom of the page and click <Save>.
Note: The standard hours change will be pushed into the Job Data record.

**STEP 2: ENTER THE PHASED RETIREMENT IN JOB DATA**

1. Navigate to **Job Data: Main Menu > Workforce Administration > Job Information > Job Data**.
2. On the search page, enter the employee’s Empl ID into the **Empl ID** field and click <Search>.
3. Select the employee record for the employee’s primary job, if there is more than one listed.
4. On the **Work Location** page in Job Data, click <+> to add a new row.
5. In the **Effective Date** field, enter the date the same effective date you entered on the position update page.
6. In the **Effective Sequence** field, enter “1.”
7. Click the **Action** field drop-down and select “Data Change DTA.”
8. Click the **Reason** field drop-down and select “Phased Retirement PHR.”
9. In the **Expected Job End Date** field, enter the date the employee is expected to retire. Since this field will house the date of expected retirement for the duration of the phased retirement, 9 or 10-month appointment short work breaks must be monitored off-line.
10. Scroll to the bottom of the page and click <Save>.

**STEP 3: USE THE ADDITIONAL PAY PAGE TO ENTER THE UNPAID PORTION (THE VALUE OF THE HOURS REDUCTION), SO THE EMPLOYEE CONTINUES TO RECEIVE FULL BENEFITS**

1. Locate the Hourly Rate in Job Data within the **Compensation** tab by expanding the **Pay Rates** section.
2. Begin by calculating the value of the reduction in hours for one pay period. Use this formula:
   
   \[ \text{Hourly Rate} \times \text{Number of standard hours that were reduced in position} \times 2 = \text{Value of the reduction in hours for one pay period.} \]
3. Navigate to the **Additional Pay** page: **Main Menu > Payroll for North America > Employee Pay Data USA > Create Additional Pay**.
4. Refer to the “Additional Pay Instructions” job aid to enter an additional pay using the following values for fields on the **Additional Pay** page.
Phased Retirement (cont.)

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Code</td>
<td>SLV Unpaid Phased Retirement</td>
</tr>
<tr>
<td>Effective Date</td>
<td>The same effective date entered in Position Management and Job Data.</td>
</tr>
<tr>
<td>Additional Seq Nbr</td>
<td>1; phased retirement will not have additional sequences.</td>
</tr>
<tr>
<td>End Date</td>
<td>Enter the end date of the pay reduction.</td>
</tr>
<tr>
<td>Earnings</td>
<td>Enter the dollar amount calculated using the formula above.</td>
</tr>
</tbody>
</table>

Follow the “Additional Pay Instructions” job aid to add extra SLV additional pays if the Effective Date and/or End Date is not the beginning or end of a pay period (respectively).

5. Repeat steps 1-3 for each occurrence of reduced hours.

**STANDARD HOURS LESS THAN 26.75**

When the standard hours on a phased retirement appointment are less than 26.75, it is no longer eligible to accrue vacation but is still eligible for a personal holiday for the Twin Cities and Rochester campuses. The Crookston, Duluth, and Morris campuses have a set floating holiday in lieu of a personal holiday. Follow these steps to make the correct updates to the appointment:

**JOB DATA**

1. **Work Location Tab**
   a. Add a new row and use Action/Reason “Data Change/Special Circumstances.”

2. **Payroll Tab**
   a. *Absence System* remains as “Absence Management.”
   b. *Eligibility Group* – For the Twin Cities and Rochester campuses, change to “UMACADVTPh” - Phased Retirement Vacation Take w/ Personal Holiday. For Crookston, Duluth, and Morris campuses, change to “UMACADVt” - Phased Retirement Vacation Take Only.

**ENDING A PHASED RETIREMENT**

**JOB DATA**

1. In HRMS, navigate to Workforce Administration > Job Information > Job Data.
   a. **Work Location Tab**
      i. *Effective Date* – **one day after** the last day of work
      ii. Enter Action/Reason:
          * “Retired with Benefits/Severance”
            Use for those who retired from the University through severance packages.
          * **Central Use Only**: “Terminated with Benefits/Severance Agreement”
            Used when termination is due to a phased retirement, the employee does not meet the criteria for University of Minnesota retirement, or is part of the UEA Duluth contract (follow the old agreements with the continued subsidy for 24 months following termination).
Phased Retirement (cont.)

- Central Use Only: “Retirement/Retirement”
  Entered by Employee Benefits when the Expected Job End Date has been reached.

b. Payroll Tab
   i. Absence Management – Other (Appointment is no longer eligible for Absence Management plans.)
   ii. Pay Group – ZNP (so no pay is generated).
   iii. Employee Type – Change to ‘H’ - Hourly.

c. Compensation Tab
   i. If employee had been Salaried, make the following changes:
      Frequency – H
      Rate Code – HRLY
      Comp Rate – Hourly rate of pay (Expand the Pay Rates section to determine the hourly rate; use all decimal places.)

2. Click <Save>.

END ADDITIONAL PAY

- If an Additional Pay record exists, ensure that the Additional Pay has an end date and it reflects the last day worked. Additional Pay records should ALWAYS have an end date. Submit an HRMS Data Correction Form for any changes.
- If the appointment stops mid-pay period, enter any necessary adjustments and save. Refer to the “Understanding Additional Pay Prorating” job aid for more information about prorating.

TERMINATE CONTRACT

Submit an HRMS Data Correction Form to update the “Termination Date.” The form is found at humanresources.umn.edu > Working at the U > HRMS Training & Resources.

Note: A Notice of Appointment (NOA) is not generated for employees on phased retirement.

TERMINATE TENURE/CONTINUOUS DATA

1. Navigate to Workforce Development > Faculty Events > Calculate Tenure > Create Tenure Data.

2. Update the Tenure page fields with the following information:
   a. Tenure Status – For Faculty, change to “Termination Tenured.” For P&A, change to “Termination Continuous.”
   b. Change Date – Enter the date of termination.
   c. Change Reason – “Retirement” or “Resignation”