THE CITY UNIVERSITY OF NEW YORK

Pilot Pre-Retirement Partial Leave with Partial Pay Policy and an Amendment to the CUNY Optional Retirement Program to Permit In-Service Distributions to Participants in the Pre-Retirement Partial Leave with Partial Pay Program

RESOLVED, That effective May 1, 2013, the Board of Trustees of The City University of New York approve a modification of the partial leave with partial pay policy to establish a pilot pre-retirement partial leave with partial pay program, as set forth in the attached policy, to be effective beginning with the 2013-2014 academic year; and be it further

RESOLVED, That the Vice Chancellor for Human Resources Management is authorized to issue such rules and procedures as she deems necessary or appropriate to regulate the implementation of this program; and be it further

RESOLVED, That this pilot program will expire after the faculty who apply and are approved to participate during the 2015-2016 academic year complete the pre-retirement leave program, unless the Board of Trustees continues it; and be it further

RESOLVED, That the Board of Trustees authorize an amendment to The City University of New York’s Optional Retirement Program (“ORP”) to permit ORP participants who take part in the Pre-Retirement Partial Leave with Partial Pay Program, or any future University pre-retirement, reduced workload program (together hereinafter referred to as a “Pre-Retirement Program”), to receive a distribution, consistent with the terms of the ORP annuity contracts, of a portion of their accumulations from the ORP, while they are still employed by the University and, under the terms of the Pre-Retirement Program, are receiving a reduced salary and contributions to the ORP; and be it further

RESOLVED, That the amendments to the ORP authorized herein apply both to the current ORP maintained under Internal Revenue Code Section 401(a) and its predecessor, the “frozen” ORP, maintained under Internal Revenue Code Section 403(b).

EXPLANATION: A review of the statistics shows that, like other institutions of higher education, many members of the University’s tenured or certificated faculty are approaching an age when they are turning their attention to options and programs that will serve them well in retirement. For some, the transition to retirement may be difficult. To help with this concern, the University has offered pre-retirement workshops to provide faculty with the information they need to make informed decisions. However, sometimes information is not enough: a period of transition is often desirable. Towards that end, the University is initiating a three-year pilot program in which it will permit tenured faculty who are members of the Optional Retirement Program to request partial leaves of absence with partial pay for up to three years preceding their retirement to enable them to explore post-retirement options and ease the transition to retirement. Participation is entirely voluntary. The pilot program is effective from the 2013-2014 academic
year through the 2015-16 academic year. The University reserves the right to cancel the pilot program earlier. In the event that the University cancels the pilot program, individuals who have commenced participation in the Program will be allowed to complete their pre-retirement partial leave period. The program will be reviewed during the course of the pilot to determine whether it should continue beyond the 2015-2016 academic year.

Participants in the ORP currently cannot begin to receive a distribution from the ORP until they have severed their employment from the University. The amendment to the ORP would allow a participant in the Pre-Retirement Program to take distributions from his or her ORP retirement account while still employed by CUNY under the Pre-Retirement Program, and therefore receive additional income during the pre-retirement period to make up for the reduction in salary. Because all participants in the Pre-Retirement Program must be 65 or older, ORP accumulations may be distributed to participants who are still employed under the applicable provisions of the Internal Revenue Code.