Report of the Working Group on Retirement Incentives

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- Review of Survey Results
- Review of Faculty Characteristics
- Working Group Recommendations
Retirement Survey Results

- 326 Respondents
- Expected retirement age: 66.1 to 71.6
- Little variation with retirement plan:

<table>
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<tr>
<th></th>
<th>VRS</th>
<th>ORP</th>
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<tbody>
<tr>
<td>Count</td>
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<td>264</td>
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<tr>
<td>Low Age</td>
<td>68.2</td>
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<td>High Age</td>
<td>74.0</td>
<td>71.1</td>
</tr>
<tr>
<td>Low Time To Retire</td>
<td>7.0</td>
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<tr>
<td>High Time To Retire</td>
<td>15.0</td>
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For those planning to retire within 10 years:

- 127 Respondents
- Expected retirement age: 66.0 to 71.4
- More variation with retirement plan:

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<th>VRS</th>
<th>ORP</th>
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<td>Low Age</td>
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<td>7.3</td>
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Expected Retirement Activities

More likely to continue scholarship than to teach.
Reasons Not to Retire

Disincentives

- You enjoy your position too much to stop working.
- Retirement will not be financially viable for you.
- You will be too young to collect optimal Social Security benefits.
- Your department or program may not be able or choose to replace you.
Desired Benefits

- Library privileges
- Return to Work
- Rec center privileges
- Health insurance until age 65
- Cash bonus, individual salary & age
- SSRL waiver
- Reduced Duties
- Cash bonus, unit salary & age
- Office
- Guaranteed replacement

[Bar chart showing desired benefits with some marked as desired]
Possible Incentives

- Cash bonus, individual salary & age
- Return-to-work
- Health insurance until age 65
- Cash bonus, unit salary & age
- SSRI waiver
- Reduced Duties
- Guaranteed replacement
153 respondents (mostly ORP) said they were delaying retirement due to financial concerns. They listed the following as likely incentives.
Other comments

• 81 comments from individuals.
• Desire to continue research (office, ability to be PI, lab facilities) – Case by Case, currently.
• Desire to eliminate special deals.
• Desire to prevent entitlements.
Faculty Characteristics

University-wide, the age distribution is stable
Faculty Characteristics

University-wide, the retirement age has been averaging near 66.
Faculty Characteristics

Merit scores are insensitive to age.

196 Merit scores versus age for T/TE faculty in Arts and Sciences. Four outliers have been removed to preserve anonymity.
Planning for Retirement

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https://www.wm.edu/offices/hr/currentemployees/benefits/12monthprofandfaculty/thinkingofretiring/index.php
Working Group Recommendations

• No new standardized retirement incentive is necessary at this time. The current age distribution is reasonable and stable. There is insufficient evidence of reduced performance with age. The most likely incentive (cash bonus) should be individually negotiated.
• A large number of faculty have delayed retirement due to financial concerns, but most believe the proposed alternatives proposed are insufficient.
• The age restrictions on RRTW may be unproductive for faculty with a VRS retirement plan.
• There is a need for better planning for faculty nearing retirement. HR personnel routinely provide counseling and have recently re-designed their web pages to provide detailed information.
• The Faculty Assembly should revisit this issue in three years to monitor the faculty age distribution and the faculty attitude towards retirement incentives.