

# **COLUMBIA UNIVERSITY FACULTY RETIREMENT**

**Spring, 2009**

## **Report and recommendations of the THE FACULTY QUALITY OF LIFE COMMITTEE (FQOL) with the Faculty Retirement Working Group**

### **Introduction:**

Faculty retirement is a significant issue as faculty are living longer and often choosing to work longer. Since the 70 year old mandatory retirement age was removed in the early 1990's, little attention has been given to this population. However, with the baby boomers facing aging and the need for making space for the recruitment of younger faculty, facilitating the retirement decision-making and access to the necessary resources to retire are of prime concern not just to Columbia, but to universities nationwide.

### **Background:**

The FQOL identified faculty retirement as one of the primary areas it chose to address. This committee, formed by Provost Alan Brinkley in 2005, is a committee of Morningside campus faculty exploring what can be done to help faculty address the critical quality of life issues, such as parenting, work environment, housing and retirement.

The Associate Provost and Director of Work/Life formed the Retirement Working Group to do preliminary identification, analysis and recommendations about faculty retirement. The work of this committee has been brought to the FQOL Committee for review, feedback, and suggestions. This report and recommendations are a result of both groups' work to date.

The five major areas identified for review are:

- pension, health care and other benefits
- phased retirement
- financial and retirement planning awareness/education
- access to university resources
- academic participation

The topic of housing was minimally addressed as other committees, including FQOL, are looking at that issue on a broader scale inclusive of retirees.

Many additional areas of interest regarding faculty retirement require further attention, which can be accomplished if the recommendations in this report are accepted and implemented.

## **Definition of Issues and Recommendations:**

### **Pension/ Health Care/ Other Benefits:**

#### **Pension:**

Financial issues related to pension, health care and access to other benefits has been of major concern to faculty. Many faculty, given the relatively low cost of their housing and health benefits, have not paid much attention to financial planning for retirement. Columbia University started contributing to the pension fund in 1976; however the pension plan has been structured to provide disincentives to retiring at an earlier age as the university contribution increases tremendously in the later years.

**The Benefits unit is exploring a restructuring of the plan to be more consistent with peer universities.** The retirement working group and the FQOL committee developed principles and submitted them to Benefits to use in the proposed redesign.

Those principles include:

1. Benefits incoming junior faculty
2. Not disadvantage recruitment of middle-aged tenured faculty from other universities
3. Not advantage recruitment of more senior tenured faculty
4. Support the renewal of the faculty by not being a disincentive to retirement
5. Sufficient funds for someone to retire at full career
6. Should be simplified description, easy to understand
7. Should be structured similarly to peer universities retirement plans in order to be competitive and to not inhibit faculty from coming to Columbia

#### **Health Insurance:**

Most faculty had subscribed to Oxford health plan which had a high monthly cost to retirees. Many faculty chose not to retire in order to avoid this high cost. In response to this concern,

- **Benefits introduced new health plan options for retirees starting 07-08.**

Many faculty are confused with how to integrate Medicare with the health plan and do not understand the benefits they are eligible for with both plans. The following recommendation is to address this problem:

- **Identify one position in the Benefits unit to be the contact person for all retirees and faculty who are Medicare eligible. This person will respond to all questions about health care coordination with Medicare and any related questions or issues.**

#### **Long term Care Insurance:**

This optional plan is offered to retirees without university contributions and is one of the many currently on the market.

**The committee's recommendation is for:**

- **Benefits conduct a review of Long Term Care plans available to faculty (and others) to ensure the best one is being offered.**
- **Benefits conduct educational programs for faculty of all ages about long term care insurance; promote one-on-one financial counseling for faculty.**

**Life Insurance:**

The university does not contribute to retiree life insurance. The high cost of this insurance precludes many retirees from purchasing it.

**The committee's recommendation is for:**

- **Benefits to pursue if employer contributions to life insurance for retirees and their spouses/partners is a viable option, however it is highly unlikely.**

**Elder Care Counseling, Assessment, and Referral:**

- The health care system does not offer significant support for people living with chronic and debilitating illness and disability. Increasingly, older adults require more assistance for managing their lives as they age. The social system to address this problem is very uncoordinated, and often without sufficient funding to provide for those who need services to maintain their lives at home, or in other facilities. In addition, as each individual requiring assistance has a unique family/social structure and financial/ living situation, there is no easy, generic approach that can be used. Providing accurate referrals and emotional support to retirees and their family members who are in this situation would save much time and frustration in accessing the appropriate resources. The current Backup Care program is available to current faculty, not retirees.

Based on the above rationale, the committee recommends that the university:

- **Develop a professional elder care counseling and referral program, available to current faculty and retirees. There is now an Employee Assistance Program that provides elder care information and referral to faculty however this benefit does not extend to retirees.**

**Retirement/Financial Planning and Education:**

Many faculty do not pay attention to finances as their attention is often drawn to their academic pursuits. Offering financial planning at all stages of the lifecycle is critical to planning for a financially sound retirement. In addition to the financial aspects of retirement, many faculty are concerned with how they will spend their time as they have singly devoted themselves to their academic careers. Financial and other concerns post-retirement may prevent many faculty from considering retirement, which could be mitigated if faculty were supported in appropriate planning pursuits.

Though there are opportunities for all benefits-eligible employees to meet with representatives of Vanguard and TIAA –CREF on an individual basis, many faculty don't avail themselves of this option. In addition, there is some mistrust as these representatives will try to sell their products to address the issues they identify as being important. As a result, Benefits organized financial planning educational sessions for employees in 07-08, delivered by an independent vendor who does not sell any financial products. These sessions were well attended and received. Based on the above rationale, the committee recommends that the university:

- **Offer faculty-only educational sessions with a retirement planning focus. Have some sessions geared to faculty over 55 and some sessions geared to faculty under age 40.**
- **Consider offering retirement “fairs” for faculty**
- **Provide individual financial/retirement consultation sessions with an independent consultant to faculty when they first arrive at Columbia and again every ten years.**
- **Develop packets of retirement education/financial planning materials to be sent at regular intervals (e.g. every 2-5 years) to all faculty at various ages, in particular 55 and older. These packets would include a standard communication from the Provost and how to access financial and retirement planning services being offered.**

To address the other retirement planning issues, such as how to look at one's time post-retirement, it is recommended that:

- **General retirement planning sessions for non- financial aspects of retirement including housing/living options, emotional and social aspects of retirement, volunteer options, and recreational activities are developed and delivered once a semester or as deemed necessary. These sessions would include panels of retired faculty and include faculty in the planning.**

#### **Transition to Retirement:**

In order to facilitate a smooth transition to the first day of retirement, there are a number of activities that occur at the time a faculty member's retirement date approaches and occurs.

- **Develop a handout/checklist for all matters that need to be addressed by the final retirement date (e.g. process of moving out of office and moving libraries and files; final retirement date, ), including post-retirement resources**

#### **Phased Retirement:**

Phased retirement is refers to a process where a faculty member can teach less or reduce other duties for a period of time, generally a few years, when nearing retirement. This is a method of helping the faculty member prepare for full retirement as well as the university to do a search to hire a new professor.

Columbia has had phased retirement for a number of years. The process involves the faculty member negotiating with the department for a reduction of duties, and other needs during the phased timeframe, as well as a negotiation for full retirement. The Provost's office is involved in these negotiations for all the schools except Arts & Sciences, where the VP in the Arts & Sciences office handles their own negotiations.

Although the retirement process is outlined in the faculty handbook, there is a general feeling amongst faculty that other faculty may receive a better package than themselves. As a result, many faculty hold out and do not retire in the hopes of receiving a better package in the case that the university would prefer them to retire to make way for junior faculty.

After much discussion, the committee felt that individualized packages were the most favorable for faculty, as each faculty member has different areas of significance to them. For some it is maintaining graduate students, other to teach, other to maintain equipment, etc.

In order to address the climate that the current system of secret, individualized deals promotes, there is a sense that transparency would be more attractive. This seems particularly true for younger faculty who often come from other universities where there is increased transparency. Therefore, we are recommending the following:

- **Analyze past retirement and phased retirement packages for typical arrangements. Based on the analysis, consider the development of a document that provides guidance for negotiations of phased and other retirement packages which would include typical areas of negotiation and sample arrangements.**

#### **Access to University and Department Resources:**

For many faculty, continued access to resources that would enable them to continue some aspects of their academic work post-retirement is of great interest. The most typical desired resources, of which some are currently offered, are:

##### **University:**

- Library
- Gym
- Parking
- Faculty House
- Arts and other events

##### **Department:**

- Office space
- Lab
- Computer (IT) Support (for home and office)
- Email

- Office Services
- Campus mail and franking privileges
- Copy /fax
- Secretarial Support

**The committee recommends the development of a new officer of administration role on campus that would address all retirement issues, coordinate education sessions, etc. This new officer would work with the entire university and all departments to review, clarify and possibly increase access to resources available to retired faculty.**

**EPIC (Emeriti Professors in Columbia):**

This retirement organization has space at faculty house and its membership includes many primarily local emeriti. This organization plays an important role for retirees and for the university.

- **Mentoring: EPIC volunteers to mentor international and other faculty new to NYC and Columbia about life as a faculty member here.**

**Academic Participation:**

Many faculty would like to continue with their academic work post-retirement. Further analysis of the following issues is required:

- Governance/Voting
- Teaching
- Research: labs, research assistants
- Dissertation committees
- Doctoral/grad students
- Conferences, professional meetings
- Departmental receptions and email lists

**Housing:**

Though not addressed by the retirement working group and in the retirement discussion of FQOL, housing is a significant issue for faculty who retire. There has been confusion about policies regarding remaining in or leaving university housing and in particular the professor's apartment for a smaller one. This has been a major disincentive for faculty to retire.

- **As the university purchases or develops more housing, consider the development of housing specifically designed for retirees, such as in Manhattanville. This housing could include programs and services designed for an aging community.**
- **During the current review of housing policies, including those for retirees and their spouses/partners/widows/widowers, we would recommend special moving and other supports for retired faculty during the implementation of these policies.**

### **Conclusion:**

Faculty retirement brings together many areas of great concern to all faculty of any age. In addressing these concerns in a coordinated manner, many faculty will feel more comfortable with retirement and in turn plan more effectively for retirement. In the interest of the retirees well-being, the long-term rejuvenation of the faculty, and hence the long-term health of the university, it is vital that we provide sufficient supports to address the myriad of issues associated with faculty retirement.

Though the focus of this report is on Morningside faculty retirement, many of the recommendations would be helpful for faculty at the other campuses in addition to other officers, such as officers of administration, research and the library.

- **Recommend FQOL review retirement issues in general, and the status of these recommendations specifically, on at least an annual basis.**

**Appendix A: Membership of Retirement Working Group and its mission and goals**

**Appendix B: Membership of Faculty Quality of Life Committee**

**Appendix C: Principles regarding retirement**

**Appendix D: Section from Faculty Handbook regarding retirement and Phased retirement**