

FACULTY AND LIBRARIAN RETIREMENTS 2006-2012

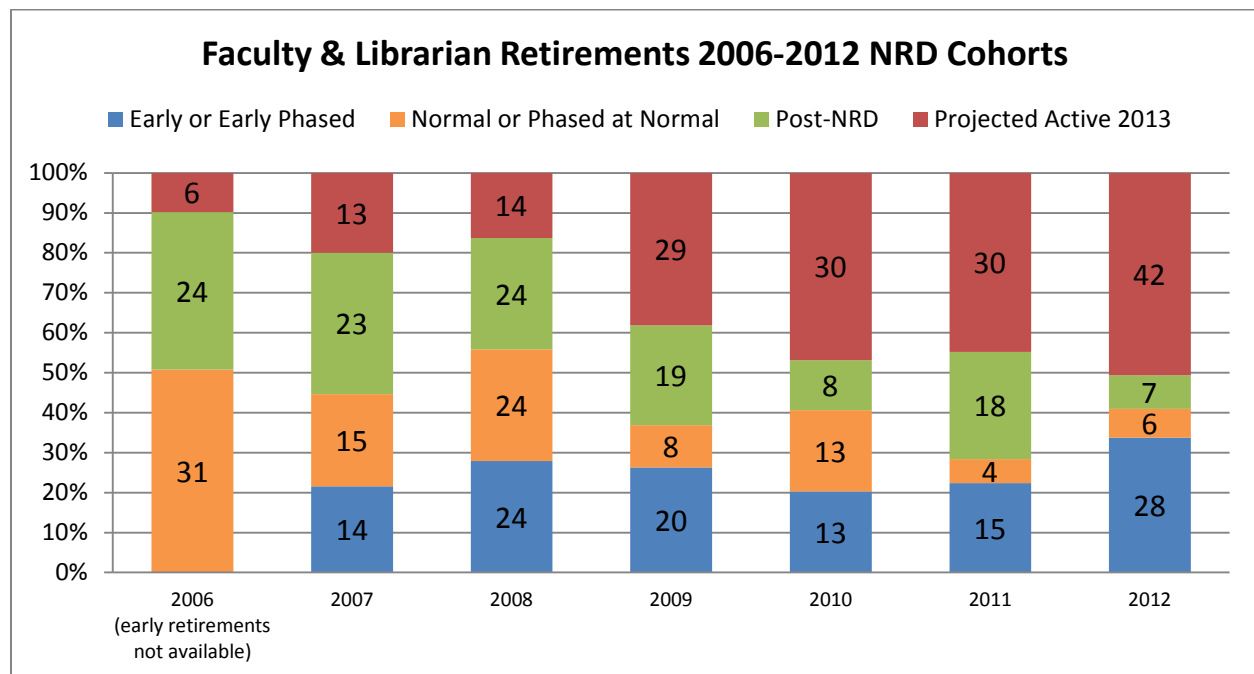
The office of the Vice-Provost, Faculty & Academic Life collects a variety of information on the retirement of faculty and librarian to better understand the emerging retirement patterns arising from the end of mandatory retirement. Retirement activity under the Special Retirement Plan is also assessed.

NRD COHORTS

One method used to examine these patterns is to group faculty and librarians into cohorts based on their “normal retirement date”, which is the academic year in which one turns 65. Faculty and librarians with NRDs between July 1, 2006 and July 1, 2012 were examined for this report. Those in clinical appointments or inactive in HRIS (usually on long-term disability or who had resigned their employment) are not included in this analysis. Also, for the cohort analyses the academic year in which an individual started phased retirement was used. Entering phased retirement is a commitment to retire after 3 years in a reduced appointment and it is easier to track from the start date. In all cohorts except 2006, early retirement data is included.

The chart below (Figure 1) summarizes the retirement activity of faculty and librarians by NRD cohort as of July 1 2012. As expected, the majority of those who turned 65 by July 2006 have retired; only 9 faculty from that cohort remain. Under the Income Tax Act employees are required to start their pension on the December 1st of the calendar year in which they turn 71 even if they continue to be employed by the University. They stop contributing to the pension plan but receive both pension income and a salary which increases their taxable income.

FIGURE 1



The projected attrition rates of faculty and librarians are presented in Table 1. Considering retirements up to July 1, 2013, the total attrition rate of faculty and librarians in these cohorts due to retirement is 67% with 164 active

faculty and librarians aged 65 and older. Their average age as of July 1, 2012 is 67.6. As of February 12, 2013, 19 faculty and librarians are 71 or older.

TABLE 1 ATTRITION RATE DUE TO RETIREMENT BY NRD COHORT

	Total cohort	Projected Active 2013	Attrition Rate
2006	61	6	90%
2007	65	13	80%
2008	86	14	84%
2009	76	29	62%
2010	65	30	54%
2011	67	30	55%
2012	83	42	49%
Totals	502	164	67%

In the charts that follow the retirement patterns of faculty and librarians in their NRD cohort are plotted. Early retirement data for NRD 2006 was not available. For all NRD cohorts there is a clear pattern showing that aged 65 is an arbitrary retirement age; many faculty and librarians choose to retire before their NRD and there is a slow, but steady number of retirements after age 65. Dates with an asterisk * indicate retirement opportunities under the Special Retirement Program (SRP).

FIGURE 2

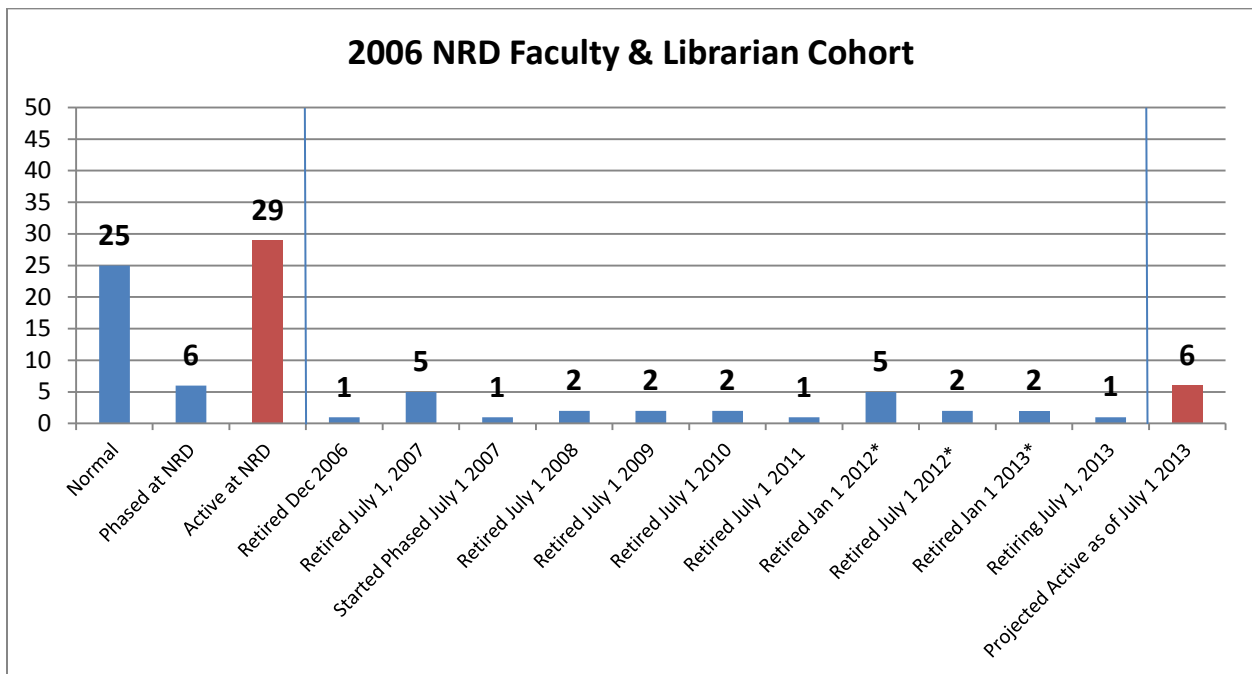


FIGURE 3

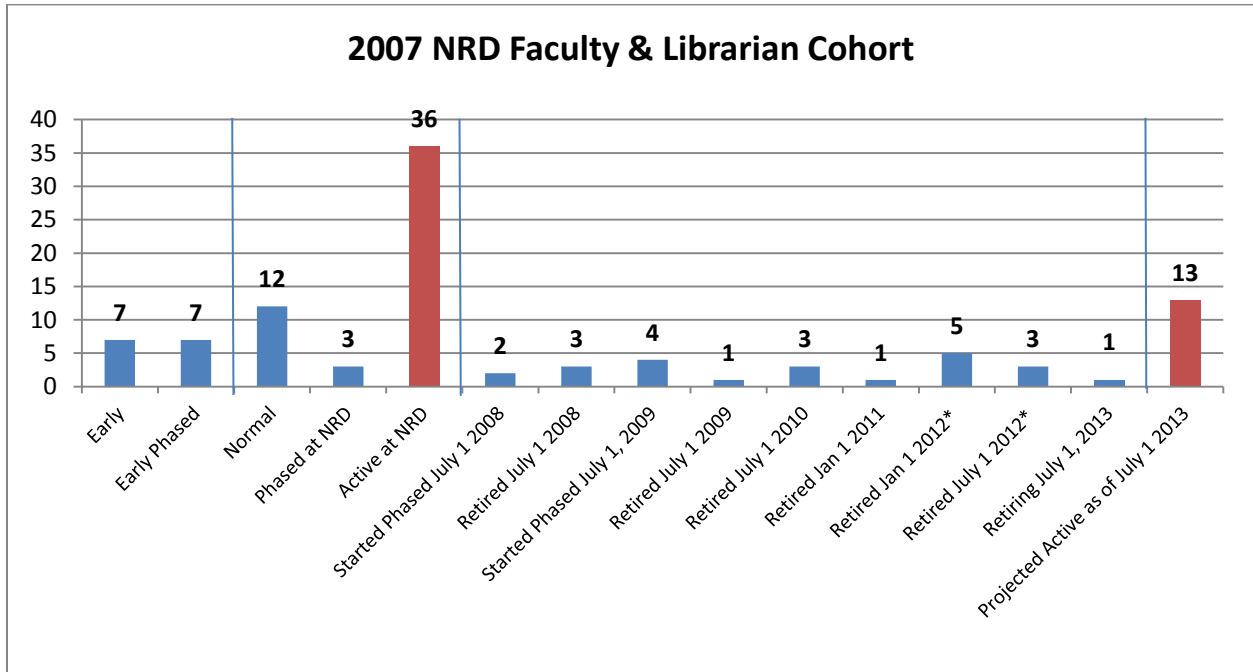


FIGURE 4

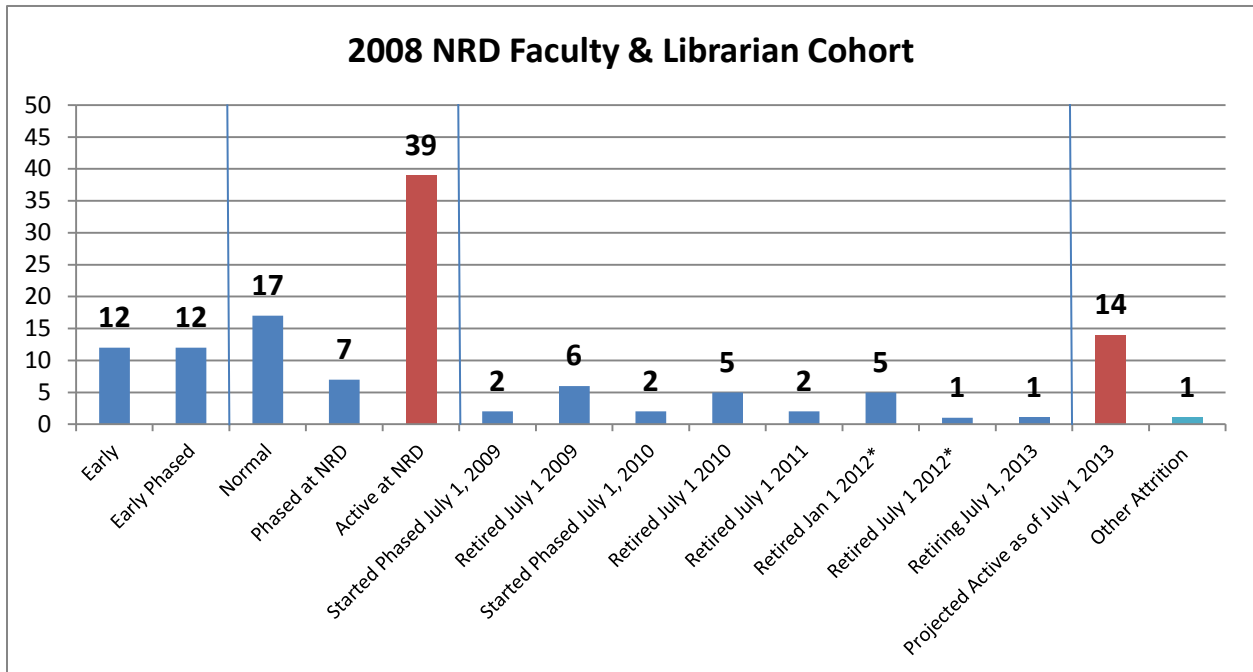


FIGURE 5

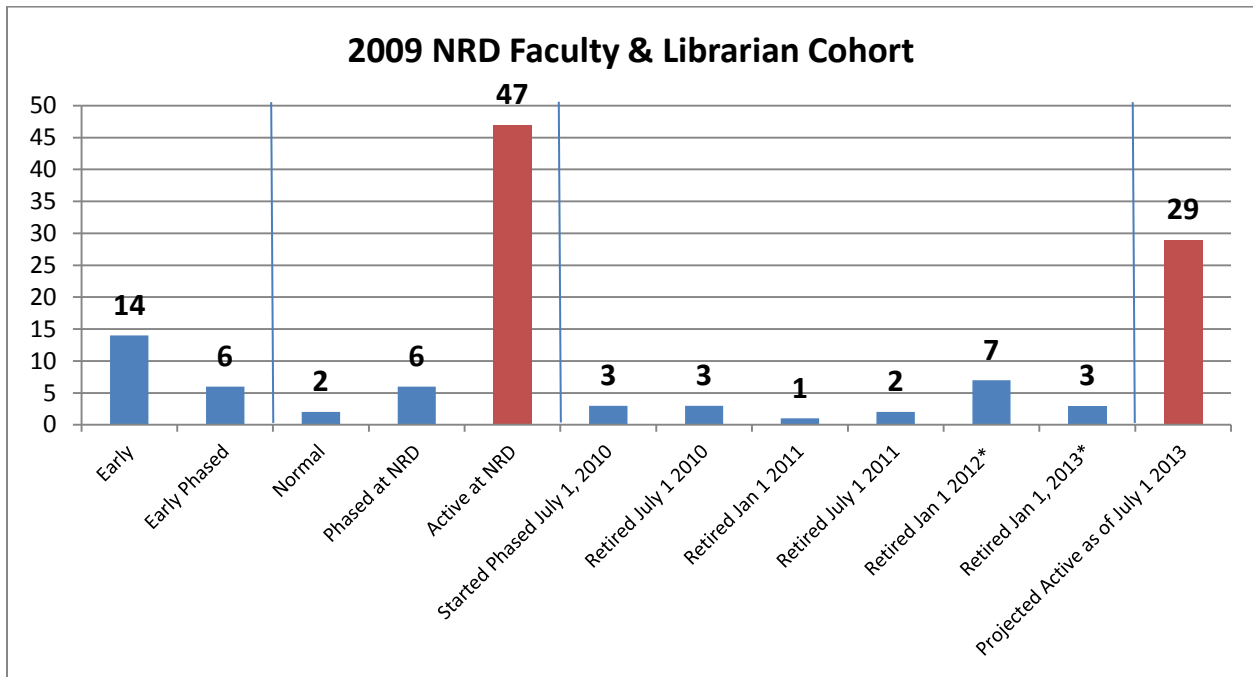


FIGURE 6

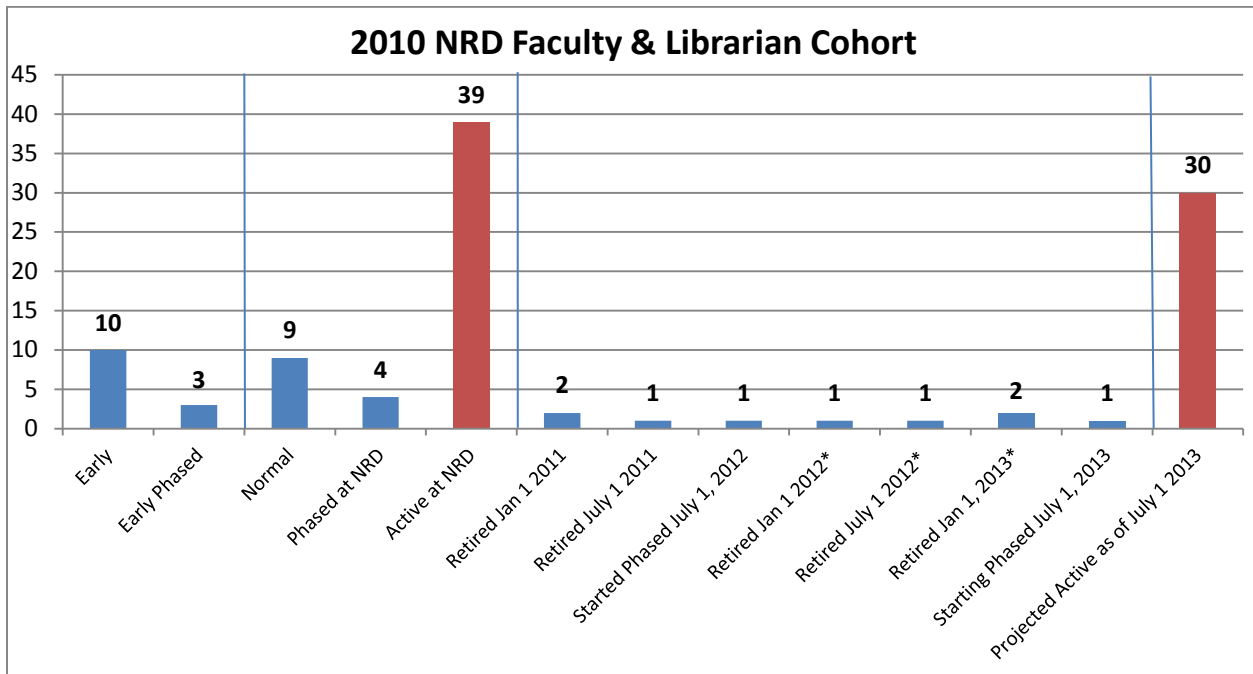


FIGURE 7

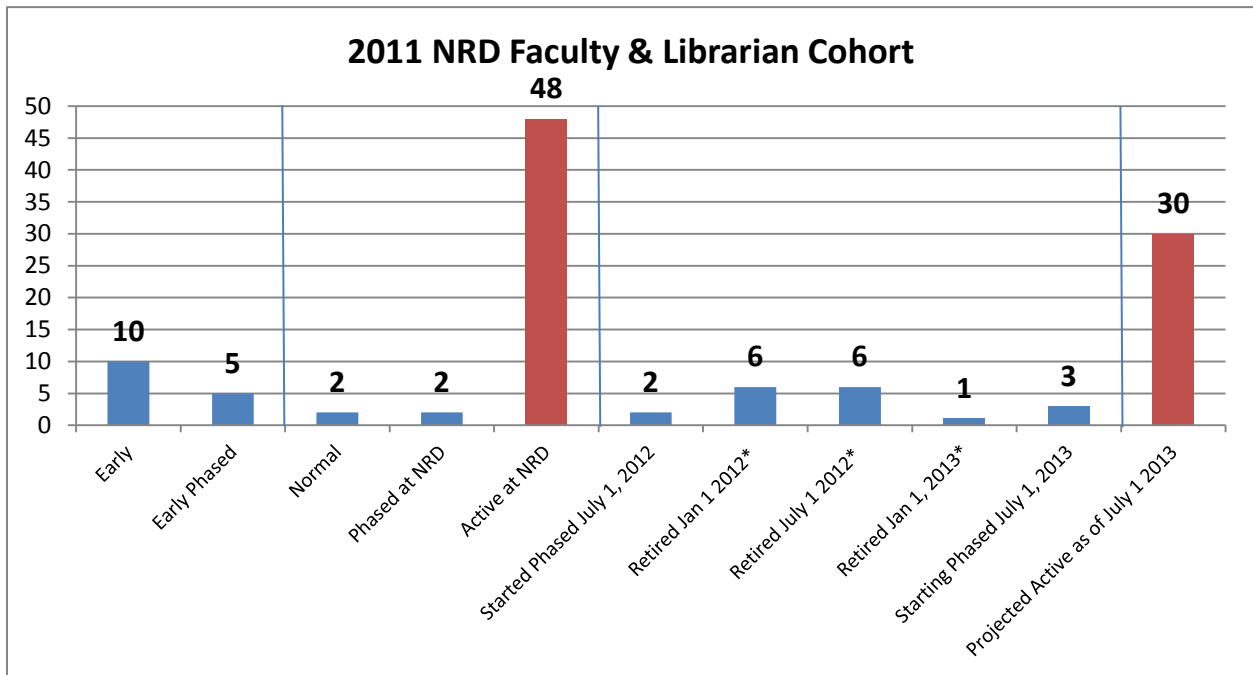
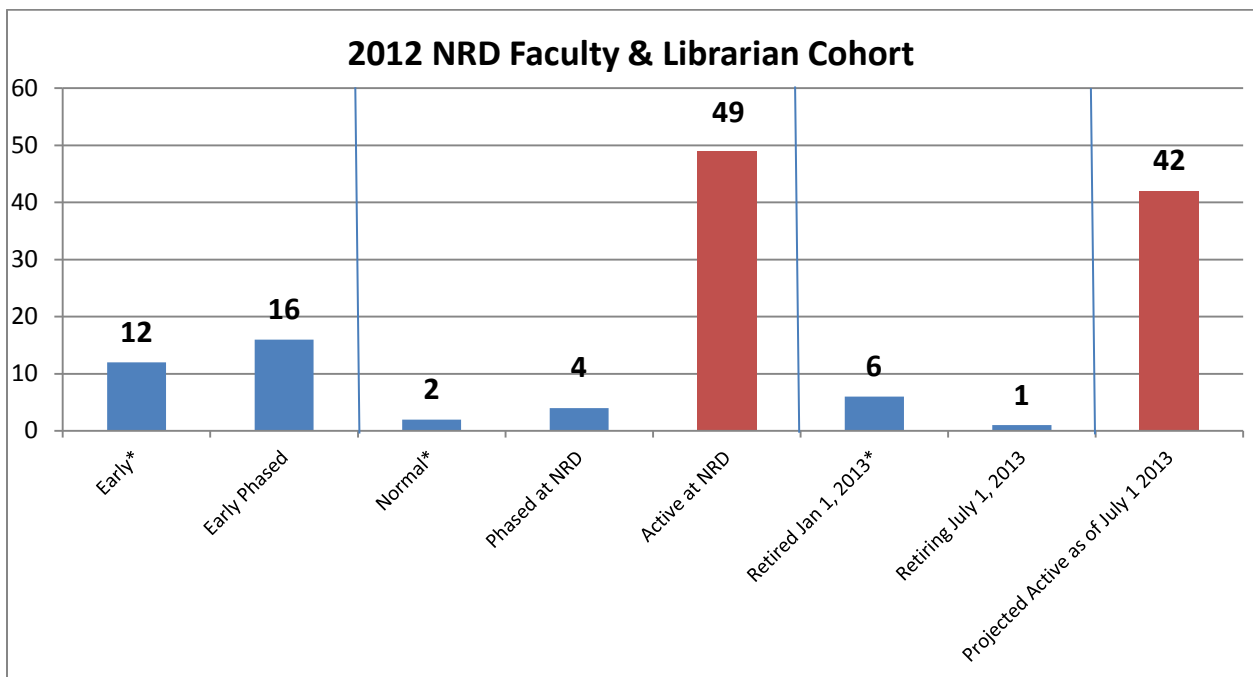
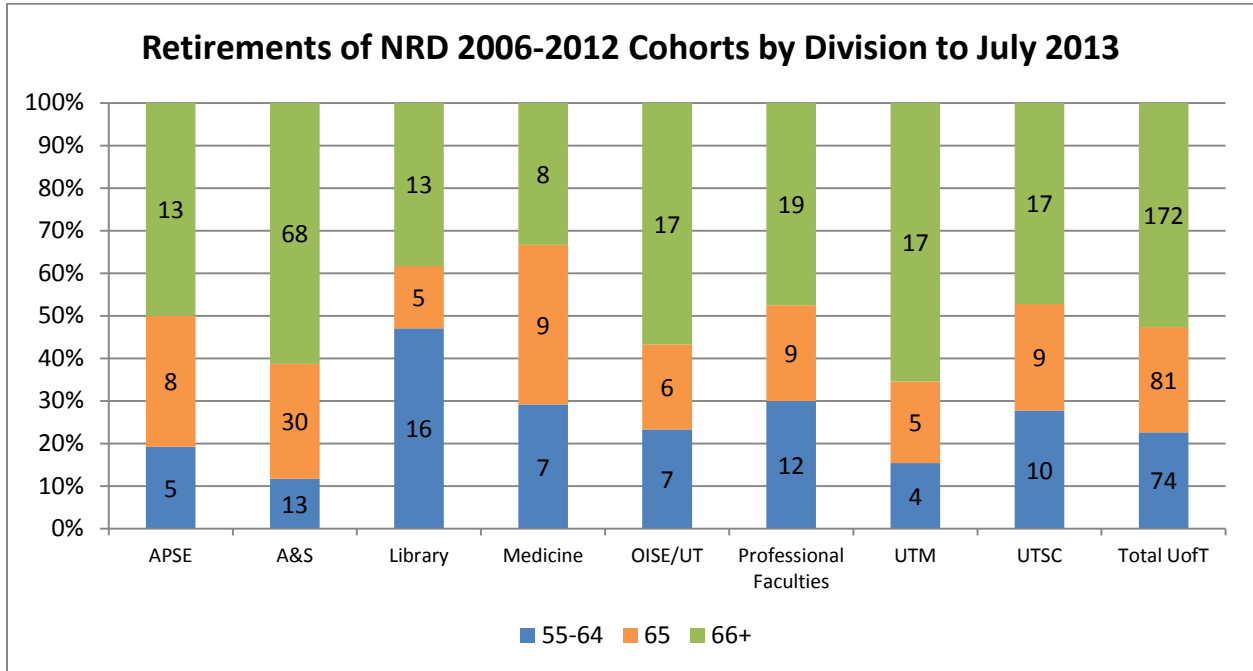


FIGURE 8



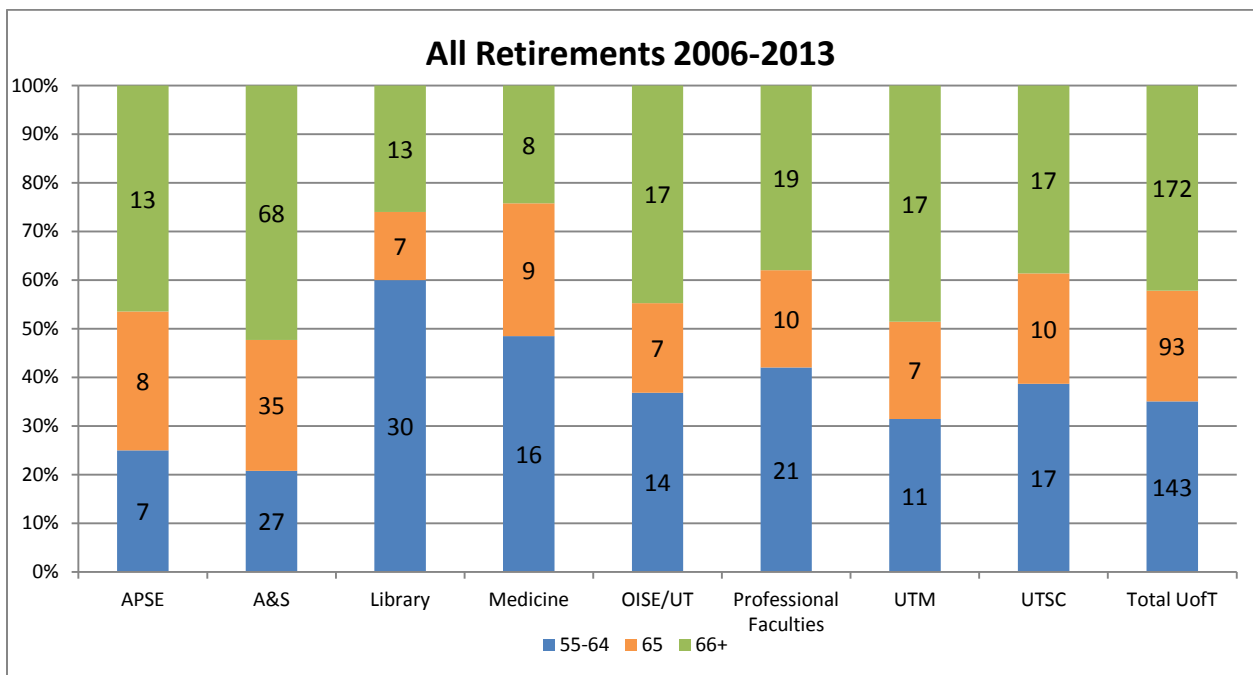
The chart below (Figure 9) shows that in the six-year period since the end of mandatory retirement just under half of faculty and librarians retire before or at their normal retirement date, though there are divisional differences. Librarians and faculty in Medicine retire at or before age 65, while the majority of faculty in Arts & Science, OISE and UTM retire post-NRD.

FIGURE 9



The trend toward early retirement is clearer when all retirements (including those finishing phased retirement, but not currently in the program) occurring between 2006 and 2013 are considered (see Figure 10). In most divisions the majority of faculty and librarians are retiring before or at 65. By July 2013, almost 58% of faculty and librarians will have retired by their NRD.

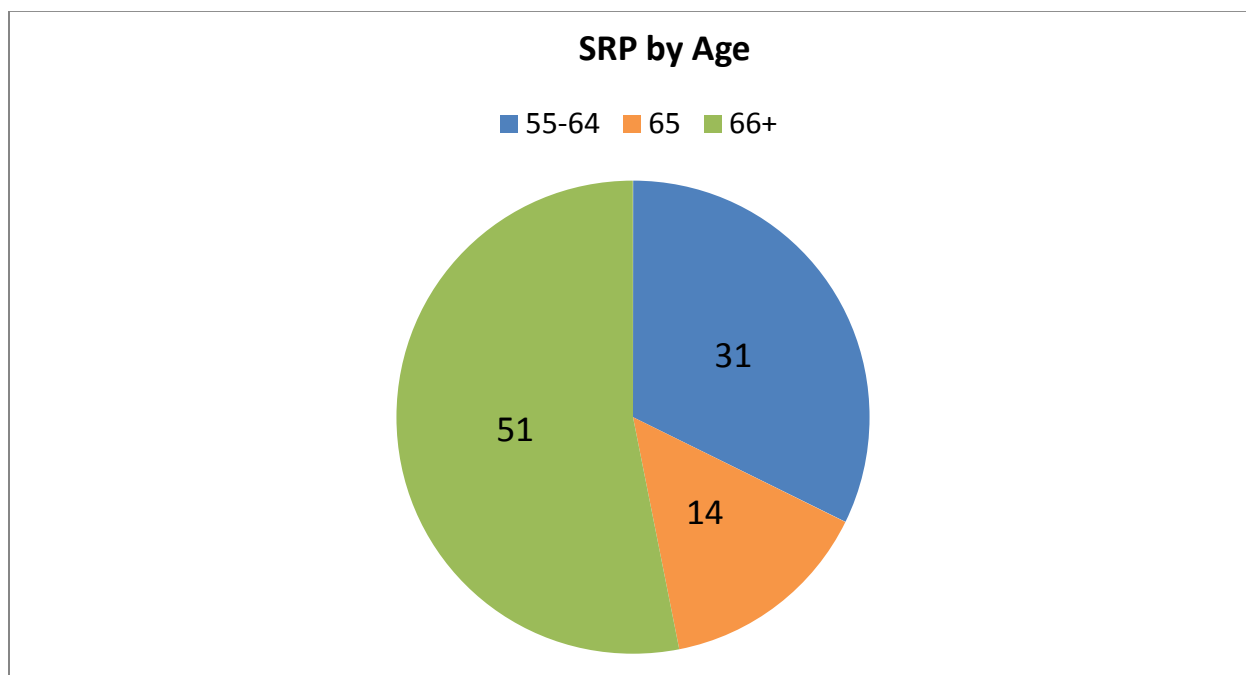
FIGURE 10



SPECIAL RETIREMENT PROGRAM

A total of 96 faculty and librarians opted to retire under the Special Retirement Program (SRP). Of these, 27 retired January 1, 2013 after their paid leave. They are included in the charts below. The majority of faculty and librarians (85%) choosing the SRP will retire on or after their NRD.

FIGURE 11

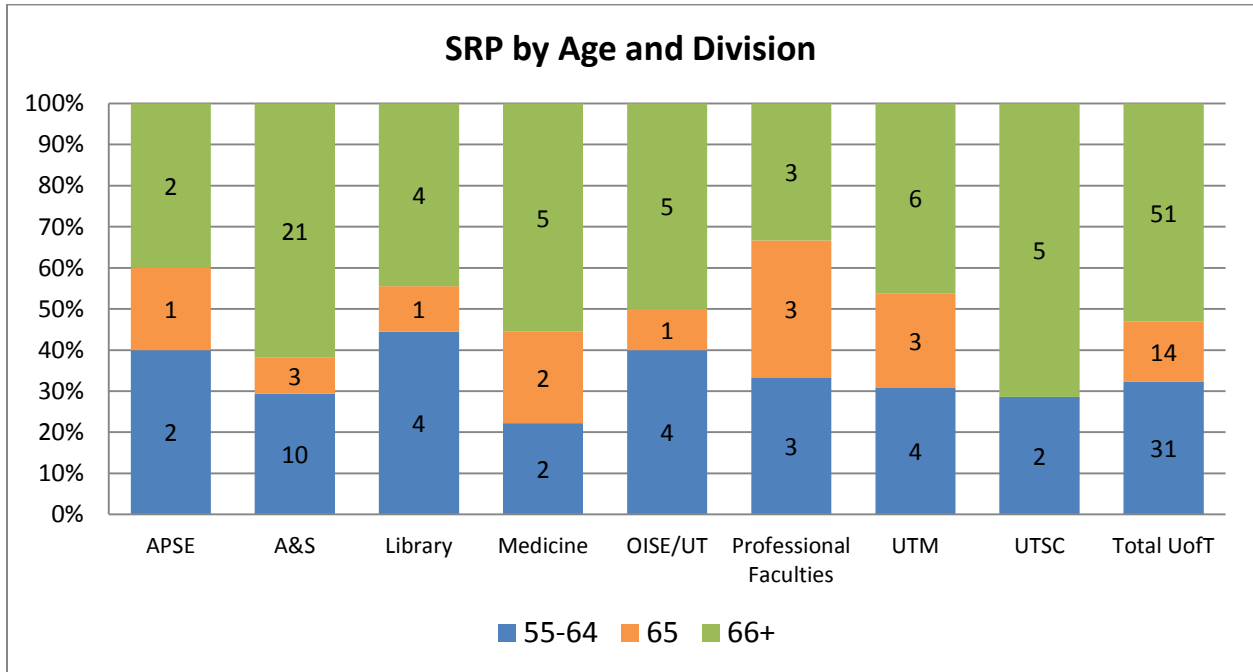


There were some divisional differences in the proportions of faculty and librarians choosing the SRP by age grouping, though overall this program was most attractive to those over the age of 65.

TABLE 2: SRP RETIREMENTS BY DIVISION

Age at retirement	2011			2012			2013		
	55-64	65	66+	55-64	65	66+	55-64	65	66+
APSE				2	1	2			
A&S	1	2	3	5	1	15	4		3
Library				2	1	1	2		3
Medicine			1	2	2	3			1
OISE/UT	1			1		5	2	1	
Professional Faculties				1		2	2	3	1
UTM				3	1	6	1	2	
UTSC			1			4	2		
Totals	2	2	5	16	6	38	13	6	8

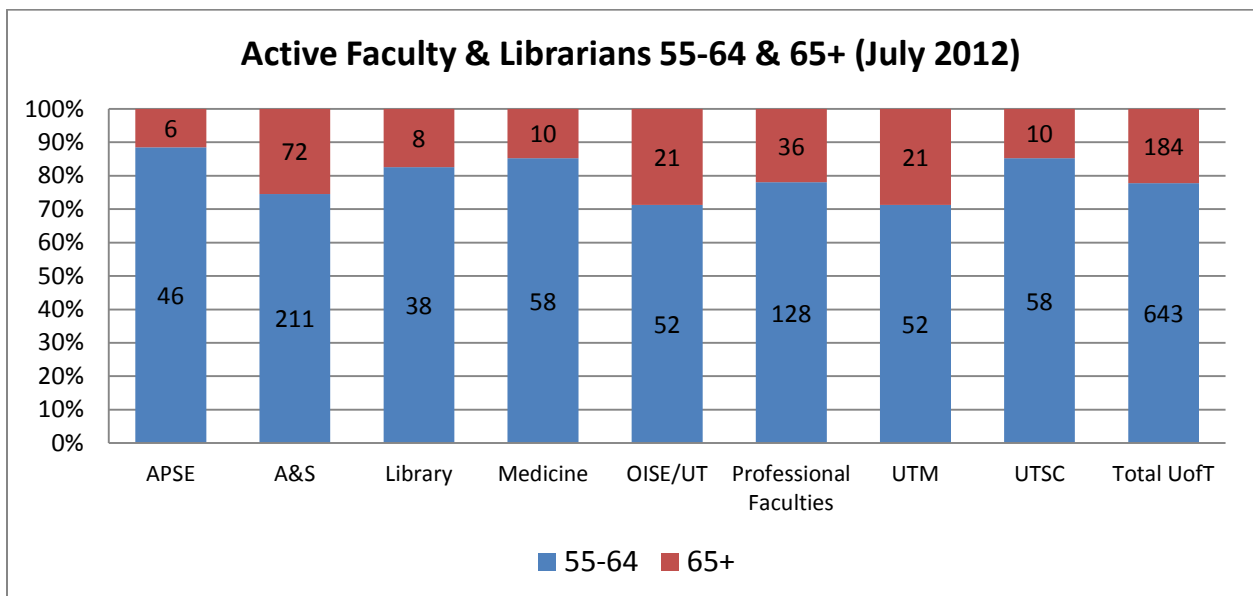
FIGURE 12



ACTIVE FACULTY AND LIBRARIANS

The chart below provides a snapshot of faculty and librarians 55 and older who were employed at U of T as of July 1, 2012. The proportion of those working past their NRD varies by division with the highest proportions in OISE/UT, UTM and Arts & Science.

FIGURE 12



RESOURCES ON RETIREMENT FOR ACADEMIC ADMINISTRATORS

The Academic Administrative Procedures Manual (www.aapm.utoronto.ca) provides details of the policies relevant to the retirement of faculty and librarians. It summarises the current retirement options (outlined below) and offers step-by-step guidance in the application process. Links are provided to forms and key documents. For faculty and librarians, the website of the Vice President Human Resources and Equity is currently updating its information on retirement programs and the application process.

CURRENT RETIREMENT OPTIONS

Faculty may opt to retire under a number of different programs. In each case, a form is completed and sent to the Provost's Office for information at least one year in advance of the date of retirement.

Unreduced Early Retirement

The Pension Plan has been amended to allow actuarially unreduced early retirement for faculty and librarians who are age 60 or more and have ten years of pensionable service. The date of retirement can be either June 30 or December 31.

Phased Retirement

The Phased Retirement Program allows full-time faculty members and librarians, who are between the age of 57 and 66, to scale down their responsibilities over a three-year period. Notice of intention to participate in the PRP must be given one year before the start date for phased retirement (which must be a July 1).

During phased retirement, participants will continue to accrue pension based on their full salary and will receive an incentive premium in the form of a retiring allowance of 75% of their salary as of the June 30th before entering the PRP. There are various options for receiving the retiring allowance that are set out in the above form. Over the three year period, the participant's cumulative appointment must be at least 150% but not greater than 200% of a full-time appointment, with a minimum appointment in any one year of 25% FTE. Faculty members and librarians in phased retirement are expected to continue the full range of their normal pre-program duties on a pro-rated basis as agreed with the unit head.

Postponed Retirement

Those faculty members and librarians who choose to postpone their retirement beyond 65 continue to participate in the Pension Plan and continue to accrue benefits. They can choose to retire in any year with one year's notice.

Revocation of Notice to Retire

A one month 'cooling off' period is now provided for faculty members or librarians who have submitted a notice of intention to retire under any of the above options at least one year in advance of their retirement date.

Notices of intention to retire under any of the above options are irrevocable unless a signed revocation of notice of intent to retire form is received by the Unit Head **within one month** of the date at which the **original notification** was provided.

Notices of intention to retire which are accepted with less than 12-months' notice are irrevocable.