

**ECU Phased Retirement Program for Tenured Faculty**  
**Continuation of Benefits**  
**Revised August 2024**

<b>Benefit/Payroll Deduction</b>	<b>Eligibility/Access to payroll deductions prior to Retirement</b>	<b>Continuation of Benefits/Payroll Deductions During Phased Retirement</b>	<b>Required or Allowable Payroll Deductions from University pay or Teachers and State Employees Retirement System (TSERS) / (Optional Retirement Plan (ORP) monthly retirement benefit.</b>
<ul style="list-style-type: none"> <li>• <b>State Health Plan Preferred Provider Organization (PPO's)</b></li> </ul>	<p>As a full-time employee, you and your eligible dependents can participate in the State Health Plan.</p>	<p>You and your eligible dependents can participate in the retiree health insurance only if you receive a monthly retirement benefit from either TSERS or ORP. As a retiree receiving a monthly retirement benefit, the State continues to provide coverage for you at no cost if you elect the 70/30 plan (there is a monthly premium for retiree coverage under the 80/20; however, in all cases, if you choose coverage for your dependents, you must pay the full cost of dependent coverage.</p> <p>If over the age of 65, you are only eligible for the 70/30 plan or the Medicare advantage plan.</p> <p><i>*see footnote 1 below regarding employees hired on or after October 1, 2006.</i></p>	<ul style="list-style-type: none"> <li>• <b>University Pay:</b> Coverage is moved from the active group to the retiree group.</li> <li>• <b>TSERS:</b> Premiums for eligible dependents or the retiree premium for the 80/20 plan are deducted from the monthly retirement benefit.</li> <li>• <b>ORP:</b> The SHP allows for bank draft or direct monthly pay. The SHP, through a third party billing company, iTEDIUM, will send a letter giving you these options.</li> </ul>
<p><b>NC Flex Deductions</b></p> <ul style="list-style-type: none"> <li>• <b>Flex Spending Accounts</b></li> <li>• <b>Dental</b></li> <li>• <b>Vision</b></li> <li>• <b>Cancer</b></li> <li>• <b>Critical Illness</b></li> </ul>	<p>Available to permanent employees who work at least half-time.</p>	<p>Current coverage continues</p>	<ul style="list-style-type: none"> <li>• <b>University Pay:</b> Payroll deduction allowed on a pre-tax basis.</li> <li>• <b>TSERS:</b> Not permitted.</li> <li>• <b>ORP:</b> Not permitted.</li> </ul>
<p><b>Securian</b></p> <ul style="list-style-type: none"> <li>• <b>Life Insurance</b></li> <li>• <b>AD&amp;D</b></li> </ul>	<p>Available to permanent employees who work at least half-time.</p>	<p>Current coverage continues</p> <p>Coverage will reduce on January 1 of the calendar year following the enrollment into phased retirement.</p>	<ul style="list-style-type: none"> <li>• <b>University Pay:</b> Payroll deduction allowed on a pre-tax basis.</li> <li>• <b>TSERS:</b> Not permitted.</li> <li>• <b>ORP:</b> Not permitted.</li> </ul>
<p><b>Retirement</b></p>	<p>As a full-time employee (.75 FTE or more), you are required to contribute 6% of your salary to either TSERS, a defined benefit plan, or ORP, a defined contribution plan.</p>	<p>No longer eligible.</p> <p>(See footnote 2 below; TSERS retirees are subject to earnings limitations. Your retirement payment and health insurance will be stopped if your earnings exceed established limits.)</p>	<p>No deductions required.</p>

<b>Disability Income Plan of North Carolina Short-Term Disability</b>	Available at no cost to the employee after one year of membership service with TSERS or ORP.	No longer eligible, except through supplemental plan with Colonial (see benefits at full cost below). Coverage ceases under the Plan upon retirement.	No deductions required.
<b>Disability Income Plan of North Carolina Long-Term Disability</b>	Available at no cost to the employee after five years of membership service with TSERS or ORP.	No longer eligible.	No deductions required.
<b>Death Benefit Provided under the Teachers' and State Employees' Retirement System (TSERS)</b>	A Death Benefit is available to members of TSERS who are actively participating in TSERS (while being paid salary) after one year as a contributing member. The payment equals the highest 12 months' salary in a row during the 24 months before death, but no less than \$25,000 and not more than \$50,000.	No longer eligible. However, this benefit is payable for up to 180 days following the cessation of your full-time employment (while being paid full-time salary). In addition, TSERS members may elect an optional \$10,000 death benefit upon retirement. The retiree will be responsible for the full cost of this additional benefit.	No deductions required. <ul style="list-style-type: none"> <li>• <b>TSERS:</b> If elected, the premium for the retiree death benefit will come out of TSERS monthly benefit</li> </ul>
<b>Supplemental Retirement 401(k) Plan</b>	Available to employees who work at least .75 FTE or more and participate in TSERS or ORP.	Contributions are no longer permitted upon retirement.	Participation in plan no longer allowed.
<b>Retirement Annuity</b> <ul style="list-style-type: none"> <li>• 403(b)</li> <li>• 457</li> </ul>	<b>457:</b> Available to all permanent or temporary employees, elected or appointed officials, and rehired retirees. <b>403b:</b> Available to any employee paying FICA taxes, including temporary.	May continue to participate.	<ul style="list-style-type: none"> <li>• <b>University Pay:</b> Payroll deduction allowed.</li> <li>• <b>TSERS:</b> Not permitted.</li> <li>• <b>ORP:</b> Not permitted.</li> </ul>
<b>Parking</b>	All vehicles require a parking permit to park on any campus property.	See footnote 4 below	<ul style="list-style-type: none"> <li>• <b>University Pay:</b> Payroll deduction allowed, if applicable.</li> </ul>
<b>Federal and State Income Tax</b>	Taxes applied to all income.  <i>(see footnote 3 below regarding NC State Tax exemption regulations)</i>	Wages are subject to Federal and State taxes.	<ul style="list-style-type: none"> <li>• <b>University Pay:</b> Subject to both federal and state income tax.</li> <li>• <b>TSERS:</b> Subject to both Federal and State income tax unless grandfathered.<sup>2</sup></li> <li>• <b>ORP:</b> Subject to both Federal and State income tax unless grandfathered.<sup>2</sup></li> </ul>

<b>Social Security and Medicare Tax</b>	Payroll taxes are withheld from salary for Social Security and Medicare.	Wages are subject to Social Security and Medicare taxes.	<ul style="list-style-type: none"> <li>• <b>University Pay:</b> Subject to both Social Security and Medicare taxes.</li> <li>• <b>TSERS:</b> Not subject to Social Security and Medicare taxes.</li> <li>• <b>ORP:</b> Not subject to Social Security and Medicare Taxes.</li> </ul>
<b>Payroll deductions for the following:</b> <ul style="list-style-type: none"> <li>• <b>State Credit Union</b></li> <li>• <b>ECU Recreation Center</b></li> <li>• <b>Donations to State Employees Combined Campaign</b></li> <li>• <b>Donations to ECU Foundations</b></li> </ul>	Available to employees who work at least half-time.	May continue payroll deductions.	<ul style="list-style-type: none"> <li>• <b>University Pay:</b> Payroll deduction allowed.</li> <li>• <b>TSERS:</b> Not permitted.</li> <li>• <b>ORP:</b> Not permitted.</li> </ul>
<b>Other Benefits Offered at Full Cost to Employee:</b> <ul style="list-style-type: none"> <li>• <b>Supplemental Disability Insurance</b></li> <li>• <b>Post-tax Cancer Insurance, Universal Life Insurance and Critical Illness Insurance</b></li> <li>• <b>State Employees Association of NC</b></li> </ul>	Available to employees who work at least half-time.	May continue payroll deductions.	<ul style="list-style-type: none"> <li>• <b>University Pay:</b> Payroll deduction allowed.</li> <li>• <b>TSERS:</b> Not permitted.</li> <li>• <b>ORP:</b> Not permitted.</li> </ul>
<b>Workers' Compensation</b>	All University employees are covered.	Coverage continues.	No deductions required.
<b>Liability Insurance</b>	All University employees are covered.	Coverage continues.	No deductions required.

<sup>1</sup>Faculty/staff hired on or after October 1, 2006 are governed by revised vesting rules for health insurance coverage at retirement. For those employees who fall under this regulation, a retiree will have to complete 20 years of service at retirement to qualify for free coverage; if ten years, retiree pays half and state pays half; if less than 10 years, retiree pays full cost. If you were “first hired” before October 1, 2006, and you have five or more years of service, and have not withdrawn that service or taken a refund, the state will pay all of the cost for your individual coverage under the SHP 70/30 or Medicare Advantage Base Plan as a retiree.

<sup>2</sup>If you are re-employed on a part-time, interim, temporary, or contractual basis, or otherwise engaged to perform services on any basis that does not require membership in the Retirement System, your retirement payment will be stopped if your earnings exceed the re-employment earnings limit. Contact TSERS, *Phone: (919) 814-4590*, for your allowable limit.

<sup>3</sup> If you had five or more years of creditable service toward retirement as of August 12, 1989, your TSERS retirement benefits, no matter what amount, are exempt from N.C. State income tax. If you were enrolled in ORP on or before August 12, 1989, your ORP retirement benefits, no matter what amount, are exempt from N.C. State income tax. Additionally, the amount of retirement benefits subject to N.C. State income tax is the same amount of retirement benefits on which federal income tax must be paid, less a \$4,000 exclusion. If the taxable portion of your annual retirement benefits is less than \$4,000, you will not owe N.C. State Income tax on your retirement benefits. All or part of your retirement benefit may be subject to Federal income tax because it has not been taxed before. Contributions made prior to July 1, 1982 are not subject to federal or state taxes because contributions were made on an after-tax basis.

<sup>4</sup>Parking information (for retired faculty and participants in the Phased Retirement Program):

***Retired Faculty Permits (RF)***: Retired Faculty are eligible to apply for a free, retired faculty permit to park in specifically marked 'Retired Faculty' spaces on campus upon submitting an Application Form to the Parking and Transportation office. Upon receipt of the Application, the Parking Office staff will contact POSO Benefits Office to confirm the faculty member's retired status. Phased Retirement Faculty participants for whom status has been confirmed by POSO Benefits Office have the option to upgrade the free retired faculty permit to an A permit for half the price of the A permit ONLY IF the permit they held at the time they retired was an A permit. **Individual faculty may obtain an Application Form through this website [Retired Faculty Parking | Parking & Transportation | ECU](#) or by directly contacting the Parking and Transportation Office.**