COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

FINAL REPORT

WORKING GROUP ON FACULTY RETIREMENT

Comments: please send comments to provost@columbia.edu

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EXECUTIVE SUMMARY

The nation is in the midst of a major societal change, with individuals choosing to remain in the workforce beyond what had traditionally been the normal age for retirement. Government policies create incentives to continue working; for the first time in history, adults are healthy and vigorous into their 70s, and beyond; and personal and financial considerations make working an attractive option.

The changing employment patterns present special problems for higher education. As a knowledge industry, it depends on the flow of creative energy, disciplinary innovations and shifts in direction that come with the hiring of new PhDs and emerging mid-career stars. Except in periods of institutional expansion, this can only happen if senior faculty are willing to retire. The challenge is to protect the inflow while at the same time harnessing the capabilities of retired faculty in new and substantive ways.

In fall 2012, the Provost appointed an institution-wide Working Group on Faculty Retirement to advise him on the creation of a culture that would support transition to retirement as a normal stage in a faculty member's career. He asked them to identify incentives and disincentives associated with retirement and to recommend needed changes in policies, procedures and/or resources to improve circumstances for retiring faculty.

In general, faculty ask themselves two questions when considering retirement: "Can I afford to retire?" and "If so, do I want to retire?" This led the Working Group to focus on three areas for particular attention - the structure of the retirement savings plan, housing policies, and the retirement experience. It reviewed data, gathered input from faculty focus groups, and deliberated at length on a range of alternatives. In the end, it formulated the following set of recommendations.

1. <u>The institution must continue to offer retirement savings plans that provide sufficient resources to support faculty during the post-retirement period of their lives.</u>
   The April 2011 Preliminary Report of the Task Force on Fringe Benefits included a proposal for a revised retirement contribution plan that would apply to new faculty hired on or after July 1, 2012. While existing faculty would remain in the current Plan, there was concern that the proposed plan would have a negative effect on future faculty hiring. Shortly after the report was released, the financial pressures on the mechanisms for funding the retirement of faculty and other officers eased, giving the institution the opportunity to reassess the initial proposal. The Working Group was invited to provide input on the shape of a new plan, and a revised proposal was brought to the Working

Group for review and discussion. The Working Group endorsed the design and recommended its adoption. The revised proposal was also shared with other campus groups and was adopted by University's Board of Trustees at its October 2012 meeting. It will become effective for all eligible officers whose appointments begin on or after July 1, 2013.

2. Columbia's housing policies should not create disincentives to retire.
   Housing issues loom large in faculty considerations about retirement. Demand exceeds supply, and Columbia must have a sufficient supply if it is to recruit and retain those whom schools believe are important to their eminence and productivity. The Working Group believes that no single solution will be sufficient to deal with this situation and that a sustainable resolution will require the institution to attack the problem from multiple directions. To that end, it recommended that:
   a. The University work with schools and the Board of Trustees to create a down payment assistance program for all schools that wish one.
   b. The University offer incentives to encourage active faculty and retirees to move out of Columbia housing and/or to move from larger to smaller apartments. Qualified individuals might receive both mortgage assistance and one-time retirement incentive payments.
   c. The University suspend or cap rent increases for a fixed number of years for those who relocate from the larger, most desirable family units into smaller apartments.
   d. The University abolish the post-1989 retiree housing policies (as outlined in Appendix 10) in conjunction with the incentive programs recommended in Items a-c.
   e. The University annually conduct the census recommended by the 2006-2008 *Ad Hoc* Committee on Faculty Housing and first carried out in fall 2012.

   In response to these recommendations, the Provost created a small administrative working group to consider the feasibility of the recommendations. He will work with the deans and the Senior Executive Vice President over the 2012-13 academic year to finalize and implement the plans that are developed.

3. The University should improve communications and programming related to retirement planning throughout the faculty member's career.
   Faculty are not seeking advice early and often enough during the course of their careers, nor has the institution been proactive in this process. The Working Group concluded that universities will eventually have to take more systematic, career-long approaches and that investing now rather than waiting could save dollars in the longer term. To that end, it recommended that the University:
   a. Create an Office of Faculty Retirement and appoint a senior administrator in the Office of the Provost dedicated to working on these issues.
   b. Review all programming and materials provided to active faculty and retirees to ensure that they are part of a comprehensive approach to career-long planning and that they reach the right audience at the right points in their careers.
   c. Provide an allowance to enable faculty to secure individual financial planning services at each of the following five points in their career - the year after the award of tenure or passage of the major review and at ages 50, 60, 65 and 70.

d. Include preparation and materials for talking with active faculty about their career-long plans in the new department chair training programs that are being developed.

4. The University should create formal and transparent retirement incentive programs. Faculty need support in making the decision to retire, and an Office of Faculty Retirement can provide this. The Office will confront many of the existing challenges in transitioning to retirement if the institution does not move from the current tailored approach of negotiating individual retirement agreements to one that is more standardized, transparent and equitable. To address these challenges, the Working Group recommended that the University:
   a. Offer a special one-time retirement incentive program for faculty over the age of 69.
   b. Announce an ongoing institution-wide retirement incentive program that is applied in the same way for all retiring faculty between the ages 69 and 74.
   c. Inform faculty that the new senior position in the Office of the Provost is available to serve as a central point of contact for faculty seeking guidance and support for transitioning into retirement.

5. The University should work with retirees to create meaningful and productive post-retirement experiences.
   Faculty want to remain active after they retire, and they want this activity to be rewarding and, to the extent possible, serve the institution. They look to the institution to mediate these experiences on their behalf. The Working Group believes that this is reasonable and recommends that the institution:
   a. Staff the new Office of Faculty Retirement at a level that would enable it to develop and maintain relationships with local cultural, educational, governmental, and other not-for-profit entities in support of retiree involvement with those organizations
   b. Invest in expanding and professionalizing an organization for retired Columbia faculty.
   c. Allocate resources to support the professional activities of active retirees.
   d. Explore the feasibility of establishing a center for retired faculty on the Manhattanville campus or in space that will become available on the Morningside Campus as a result of its development.

FINAL REPORT OF THE WORKING GROUP ON FACULTY RETIREMENT

Columbia University

December 2012

INTRODUCTION

The structure of the institution's pension plan was one of three topics addressed by the Task Force on Fringe Benefits Programs, health care and tuition being the other two. The Task Force issued a preliminary report in April 2011 that reflected its charge to reduce the annual spending level on officer benefits by $35-40M per year. Because the economy continued to recover from the financial crisis that started in 2008 and especially because health care costs began to moderate, the financial assumptions given to the Task Force happily proved to be overly pessimistic. Therefore, it was possible in fall 2011 to revisit its original recommendations and explore ways to moderate a number of them.

Several retirement-related concerns emerged during the Task Force's deliberations which the group urged then Provost Claude Steele to pursue. Survey findings had shown that many of the respondents did not know when they would retire and that more than 20% did not know how they would meet their post-retirement income needs. Further, analyses had shown that, under the current pension plan, faculty hoping to retire with 85% of their current salary needed to work until after they were 65. With the cutbacks proposed by the Task Force, they would have to delay retirement even further.

Shortly after becoming Interim Provost, John Coatsworth appointed an institution-wide Working Group on Faculty Retirement to advise him on the creation of a culture that would support transition to retirement as a normal stage in a faculty member's career. He asked them to identify incentives and disincentives associated with retirement and make recommendations on needed changes in policies, procedures and/or resources to improve circumstances for retiring faculty. A list of the membership of the Working Group and a copy of its charge are included in Attachment 1.

The Working Group identified three areas for attention – the structure of the pension plan, housing policies, and the retirement experience. It reviewed demographic and salary data about Columbia's faculty and was provided with summaries of a series of focus group conversations with active faculty 55 years of age and older, and with retirees. It was supported in its work by consultants from Deloitte and was given access to trend data and comparative policies and procedures from the Ivy Plus group. Equipped with this information, the Working Group explored the three core topics. The conclusions and recommendations contained in this report reflect the outcome of those discussions.

CHANGING CONTEXT

Congress abolished mandatory retirement for faculty in higher education as of January 1, 1994. By fall 2000, there were 67 active tenured faculty at Columbia over the age of 69; in fall 2010, the number was 115, or 12% of the total tenured faculty (see Attachment 2), and the trend strongly suggests further growth in the future. In fall 2000, there were 12 active tenured faculty 75 years of age or older; in fall 2010, there were 49. While the absolute number of tenured faculty younger than 55 has grown, they represent a decreasing percentage of the total tenured faculty, having dropped from 52% in 2000 to 43% in 2010. Although the numbers are smaller, similar trends are seen in the non-tenure eligible ranks of the lecturer, clinical and practice faculty.

In general, Columbia faculty are choosing to retire sometime during their early 70s. As shown in Attachment 3, during the decade of the 1990s and into the first half of the 2000s, faculty were retiring in their middle-to-late 60s. Starting in 2004, the average retirement age jumped to the early 70s. The large number of faculty retiring at the end of 2003-04 is attributable to the special once-a-decade retirement incentive program that the Arts and Sciences offered in the spring of 2003. Everyone over the age of 65 was offered a one-year paid leave that was added to whatever other leave they might have accumulated. The bump in 2008 reflects full implementation of retirement agreements that had been negotiated in earlier years that had had varying years of phase out; it also reflects relatively sudden decisions by several faculty members to change their situations.

Having a growing number of employees remain in the work force beyond age 70 is not unique to Columbia. According to the Bureau of Labor Statistics, the average American is working much longer than in the past.[1] The Bureau reports that, between 2000 and 2008, the number of workers between 70 and 74 grew by 32%, between 75 and 79 by 38% and those over

[1] Fleck, Carole; Is Retirement Even Possible?; AARP Bulletin; September 1, 2009

80 by 67%. Data reported by TIAA-CREF indicate that the 85 and older cohort, while a relatively smaller group, is the fastest growing segment of the population.

The picture is similar among Columbia's peers, the Ivy Plus institutions. In a Spring 2012 study, those responding reported increases in the number of full-time tenured and non-tenure eligible faculty over the age of 70, with a modest shift in this direction beginning as early as 2000 and more significant change starting in the mid-2000s. The average age at which faculty are choosing to retire is also rising, although not as significantly as at Columbia, with the average retirement age in those institutions being closer to 70. Those institutions not seeing these trends include ones that had developed what they call 'strategic faculty refresh programs' in response to the elimination of mandatory retirement in the early 1990s. Others have created performance management systems that establish benchmarks for faculty of all ages and require annual meetings on performance tied to the salary increase process.

Contributing Factors

There is no single or simple explanation for the changes occurring in faculty retirement age. It is likely being influenced by changes in government policy, improved health and well-being, personal need, and economic considerations.

Legislative changes have played a major role. A primary driver has been the elimination of a mandatory retirement age for faculty that took effect on January 1, 1994 (known as uncapping of faculty retirement). Prior to that, faculty who reached the age of 70 were required to retire from the University. Studies at the time of the uncapping showed that faculty who were in their 60s had gone through their entire careers expecting to retire by the time that they were 70, and did not expect to change their plans as a result of eliminating mandatory retirement. The picture was less clear for those under 60. There existed at the time what the 2008 Report of the Taskforce on the Aging of the American Workforce today calls a "culture of retirement." Patterns seen in Columbia's retirement data suggest that such a culture existed here into the early 2000s.

The landscape also changed with respect to how the older worker is treated following passage of the 1967 Age Discrimination in Employment Act. It prohibits discrimination against those over 40 in any aspect of employment or benefits. Thus, an institution cannot differentially pressure an individual faculty member to retire, although it can create programs and incentives for older employees if it makes the benefits of those programs and incentives available to every individual in the class. For example, it can offer a special one-time retirement incentive program for a specific age group if it is uniformly available to everyone in that group.

The 1983 Amendments to the Social Security Act of 1935 has also had an impact. As a result of this legislation, the age at which one becomes eligible to receive full benefit payments is gradually increasing from 65 to 67. After that age, the amount of the benefit payment increases by a certain percentage for every year that individuals continue to delay retirement up to age 70, after which it no longer grows. Together, these features of the Amendment have been shown to encourage people to delay filing for retirement.

In addition, in 2000 with passage of the Senior Citizens Freedom to Work Act, the penalty for working while receiving Social Security benefits was eliminated for people who have reached the age of full benefits eligibility. Prior to that, benefit payments were reduced on earnings above a specified limit even if one had reached the full retirement age.[2] Now, workers can receive their full salary plus their full Social Security benefit payments with no negative consequences.

Other factors are also playing a role. One key consideration is the fact that Americans are living longer and more vigorous lives than did earlier generations. A person born in 1900 on average lived to be 47, a person born in 1950 could expect to live to be 68 while someone born in 2009 can expect to reach age 78.[3] If one had reached the age of 65 in 1950, that individual could have expected to have lived 14 more years; if one reaches the age of 65 today, that person can expect to live nearly 20 more years.

Unlike public universities which often participate in state retirement plans that have historically had defined benefit plans, private universities offer defined contribution programs, and this can influence faculty thinking about retirement. In a defined benefit program, the faculty member must retire to begin receiving payments. Faculty in defined contribution plans can begin withdrawing from their retirement savings if they have a phased retirement agreement.[4] During this period, they can receive not only a salary but also continuing institutional contributions to their retirement savings plan.

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[2] Benefit payments continue to be reduced for earnings above an annual limit for individuals who are still under their full retirement age and who have chosen to receive Social Security retirement benefits.

[3] http://www.cdc.gov/nchs/hus/contents2011.htm#022

[4] Employee Retirement Income Security Act (ERISA) IRC $401.(a)(9)(C)(i)(I)

A defined benefit plan states up front what one will receive from the point of retirement until death (and, in some programs, the death of the surviving spouse); payout from a defined contribution plan is dependent upon how much individuals have accumulated over the course of their professional careers.[5] Retirement planners often suggest that households need to save enough to have 70-80% of their pre-retirement income available during retirement, although this is highly dependent upon expected levels of spending. Perceptions of the adequacy of one's accumulated savings can significantly influence retirement timing, especially in periods of economic turbulence like that of the last decade. This uncertainty, coupled with an understanding that people are living longer, can create fears of running out of money before one dies.

Finally, it has been suggested that, when faculty in an institution stop retiring, it can create social pressure on peers who might otherwise have retired also to remain. This phenomenon has the potential to be particularly disruptive when it is localized within a particular department.

FOCUS GROUPS

It was with an understanding of the complexities surrounding the structural changes occurring in the workforce that the Working Group grappled with the key questions before it. To understand what its colleagues thought about the matter, the Working Group asked Deloitte to conduct interviews with groups of Columbia faculty. A sample of active and retired faculty were asked to participate in ten small group conversations for that purpose. Those with active faculty were structured according to age (55-64, 65-70, 71 and above), tenure status (tenured, non-tenure eligible) and campus (Morningside, CUMC). Meetings with retirees were more heterogeneous with respect to campus, age and tenure status.

Participants were asked to share their views about retirement and the nature of the support they thought universities should provide faculty in this area. Out of these discussions emerged a common set of themes regarding what faculty believe are the primary barriers to retirement. They fall into three broad and highly interrelated categories - financial, procedural and professional.

[5] An annuity program differs from a defined benefit program in that the latter specifies up front what one will receive upon retirement, while the former determines the guaranteed payment amount based on one's accumulations at the point of retirement.

Financial Barriers

The concerns faculty expressed about financial stability related to a lack of clarity on retirement benefits, uncertainty with respect to housing policy, and the influence of external factors on long-term security. Faculty reported that they did not understand what benefits they would be eligible for at retirement and expressed the belief that the information that is available is limited and confusing. They also cited the lack of consistent communication on retirement benefits as an issue. By this, they meant they would like to understand better the benefits they will receive at retirement and have someone knowledgeable to explain and guide them through the process. Appendix 4 contains a sampling of quotes that reflect both the concerns and the inaccuracies that seem to abound. (See Appendix # also for sample comments related to all of the themes.)

Faculty also expressed dissatisfaction with the changes to housing policies that have occurred over the years, particularly with respect to the lack of clear information and communication around housing policies. Two concerns seem to account for the anxiety – having to move out of their current apartments either into smaller units or out of University housing altogether and being able to afford future rent increases. Faculty also indicated that they want to feel confident from the outset that they understand their housing situation at retirement and that they will have the resources in place to meet their current and future housing needs.

Participants also cited uncertainty in the external environment as a major consideration. Faculty worry about rising health care costs and volatile capital markets. They recognize that these are beyond both their and Columbia's control, but they note that those concerns do contribute to the hesitancy to retire. Faculty also expressed a desire for greater clarity around benefits at retirement so that they can better prepare to manage the uncertainty of these external factors.

Procedural Barriers

Dissatisfaction with current practices relating to retirement included concerns about the lack of transparency, an absence of standardized procedures, and discomfort with seeking retirement information. Participants noted that Columbia's decentralized structure and department-specific cultures contribute to variations in retirement benefits and procedures, and voiced frustration with the lack of a standardized retirement process and packages across schools and departments. They seek a retirement process that is documented, widely communicated and bears some level of consistency regardless of institutional unit.

Faculty also expressed dissatisfaction with the fact that the current process requires faculty to be proactive in initiating the retirement conversation. They would prefer that Columbia develop a structure and process that has the University reaching out to faculty about retirement. They understand that whatever is developed would need to conform to legal requirements, and they want it to function in a way that people do not feel singled out.

Professional Barriers

Among the professional barriers to retirement cited were concerns about the ability to continue their life's work, the fear of intellectual and social disengagement, and a perception of tension between faculty and administration on the matter of retirement. The message that came through the strongest, regardless of school or department, was the passion that faculty feel for their work and the equally deep fear that they will not be able to continue doing what they love once they retire. (The quotes in Appendix 4 give some sense of how intensely faculty feel about this.) Faculty suggested that the University seek to address this by designing roles that allow retirees to continue to pursue their passions and interests.

Faculty also expressed a deep desire to remain involved in the University, both intellectually and socially. Many faculty perceive retiring as completely shutting the door on Columbia and not being busy or engaged, and state that their fear of losing this engagement serves as a major deterrent to retirement. Focus group members suggested a number of ways in which retiree engagement might be fostered (and fears quelled), including creating a designated space for retirees, promoting an interdisciplinary set of activities, offering more teaching roles, expanding retiree privileges and having a designated retirement advisory resource.

Some faculty shared the belief that the University undervalues them now and will continue to do so in retirement as well, while a number of retirees feel under-utilized. Some faculty also feel a certain level of 'distrust' of the administration and questioned the logic behind changes in policies and procedures, as well as an unhappiness with what they perceive as a lack of communication. They were unanimous in their desire that any commitments already made about retirement be upheld and that faculty and retirees be valued by the institution.

The themes and messages that emerged from the Columbia focus group conversations were similar to those found in a 2011 pilot study conducted by the American Council on Education

(ACE) of how institutions support faculty during the latter stages of active employment, the transition into retirement and throughout the post-retirement period.[6] ACE met with groups of faculty nearing retirement, administrators and retirees at a representative group of nine institutions, including Columbia, from across the nation (4-year/research, public/private, geographically diverse). The research team also met with senior academic administrators, human resources representatives and others during their campus visits.

ACE found a common set of themes related to retirement, regardless of institutional type or location – lack of transparency, issues of workload, better communication of support available to faculty, issues of space and support after retirement, generational differences within departments, and the importance of maintaining connections to the institution. Themes specific to Columbia included the need for clear and transparent information on retirement, concerns about the availability and costs of housing, access to space after retirement, lack of clarity about options for phasing into retirement, and the desire for respect for retirees.

The next sections of the report address each of the major barriers to retirement that had been identified by the faculty and to which the Working Group devoted its attention. The sections focus on saving for retirement, housing, and retirement as a normal life course transition. The first two relate to financial aspects of retirement; the latter includes both procedural and professional considerations. Each section includes a description of the current situation at Columbia, discusses the ways in which it influences faculty retirement, and presents the recommendations of the Working Group.

SAVING FOR RETIREMENT

Faculty accumulate savings for retirement in two ways - through federally-mandated taxes that support the Old Age, Survivors, and Disability Insurance program of the Social Security Administration and through the retirement savings plan offered by Columbia. Both the faculty member and Columbia contribute to Social Security on behalf of the employee. A faculty

[6] ACE Sloan Retirement Pilot Group Site Visits – Notes and Summaries; American Council on Education; Spring 2011

member may begin receiving Social Security retirement benefits as early as age 62.[7] As noted above, if one postpones receiving benefits beyond the full retirement age, the monthly benefit continues to increase until the individual reaches age 70, but does not grow further except as a function of Congressionally-mandated annual cost-of-living increments. When to begin drawing the Social Security benefit is a personal decision and, once individuals reach their respective full retirement age, they are entitled to work and earn as much as they wish while still receiving their full Social Security benefit payment. Those who are younger than the applicable full retirement age when they elect to begin receiving these payments and who choose to continue to work will have some of their benefit payments during the year withheld if their earnings exceed certain dollar amounts. Social Security benefit payments are separate from and in addition to those of the Columbia retirement savings.

Columbia's Current Retirement Savings Plans

Columbia currently offers two ways to help faculty save for retirement. In the first, the Retirement Plan for Officers of Columbia University (Plan), the institution makes direct contributions on behalf of every eligible faculty member. The size of Columbia's direct contribution varies as a function of the individual's age, years of service and tenure status. The size also depends on whether the individual's annual retirement-eligible base salary is less or more than the Social Security Wage Base (SSWB – the maximum amount on which the government imposes the Social Security tax). (See Attachment 5 for a summary of the different levels of contribution in the current Plan.) The contributions are placed in the investment fund(s) chosen by the faculty member from among the available funds offered by the University's Plan.

Faculty are immediately vested in the Plan, which means the University's contributions become theirs as soon as they have been made by Columbia; there is no waiting period for ownership.[8] Because Columbia's direct contributions are intended to help officers save for retirement, faculty cannot withdraw money from the Plan while they are still employed; withdrawals are possible under the current Plan design during the last three years of a signed phased-retirement agreement with the University.

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[7] The 1983 Social Security Amendments included a provision to raise the full ("normal") retirement age at which individuals qualify for unreduced benefits. For people born before 1938, the full retirement age is 65; for those born later, the full retirement age gradually increases until it reaches 67 for those born in 1960 or later.

[8] Junior officers do have a two-year waiting period before being eligible to participate in the Plan. Once they become eligible, they are immediately vested in it.

The second way in which the University helps faculty save for retirement is by offering a Voluntary Savings Retirement Plan (VSRP). The VSRP allows faculty to make their own pre-tax contributions to a separate 403(b) account. The Internal Revenue Service limits the amount that can be contributed to a VSRP in a given calendar year ($17,500 in 2013), although those who are age 50 and older can contribute an additional $5,500 per year, bringing the maximum for them to $23,000 in 2013. Unlike the Plan, where the University's direct contributions move automatically into an individual's account, a faculty member must actively enroll in the VSRP in order to participate. Unfortunately, many faculty do not take advantage of this savings vehicle, and a number of those who do, do not contribute the maximum amount allowed.

The April 2011 Preliminary Report of the Task Force on Fringe Benefits included a proposal for a revised retirement contribution plan that would apply to new full-time faculty hired on or after July 1, 2012. While all existing faculty would remain in the current Plan, there was concern that the proposed plan would have a negative effect on the institution's ability to hire faculty in the future. Shortly after the report was released, medical costs began to moderate and the economy began to stabilize. This meant that the near-term savings that the proposed change to the retirement plan would have generated were no longer so critical, giving the institution the opportunity to step back and reassess the situation.

Columbia's New Retirement Savings Plan

In 2011, the Provost, the Senior Executive Vice President and the Executive Vice President for Health Sciences asked a small administrative group, assisted by team from TowersWatson, to develop a new retirement plan that would keep Columbia competitive with the Ivy Plus institutions, improve the competitive position for lower paid faculty, be cost neutral, and comply with federal rules and regulations.

A summary of the proposed plan that emerged from those deliberations is provided in Attachment 6. The extent to which the proposed plan meets the central requirement of positioning Columbia at the average of the Ivy Plus institutions can be found in Attachment 7. As can be seen, when the employer and the employee both contribute at the maximum, the amount available at age 65 places the Columbia faculty member slightly above the average among its peers.

A key aspect of the new plan is the addition of a matching component that is intended to encourage saving. In addition to the core contribution which the institution will automatically make, Columbia will also match $1-for-$1 up to 3% of the officer's total compensation. For example, faculty members who are less than 40 years old, have fewer than 5 years of service, and earn under the SSWB will unconditionally receive a 5% core contribution to their retirement savings account. If these same faculty members also contributed 3% of their pre-tax salary to their retirement savings account, they would receive the 5% core contribution plus another 3% matching contribution from Columbia. This 8% coupled with the faculty member's 3% means that a contribution of 11% of total compensation would be going into the individual's retirement savings account. Beyond this, faculty can also make contributions to the VRSP, subject to the maximums of pre-tax income that can be contributed, further increasing the amount that goes toward saving for retirement.

Both the matching option and the VRSP are important vehicles for enhancing personal savings. Further, when making these contributions, take-home pay is reduced by only two-thirds to three-quarters of the officer's gross contribution amount because the taxes are deferred until the individual retires, making it cheaper dollars to save.

In the course of developing the new plan it was determined that junior faculty could not accumulate the average of the Ivy Plus peers by the time they reach age 65 if a) they are less well-compensated at the time of the award of tenure[9] and b) they subsequently spend their entire career at Columbia. The new plan eliminates this gap by making a one-time contribution during the first year following the award of tenure that is equivalent to 10% of the base salary in the last year of non-tenured service ('tenure bonus'). The same mechanism will be used with participants in the current Plan, although the tenure bonus will be 20% of the base salary in the year before tenure in order to compensate for the larger gap between the retirement savings they accumulate and the average of those of their colleagues at the University's peer institutions. The size of the tenure bonus will be linked to the IRS definition of the Social Security Wage Base and indexed accordingly.

<u>Conclusions and Recommendations</u>

The new proposal was brought to the Working Group for review and discussion. The Working Group endorsed the design and recommended its adoption. The revised proposal was then shared with various other groups across the campus and was considered and adopted by

[9] In 2012, the Internal Revenue Service defines this as less than $115, 000. Going forward, the threshold will be linked to the IRS definition and indexed accordingly.

University's Board of Trustees at its October 2012 meeting. It will become effective for all eligible officers whose appointments begin on or after July 1, 2013.

HOUSING ON THE MORNINGSIDE CAMPUS

Columbia's Residential Portfolio

In the early 1970s, Columbia invested heavily in nearby real estate as part of a plan to help stabilize the neighborhood and, more importantly, "…for the purpose of providing the convenient affordable housing necessary to attract and retain distinguished faculty and able students."[10] Priorities for eligibility and access were set in 1971 pursuant to a resolution of the University Senate and, in 1984, the Housing Priorities Committee was formed "to insure that the assignment of faculty apartments…on the Morningside Campus was carried out so as to maximize the use of this limited resource for the benefit of the University." The University periodically circulates its policies on housing eligibility and on how available units are to be allocated; this information is also available on the Office of the Provost website. As stated in these policies, the institution's first priority is to house newly-hired professorial rank faculty. Within this group, highest priority is given to those recruitments which deans consider to be most critical to the plans of their schools, followed by those faculty whom deans have set as a priority to retain.

Columbia owns units outright, or leases apartments on behalf of the University, in a total of 170 buildings. It owns 139 buildings (5,226 units), owns condos/co-ops in 6 (112 units) and holds leases on apartments in another 25 (312 units). The availability of these units enables Columbia to house 24% of its officers of instruction (tenured, on-track and off-track faculty). The percent of the total faculty in a given school who live in Columbia housing varies considerably. Over half of the Arts and Sciences faculty (52% including the Schools of the Arts and Continuing Education) reside in University housing, as do 44% of faculty of the Morningside professional schools, compared to 7% of the CUMC faculty.

[10] University Housing Policy Statement, 1992

A total of 7,026 affiliated tenants occupy the 5,650 units. Graduate students occupy 73% of the units; officers the other 27%. Of the 1,458[11] units occupied by officers in 2011-12, 823 (56%) were active faculty; 241 (17%) were retirees; and 391 (27%) were officers of research, administrators (most from earlier periods), professional librarians, building superintendents, and (by agreement) Barnard faculty. (See Attachment 8.) Arts and Sciences faculty comprise 53% of the officers of instruction who are in housing, Morningside professional school faculty 30% and CUMC faculty 17%.

In an effort to look into the future and imagine future demand, an elaborate housing projection model was created. The model takes into account flows into, out of and within housing, and allows for varying assumptions about faculty size, tenure and retirement rates, as well as about levels of retirees in housing. Assuming no change in historical patterns and no additional steps to increase supply or dampen demand, the annual shortage in faculty housing is predicted to be on the order of 20-25 units per year in each of the next ten years.[12]

Managing Supply and Demand

In the years since Columbia established its housing program, there have been times when there have been enough apartments available for assignment, and times when there have been virtually none, even for incoming recruits. Managing this volatility has been challenging, and the institution has responded by toggling a variety of levers intended to expand supply or dampen demand.

In 1998, in an effort to increase supply, a school funding mechanism was put in place which financed expansion of the core housing portfolio by another 996 units, of which 261 are faculty apartments. To dampen demand, the categories of tenants who could remain in Columbia housing following retirement was redefined in 1984; this policy was further amended in 1987 to limit eligibility to tenured faculty and to others who had been employed and in housing at Columbia for a minimum of fifteen consecutive years at the time of retirement. The next major amendment came in 1989 and added the requirement that eligible retirees, if requested, must move into apartments of an appropriate size for their family within three years after retirement in order to retain lifetime eligibility for themselves and their surviving spouses or same-sex domestic partners. In 2009, in yet another period of extremely limited availability, the retiree

[11] Excludes 52 rental units in the private market from which officers have already been or in the process of being relocated this year

[12] Difference is due to assumptions about the percentage of retirees electing to remain in Columbia housing.

housing eligibility policy was again amended to permit tenured faculty to remain for only three years following retirement while other retiring officers were expected to vacate their apartments after a reasonable period of time. Each of these changes created a new category of grandfathered tenants.

Substantial rent increases are another potential lever for dampening demand but one that the University has not chosen to use. For the most part, Columbia has worked to keep increases as low as possible, so low, in fact, that the amount of rent currently collected does not support the cost of maintaining and operating the residential housing stock. In 2012, the University announced that annual increases would be capped at 3% per year for the next few years, with schools making up the difference between actual costs and revenues collected from rents. It was observed that, when rent increases that better reflect actual costs resume, more tenants may be attracted to the private housing market.

Occupants of some of the largest and most desirable apartments in the Columbia housing stock include retirees, surviving spouses or same-sex domestic partners, and active faculty beyond the age when children are typically still in the home (see Attachment 9). The Working Group considered whether some number within this group might be induced to move into a smaller unit or even to move out of Columbia housing entirely as a way to increase the availability of units for assignment to incoming families. Those who agree to move into smaller units might be given commitments of no or only limited rent increases for 5-7 years as an incentive to move. Alternately, lump-sum payments to encourage relocation could be based on square footage, number of bedrooms, desirability of the unit, or years in the unit. A lump-sum payment could be attractive to retirees or faculty members approaching retirement who would welcome the additional funds to enable them to move out of New York City. Having an arrangement with a brokerage firm charged with identifying a pool of available apartments so faculty do not have to search entirely on their own could facilitate the purchase process.

Another possibility considered was that of naming a single building in the Columbia housing stock as “Emeritus House.” For example, Butler Hall and 560 Riverside Drive have a number of smaller units and space to create special facilities such as exercise, social and academic work centers. It might also be possible to bring CUMC health providers on a regular basis or offer elder care services, if demand were sufficient. Shuttle service to transportation, shopping and CUMC could also be provided.

The Working Group noted that a more radical approach to increasing supply would be to redefine faculty housing as a transitional resource. Under such a scenario, all incoming full-time senior faculty, excluding clinical faculty on the CUMC campus who are not eligible for housing, would be offered the opportunity to live in Columbia housing for up to five years. All incoming full-time junior faculty would be housed upon arrival and be entitled to remain in housing until five years after receiving tenure or passing the major review. This would provide senior faculty coming from outside of the New York area with time to decide where they would like to live on an ongoing basis and would support junior faculty during the probationary period and give them time to organize their living arrangements for the longer term once their future with Columbia had been secured.

An even more radical option that was imagined was privatization of those Columbia buildings that primarily house faculty, turning them into free-standing cooperatives with membership limited to eligible faculty members. Owners would pay an association fee to support the operations and maintenance of their building, could only sell to other eligible Columbia faculty, and would be subject to caps on the amount of the gain that could be realized at the time a unit was sold. A variation on this idea would be for the institution to sell long-term leaseholds rather than deeded ownership of the apartments. As with the ownership model, leaseholders would pay an association fee, be limited in their resale options and be constrained by the amount of gain they could realize at the time of sale.

Stories abound of retirees, and even active faculty, who have Columbia apartments but do not use the units as their primary residence. It is unclear whether these really are apartments that could be reclaimed, or if the stories are nothing more than urban myths. Having heard these same stories, the 2006-2008 *Ad Hoc* Committee on Faculty Housing had recommended that Columbia University Facilities begin conducting a regular census of leaseholders to confirm that tenants were conforming to the residency requirements contained in their leases. The University's housing policies require that the leaseholder (i.e., faculty member, retiree or surviving spouse/same-sex domestic partner) be physically present in the unit for at least 185 days each year, declare the Columbia address as their primary address, and file a NYC Form IT-201 Resident Income Tax Return reporting taxes in the New York City/Yonkers section of the return. Although then Provost Alan Brinkley announced in a September 2008 letter to the faculty that Columbia University Facilities would begin conducting an annual census, it was not possible to implement it until fall 2012.

Within the Working Group, there was some sentiment expressed for linking continued eligibility for retiree housing to an individual's continuing to make some level of contribution to the Columbia mission. While initially viewed as interesting, it was ultimately found to be too administratively challenging. Deciding what met the criterion of 'contributing' and what accommodations would be needed in a year when a person was unable to do something or there was nothing for the individual to do seemed unmanageable. Beyond that, it created limits on the institution's ability to broker meaningful post-retirement experiences outside of Columbia (see below).

Purchasing in the Private Market

In 2007, the University began piloting a housing mortgage assistance program to enable those for whom home ownership was a value to purchase in the private market. Deans could recommend faculty already residing in Columbia housing for the program, and were required to offer it as an option to newly-recruited faculty whom they would otherwise have recommended for a University apartment. Participants receive a one-time payment of $40,000 to assist with down payment, closing and other move-in costs and an annual taxable, non-fringed salary supplement of $40,000 for a tenured faculty member or $22,000 for all other faculty.[13] In the intervening five years, 141 Morningside faculty and 48 CUMC faculty have participated in the program.[14]

Some schools that operate in extremely competitive markets employ a range of options to support recruitment and retention of distinguished faculty, including such things as annual salary supplements, assistance with down payments and second mortgages, and shared appreciation and forgivable loans. The Columbia Law School has relied heavily on these tools. There are another 14 faculty from across the University who have special arrangements for ongoing annual housing support; many of these arrangements predate the existence of the current housing mortgage assistance programs. In all, 229 faculty who might otherwise have been in Columbia housing are receiving support that enables them to reside in homes bought or rented in the private market.

[13] Participants who choose not to purchase and instead prefer just to rent in the private market receive the annual salary supplement but not the one-time payment. The $40,000 and $22,000 payments were created to be revenue-neutral for the schools. They are roughly equivalent to what a school would pay to Columbia University Facilities if the faculty member were in Columbia housing.
[14] CUMC has its own version of the housing mortgage assistance program.

Most major research institutions do not typically provide housing for their faculty, but there are exceptions. New York University, which functions in the same New York market as Columbia, owns a number of apartment units which it rents to its faculty. All faculty must move out of NYU housing upon retirement. Duke and Stanford own substantial numbers of units for resale or rental to their faculty. Harvard, Yale, Brown, Princeton and UC-San Diego have also made investments in real estate which they rent or sell to faculty. Stanford, Boston College, Brown, Chicago, Harvard, NYU, and Princeton are examples of institutions that offer meaningful levels of down payment and second mortgage assistance to help meet their faculty housing needs.

Implications for Retirement

The Working Group heard a great deal from faculty on the topic of housing, both from those who participated in the focus groups and from those who spoke to them individually. In particular, those who currently reside in Columbia apartments expressed strong opinions about the role their housing had or would play in any decision to retire. Many told the Working Group that they would not retire if they had to leave their apartments.

The Working Group reviewed data on the topic, which sometimes raised more questions than it answered. For example, it found that 53% of the active tenured faculty who are currently in housing are 55 years of age or older and, of those, 35% are already over the age of 65. Given when the majority of them signed their leases, the preponderance are entitled to remain in University housing after retirement so long as the unit remains their primary residence; and, if they are survived by a spouse or same-sex domestic partner, those individuals may also continue to reside in housing until their deaths. Nonetheless, it was the post-1989 faculty who were approaching retirement and beginning to realize that they could be asked to downsize who seemed the most anxious.

Those in the 'post-2009' group, although for the most part many years from retirement, also expressed alarm that they would have to leave housing completely after three years. More importantly, there was a general concern expressed that schools and departments may have difficulty recruiting senior faculty under this new policy.

Another set of faculty from whom the Working Group heard were those who were eager to participate in the housing mortgage assistance program but who lacked the funds for a down payment or the capacity to qualify for a mortgage of the size needed to purchase a home large enough to meet their family's space needs, particularly if they were trying to buy in Manhattan. Evidence from those already in the housing mortgage assistance program has shown that the $40,000 and $22,000 annual salary supplements are sufficient to service their mortgages, particularly with interest levels where they are today. It is the absence of down payment assistance that appears to be creating the primary barrier to home ownership among those who would prefer not to live in University housing.

The Working Group also found that Columbia's housing program inhibits retirement in other ways. Because faculty pay rent, they are not building equity. Not only does this reduce future financial flexibility, but it is also psychologically limiting because faculty have no experience with alternatives to Columbia housing that might actually be more attractive or even better for them after they retire. The longer they remain in Columbia housing, the less likely they are to have either the financial and/or the psychological wherewithal to consider alternative living arrangements.

The Working Group considered that down payment assistance might take a number of forms. For example, a school might decide to give some number of years of the annual salary supplement as a taxable up-front lump sum payment to a faculty member (e.g., $400,000 in lieu of 10 years of $40,000 of annual salary supplementation). Schools other than Law could be given approval by the Board of Trustees to make loans to their faculty. Depending on the financial profile and tolerance for risk, the faculty member might begin repaying both principal and interest from the outset, pay interest only and defer repayment of the principal until the unit is sold, defer payment of both interest and principal until the unit is sold, or enter into a shared-appreciation agreement with the school whereby the school receives a relative share of the gains at the time the unit is sold. A more generous option might include having some percentage of the loan amount forgiven at the end of each year that the individual remains at Columbia.

If the institution were to move in this direction, there would need to be limitations on such loans to protect schools from overextending themselves, e.g., a school would need to set aside at the beginning of each year the cash that it projects it may want to allocate for down payment assistance. Individuals would also need to be protected from taking on obligations beyond their financial means, e.g., schools could be prohibited from making loans in excess of some multiple of the faculty member's base salary.

Increasing the University's housing stock either by acquiring more apartments in the neighborhoods around the Morningside and CUMC campuses on an opportunistic basis or building faculty apartments in Manhattanville are other institutional options discussed by the Working Group. Either could be costly, and experience has shown that, as soon as a new building comes on line, it is immediately occupied as there is always pent-up demand in the system and it is difficult to leave units unoccupied for future use in the face of these pressures.

Manhattanville, however, will not address the short-term housing problem. The University has committed as part of the Columbia Benefits Agreement to construct residential housing for Columbia affiliates as soon as there has been one million square feet of new construction on that campus. This limit is unlikely to be reached for nearly a decade, and the needs are here now. Before any decision is made to begin such construction, there would also need to be conversations about the best use of the opportunity to create additional housing. Should it be used for faculty to meet new instructional needs and further institutional distinction, or should it be used for graduate students and generate new tuition revenues? The Working Group recommended that deans be involved in these discussions.

Conclusions and Recommendations

The Working Group concluded that housing issues loom large in faculty considerations about retirement. Just the sheer number of faculty approaching retirement age and entitled to remain in housing was a source of concern. The size of the group would present challenges even if senior faculty were to agree to move into smaller apartments, for such a shift would create shortages in the junior pool. The availability of down payment assistance or the construction and/or acquisition of additional units would reduce the gap.

Unless the impending housing shortage is confronted and addressed, it could have serious implications for Columbia's ability to recruit and retain a high quality faculty. The Working Group also believes that no single solution will be sufficient and that a sustainable resolution will require the institution to attack the problem from multiple directions. At the same time, it was not prepared to support some of the more radical solutions and, in the end, recommended that:

a. The University work with schools and the Board of Trustees to create a down payment assistance program for all schools that wish one.
b. The University offer incentives to encourage active faculty and retirees to move out of Columbia housing and/or to move from larger to smaller apartments.

Qualified individuals might, for example, receive both mortgage assistance and one-time retirement incentive payments.

c. The University suspend or cap rent increases for a fixed number of years for those who relocate from the larger, most desirable family units into smaller apartments.

d. The University abolish the post-1989 retiree housing policies in conjunction with the incentive programs recommended in Items a-c. (See Appendix 10 for a summary of the proposed changes.)

e. The University annually conduct the census recommended by the 2006-2008 *Ad Hoc* Committee on Faculty Housing and first carried out in fall 2012.

In response to these recommendations, the Provost created a small administrative working group to consider the feasibility of the recommendations. He will work with the deans and the Senior Executive Vice President over the 2012-13 academic year to finalize and implement the plans that are developed.

RETIREMENT AS A NORMAL CAREER TRANSITION

The Working Group devoted considerable attention to the professional dimensions of retirement. Retirement is defined in the Merriam-Webster Dictionary as "withdrawal from one's position or occupation or from active working life,"[15] but it is unclear what that means when an individual lives the 'life of the mind.' Faculty produce and disseminate knowledge, and continuing to so does not require a faculty member to remain employed, nor is it necessarily dependent upon access to the resources and supports of a workplace. Even if faculty no longer operate research laboratories, they often can continue teaching. Even if they stop teaching, they may still want to write.

Faculty emphasize different aspects of their role over the course of a career. At times, they may focus on research and scholarship. In others, teaching may occupy a more central role; in still others they may be emphasizing service to the program, department, school, institution and/or profession. Finally, individuals age in different ways and at different rates, so the point at which faculty members begin to evidence diminished performance will vary enormously. Given

[15] http://www.merriam-webster.com/dictionary/retirement

these complexities, retirement becomes less a matter of stopping work than a question of how one chooses to spend one's time, and where.

Dealing with the professional aspects of retirement requires a culture that situates retirement and retirement planning in the conversation from the moment junior faculty begin their careers until an individual no longer wishes to engage with the institution. It requires structures and processes to support transitioning to retirement and that make provision for allowing faculty to continue their professional endeavors post-retirement.

Planning for Retirement Throughout the Career

Research shows that, while faculty spend their lives seeking knowledge, most remain woefully uneducated about retirement. They are trained to probe deeply in their areas of expertise, but may ask only limited questions about the performance of their retirement savings accounts; indeed, some never inquire. While faculty are always planning for the next project, book or experiment, they may devote little or no energy to planning for their long-term future. They can talk with knowledge about the life cycle of a faculty member – post-doc, junior, probationary period, tenure, senior – but lack vocabulary for the post-retirement period. These gaps are unfortunate but are due not just to actions (or inactions) on the part of faculty but also to failures on the part of the institution.

Faculty enroll in the University's retirement savings plan upon their arrival at Columbia.[16] They also sign up for other benefits at that point, including health care coverage. Each October every faculty member receives mountains of materials and numerous reminders to attend to the various aspects of their fringe benefits. With few exceptions, everyone manages to navigate the annual benefits reenrollment process, primarily because it affects access to health care coverage.

As noted above, faculty cite communications around matters related to retirement as a major concern. While faculty may be using the same words when they talk about the 'lack of communications,' they actually mean different things. Most are saying that they do not believe they receive enough information on these topics that is useful to them personally, others think that the content of what they receive is insufficient or confusing, and a few simply do not like what is being said to them.

Human Resources provides retirement-related information on its website for two audiences, active faculty and retirees. On the Benefits landing page, there is a section – "Information for

[16] Junior faculty have a 2-year waiting period.

Retirees" which has links to a page that itself has links to information on retiree health coverage through Columbia and to information on Medicare. On the right side navigation bar on the Benefits home page, there are several links to health and welfare plans and a link entitled "Retirement Planning" which provides links to Columbia's retirement vendors. The description of Columbia's retirement plans is found on the Benefits home page under "Summaries of Benefits and Coverage; Summary Plan Descriptions; and Retirement Plan Disclosure Statements." Both active and retired faculty use these resources. In general, the HR website is a useful resource for those who have a question and are able to navigate to the resources they need; however, most faculty are unaware of this resource. Beyond that, research has shown that employees do not find generic materials to be effective or helpful, preferring instead to receive information that is "personalized and customized."[17] The Benefits Department will be redesigning the website in 2013 to make the navigation easier and provide access to a suite of useful tools and materials to support retirement planning.

Benefits does offer quarterly workshops on retirement, and regularly hosts and widely promotes one-on-one sessions for faculty with the institution's retirement savings vendors (Vanguard, Calvert, and TIAA-CREF). Faculty who take advantage of the opportunities speak positively about their usefulness. Most do not use them until they are approaching the point of retirement.

HR has a Retirement function within its Benefits Department that is responsible for the design, communications, complaint administration, and financial and vendor management of several retirement and retiree medical programs for both officers and support staff. This team also provides private counseling sessions to discuss retirement readiness. As revealed in the focus group conversations, faculty seem more likely to interpret the unit as a resource for reviewing one's benefits at the point of transitioning into retirement or as a resource for addressing post-retirement benefits issues than as a resource for planning across one's career. Finally, however unwarranted, faculty tend to perceive of HR as better equipped to meet the needs of administrators and staff than those of faculty, and generally do not conceive of it as the first place to turn for assistance or to get answers to their questions about retirement planning.

Schools and academic departments would seem natural loci for conversations of this type, but they rarely happen there either. Even in the best-managed units, where department chairs

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[17] Nyce, Steve, Towers Watson, "Retirement Planning in a Post-Crises Economy" Insider, January 2012

and deans meet annually with every faculty member to talk about achievements over the previous year and goal-setting for the coming period, the conversation does not include a segment devoted to talking about the entire career. Department chairs are not asked to do this. More importantly, they do not currently have the knowledge or skill to give good advice and the institution has to date developed no scripts or protocols to support them in a way that is both meaningful and legal.

Other institutions have faced these same challenges, and several have created mechanisms to address them, although most are still only tweaking around the edge. None have taken a more holistic approach. For example, the University of Chicago provides faculty who reach the age of 60 with up to $3,000 per year to secure personal financial planning advice. The institution works with two vendors who provide advice at a reduced cost to faculty under the age of 60. There is also a dedicated person in the Office of the Provost who works exclusively with faculty on matters related to retirement. The School of Medicine at Stanford offers all full-time faculty a one-time $500 reimbursement for personal financial planning. UC Berkeley has a dedicated center for retirees that serves as a centralized place for information and financial education for retirees as well as for active faculty considering retirement. Most, however, are like Columbia and take a fairly passive approach. The information is there if a faculty member wants it, but little is done to ensure that they take advantage of it.

Conclusions and Recommendations

The Working Group concluded that faculty concerns about communications have merit and that the institution's current passive approach benefits neither the individual nor the institution. Faculty are not seeking advice early and often enough to put themselves on the firmest financial footing possible, and the institution is at some risk if faculty increasingly choose not to retire purely for financial reasons.

The Working Group debated the merits of an incremental approach to addressing this versus a more radical one. In the end, it concluded that the University will eventually have to take more systematic, career-long approaches and that investing now rather than waiting would in the longer term better prepare faculty for retirement while potentially saving dollars for the institution. To that end, it recommended that the University:

a. Create an Office of Faculty Retirement and appoint a senior administrator in the Office of the Provost dedicated to working on these issues.

b. Review all programming and materials provided to active faculty and retirees to ensure that they are part of a comprehensive approach to career-long planning and that they reach the right audience at the right points in their careers.
c. Provide an allowance to enable faculty to secure individual financial planning services at each of the following five points in their career - the year after the award of tenure or passage of the major review and at ages 50, 60, 65 and 70.
d. Include preparation and materials for talking with active faculty about their career-long plans in the new department chair training programs that are being developed.

Transitioning into Retirement

The Internal Revenue Service defines the "normal retirement age" as the age that is typical for the industry in question, noting that it would not reasonably be earlier than age 55.[18] The Social Security Administration defines retirement as "the age at which a person may first become eligible for full or unreduced retirement benefits,"[19] with the earliest that one can start receiving any Social Security benefits being age 62. Since the uncapping of mandatory retirement in 1994 and with the advent of age discrimination legislation, choosing when to retire is entirely at the discretion of the individual faculty member and, as noted in earlier sections of this report, what is "typical for the industry" has been changing.

External factors play a key role in a faculty member's decision. Most important among these is the relative "health" of the stock market, particularly if the individual is invested in equities. The impact of the 2008 economic downturn and the financial uncertainty it created have been cited by senior private university human resources (HR) officers as the leading barrier to retirement on their campuses, with 71% noting it as of great concern.[20] While this has surely played a role in the decision of some faculty to remain employed, the shift in average age of retirement was already underway before the economic downturn occurred.

The second most cited barrier to retirement is employee anxiety about post-retirement health care, with 50% of the private university HR officers noting it as of great concern, perhaps with justification. The April 2011 Preliminary Report of the Task Force on Fringe Benefits noted that, between 2006 and 2009, average health care costs across the U.S. rose at a rate of 6%

[18] Section 401(a) of the Internal Revenue Code
[19] Social Security Administration website: http://www.ssa.gov/retire2/retirechart.htm
[20] Green, Kenneth with Jaschik, Scott and Lederman, Doug; The 2012 Inside Higher Ed Survey of College and University Human Resources Officers; September 2012

annually. In the Northeast, they grew by 10% and in New York by 10-15%. While growth in Columbia health care costs has moderated from the 14% reported at the time, it still remains considerably higher than growth in inflation or wages. Research has shown that faculty take the gap between how much the institution subsidizes the health care premiums of active faculty members and how much it provides to retirees into account when thinking about retirement; too large of a gap has been found to function as a disincentive. Further, if they have dependents, they may also consider postponing retirement until after the dependents have reached the age of 26. Finally, uncertainty surrounding the impact of the Affordable Care Act is currently exacerbating concerns about health care costs.

Most retired faculty and their spouses/partners rely on Columbia for access to health care coverage to supplement Medicare which serves as their primary insurance. If it is perceived as unaffordable by current retirees, their experiences will influence the decisions of current faculty about whether and, if so, when to retire. As the national health exchanges called for in the Affordable Care Act become reality, they could enable those retired faculty who wish to do so to move to a new locale and still secure the kind of health care that they consider suitable, that is, health care equivalent to that which they are able to receive under Columbia's coverage. In fact, faculty who choose to retire before the age of 65 may be better situated than now because they will have the opportunity to consider purchasing coverage on the open market. Retiree health insurance exchanges already exist and offer an alternative for retirees aged 65 and over (i.e., Medicare eligible) to purchase affordable health care coverage.

Encouraging Retirement

Columbia currently employs a tailored approach to creating incentives for faculty to retire. It negotiates individualized retirement agreements that are intended to be responsive to the needs and interests of the retiring faculty member. Since retirement agreements are funded by a faculty member's home school, the wishes and financial capabilities of that unit also play a role in what is negotiated. The agreements specify the date on which the individual will retire, define the financial and other considerations given in return for retiring, and describe the remaining work responsibilities and obligations the faculty member will have until the point of retirement.

Faculty can currently make agreements that support immediate retirement or they can negotiate phased that typically do not go beyond three years. Financial considerations are often a part of these agreements, as is the opportunity to reduce work commitments, with full or partial salary, while retaining the privileges and benefits of a full-time faculty member. Unless their agreements state otherwise, those on phased retirement retain certain academic prerogatives during this period, including voting privileges in their department and Faculty and the right to participate in their internal governance, the ability to supervise graduate students and serve on dissertation defense committees, and the right to submit proposals for external funding. Early access to retirement savings funds within legal constraints is another option, and faculty may combine various options into a single agreement.

In general, the total monetary value of these packages is roughly equivalent, regardless of their individual components. Typically, those retiring with negotiated agreements receive six month's to one year's worth of salary, either in the form of direct payments, as partial salary over a period of up to three years, or as paid leave.

The Working Group acknowledged that the tailored approach has been a useful tool in assisting some faculty in their transition to retirement. Input from the focus groups and individual conversations with colleagues led the Working Group to conclude that tailoring had shortcomings that were seriously limiting its effectiveness. Most often cited was the issue of transparency. Because it is a personnel matter, both parties commit not to reveal the contents of the agreement except to immediate family members; in reality, individuals can and do share all or parts of it with others, although the institution is not at liberty to correct or augment incomplete or incorrect information that the individual may have released or listeners may have misunderstood. Because nothing is fully known or even necessarily correctly known about the contents of the agreements, faculty are left to speculate freely on what colleagues may or may not have received. This has two unfortunate consequences. One, faculty who believe they know what colleagues received may be disappointed when what they are offered seems less than what others got. Two, those who might otherwise be interested in discussing retirement are prompted to delay in hopes that even more-attractive packages might shortly be available; one would not want to retire too soon and miss out on the richer packages received by those who retire later.

The second challenge with the tailored approach is that it is for the most part faculty-initiated. While the *Faculty Handbook* informs faculty about the option and faculty are aware that peers are doing it, participation is self-limiting for all of the reasons noted above.

One other consideration was raised during the discussions and that related to the length of the phase-out period. The Working Group found that having the option of only one-, two- or three-year phase-outs limiting. It noted that many faculty typically plan aspects of their work (e.g., scholarly projects, teaching, leaves) on a longer timescale, and being able to create phase-out arrangements that included options of four and five years would be attractive. They also observed that faculty may be more comfortable with finalizing retirement five years into the future because that seems a long time away. Adding these options would not be unusual as Harvard offers its faculty the option of four-year phase-outs, and Chicago five. At least one public university/college system allows ten years and another seven.[21] To do this, Columbia would have to revise its health plan but, since the institution self-insures, that could be done. It would also have to amend its pension plan as it currently limits withdrawals to three years on a phased retirement agreement. The amendment would need to permit withdrawal for up to five years on a five-year phase-out agreement. What may be more difficult to alter are the limits on life insurance coverage and long term disability coverage because the plans are insured and subject to restrictions by the insurance carriers. The insurers currently offer coverage only to faculty paid 50% or more of the last full salary and extend coverage to the first two or three years in a phased-retirement.

An alternative to the tailored approach is one that offers standardized incentives to retire. All faculty in the institution are offered the same benefits and the nature of those are publicly known to everyone. Since other institutions have employed a standardized incentive approach on both one-time and continuing bases, it is a known quantity and Columbia faculty can be comfortable that it is reasonable and workable.

For example, in December 2009 in the aftermath of the 2008 economic downturn, Harvard offered 176 eligible faculty a special one-time incentive to retire. A quarter of the 127 eligible faculty members in the Faculty of the Arts and Sciences at Harvard elected to take the offer; 29% of the 49 eligible faculty in the four participating graduate and graduate professional schools signed retirement agreements in response to the offer. Among the options offered, over half chose to teach half time with full pay for two years; one-third chose to teach half-time for full pay in the first year and half pay in the following three. Less than 10% chose the option of a one-year paid leave. In light of the success of this effort, in December 2010, Harvard announced an ongoing program for tenured faculty between the ages of 65 and 72 who had at least ten years

[21] Foster, Jean, Naiditch, Linda, Politzer, Lisa TIAA-CREF Institute, "Motivating Reluctant Retirees in Higher Education: Interviews with College Administrators and Senior Faculty" Research Dialog, August 2011

of service; it also invited tenured faculty younger than 65 to sign up although they do not actually participate in the program until they reach aged 65. Under one option in the program, faculty can teach half-time for two years and receive full salary for both years, in addition to any other sabbatical leaves they may have accrued and they also receive a $10,000 research allowance. They must retire at the end of the second year. Under a second option, they can elect a four-year phase out wherein they teach half-time for all four years and receive full salary in year 1and half salary in years 2-4. Even though they are only receiving partial salary in years 2-4, they still receive full-time contributions to their retirement savings account. The reduced workload is in addition to any other accrued sabbaticals plus they receive the one-time $10,000 research allowance. By the end of the first year (2010-11), 48 of the nearly 550 eligible tenured faculty members had entered into phased retirement agreements.

The University of Chicago has for some years had a standard retirement incentive program. Tenured faculty with at least ten years of service who sign an agreement to retire between the ages of 65 and 70 receive a bonus and have the retiree medical premiums for themselves and their spouse/same sex domestic partner paid by the University for the remainder of their lives. The bonus is a multiple of the individual's base salary and decreases from twice the salary at age 65 to 80% of it at age 69. Participants are required to complete an agreement at least two years before the date on which they plan to retire. Alternately, faculty in this same age group may choose to reduce their teaching and service to half-time for up to five years and be paid two-thirds of their base academic year salary. Tenured faculty who have elected the reduced teaching option and who have served for at least ten years and elect to retire between 65 and 70 are also eligible to participate in the bonus option and can receive the special bonus and retiree medical payments provided they elect the bonus option before they turn 68.

About a decade ago, the Arts and Sciences at Columbia offered a one-time incentive package to encourage faculty retirement. In spring 2003, it offered all tenured faculty over the age of 65 the opportunity to receive one time their base academic year salary plus whatever additional leaves they had accumulated if they signed formal retirement agreements by a certain date. Thirty percent of the people to whom it was offered elected to participate and retired over the next several years.

The University of California offered the UC Voluntary Early Retirement Incentive Program (VERIP) three times in the early 1990s. In 2010-11, UC Berkeley did an analysis of the effectiveness of the program.[22] Looking back over the period from 1979 to 2010, it determined that, on average, about 3-4% of the faculty left the institution each year. In the years in which the VERIPs occurred (1990, 1992, 1993), the separation rates were 10%, 7% and 14% respectively. By the end of 1993, the number of faculty aged 65-69 had dropped from 123 to 43 (total n of 1,367). In the intervening years when no similar incentive programs have been available, the number of faculty aged 65-69 had grown back to 149 by 2010 and the number who were 70 and older had grown from 4 to 70 (total n of 1,534).

Incentive programs of this type have not been uniformly successful, however.[23] Administrators in institutions where incentive programs have not worked identify several contributing factors. These included offering too little money and not promoting it enough to the target audience. The failure to pair the financial program with a program that continued to connect retirees to the institution was viewed as the primary cause for the lack of success.

At the request of the Working Group, Deloitte gathered information about one-time and continuing retirement incentive programs during its conversations with the Ivy Plus institutions. Institutions that had had experience with them offered the following guidance.

- Special one-time offerings should not be done more frequently than once a decade. Otherwise, faculty nearing retirement will wait for the next one, which will commonly be imagined as surely being richer.
- The ongoing retirement incentive program should be announced at the same time that the special one-time offer is extended so that faculty can make informed choices about what is right for them. This will support the goal of transparency and avoid the impression, no matter how mistaken, that taking one or waiting for the other will be more or less beneficial.
- The monetary value of the special one-time program should be roughly equivalent to that of the ongoing program.
- The monetary value of phased options should be roughly equivalent, regardless of the number of years of phasing (1, 2, 3, 4, or 5), so that faculty are making timing choices independent of financial considerations.

The Working Group observed that announcing a retirement incentive program at the same time that the University was instituting a housing incentive program could create positive interactive effects. The faculty member sitting in one of Columbia's larger, more desirable

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[22] Paper presented by Marc Goulden at the ACE Conference on Advancing an Agenda for Excellence, Chicago, July 11, 2011

[23] Foster, Jean, Naiditch, Linda, Politzer, Lisa TIAA-CREF Institute, "Motivating Reluctant Retirees in Higher Education: Interviews with College Administrators and Senior Faculty" Research Dialog, August 2011

apartments might be induced to retire by the opportunity to capitalize on both programs at the same time.

Talking About Retiring

Conversations about one's impending retirement can be difficult for both the individual and the department chair or dean. In a minority of cases, a faculty member will ask to meet to discuss arranging to retire and, in those instances, the conversation is fairly straightforward. The individual typically has a plan in mind, has given thought to the ways in which the school or department can support the transition and is open and ready to develop a retirement agreement.

More often than not, these easy cases do not include those individuals whom departments and schools believe should be considering retirement, and initiating those conversations is challenging. Administrators are inexperienced and fear saying things that might offend the individual or, worse, violate age discrimination regulations. Even those at Columbia with experience talking to faculty at this critical juncture report that it can be complicated. In many instances, the individual may request to meet about an entirely different matter, and only as the discussion unfolds and with careful listening might the topic of retirement emerge.

Some institutions have addressed the need to support these conversations by creating a high-level position dedicated to faculty retirement counseling and support. The location within the institution of these positions varies, some sit within human resources while others fall under the provost. The Working Group believes that, at Columbia, it needs to be a highly visible position and that the person should be a senior provostial appointment. They suggested that it might even be someone who had just recently retired. With responsibility for meeting with faculty to give advice and support during the transitioning period and for facilitating access to important resources across the institution, it will also be important for the individual to have a dotted line relationship to HR. As described in the previous section, this position will also be responsible for advising the provost and HR on creating a culture that makes talking about and planning for retirement a part of the normal career progression. Having this position responsible for developing the retirement agreements naturally complements those responsibilities.

Several of the Ivy Plus institutions have developed comprehensive guides to help faculty transitioning to retirement. The best ones take the form of a central internet portal that supports faculty through all aspects of the transition. Since no one unit is responsible for everything, the guide can be particularly important in directing them to the appropriate resources (Retirement

Benefits Office, Work/Life Office, retirement savings account vendors, Social Security Administration, Employee Assistance Program, etc.). Faculty expressed the hope that, as the institution was designing this resource, it would think of it as an institution-initiated resource, where time-critical information was pushed out to faculty rather than their having to seek it, e.g., by contacting faculty about six months before they turn 65 about applying for Medicare, etc. Models of toolkits and checklists exist, and Columbia's Faculty Quality of Life Committee has worked on a prototype that might serve as a model.

Conclusions and Recommendations:

The Working Group concluded that Columbia is behind its peers in providing support to faculty at the critical point at which they are making decisions about retirement. It also concluded that the current tailored approach to negotiating retirement agreements creates perceptions of inequity, regardless of their actual monetary value, and that more transparency was essential. Finally, it determined that the institution needed to move in a proactive manner to encourage the growing number of faculty over the age of 69 to retire. To address these, it recommended that the University:

a. Offer a special one-time retirement incentive program for faculty over the age of 69.
b. Announce an ongoing institution-wide retirement incentive program that is applied in the same way for all retiring faculty between the ages of 69 and 74.
c. Inform faculty that the new senior position in the Office of the Provost is available to serve as a central point of contact for faculty seeking guidance and support for transitioning into retirement.

<u>The Post-Retirement Period</u>

It has been observed that faculty contemplating retirement generally ask themselves two questions: Can I afford to retire? Even if I can afford to retire, do I want to? The extent to which the individual has saved for retirement determines the answer to the first question; what one might do after retiring speaks to the second.

The Working Group frequently heard retirement characterized as a cliff, rather than as a normal life course transition. Immediately upon retirement, faculty face changes in their daily routines, lose opportunities for formal and informal interactions with departmental colleagues, acquire a different identity, and often experience a loss of community. Columbia's character as something of a ‘company town’ can magnify the effect. Faculty work at Columbia, live in Columbia housing, go to Columbia doctors, send their children to Columbia schools, etc. Such a strong identity as a Columbia faculty member within this context can make the shift to the status of retiree potentially more complicated. That these changes happen suddenly and can be disquieting is seen as a major influence on if and when faculty choose to retire.

Current Rights and Privileges

As outlined in the *Faculty Handbook*, retired faculty currently have certain rights and privileges. Those retiring with the title of professor are eligible for nomination to emeritus distinction. They may be appointed by a dean or vice president as special lecturers to offer instruction on a part-time basis. They ordinarily may not serve as advisers to graduate students but they may be asked to serve on dissertation defenses and other examination committees.

Retired faculty whose participation is essential to funded research projects may be appointed for part-time service as a special research scientist/scholar. If they were the principal investigator or project director of a funded research program prior to retirement, the dean, vice president or Provost can approve their continuing in that role until the first renewal after retirement. With prior permission, they may also submit new grant proposals.

Retired faculty are entitled to a University ID card, retain library borrowing and computing privileges, and have access to the University’s recreational facilities. Those who were considered full-time at the time of retirement are eligible for certain retiree benefits in accord with age and service requirements established for those plans. Because of the severe space constraints under which the University operates in general, retired faculty cannot be guaranteed office or laboratory space.

Creating a Meaningful Post-retirement Life

While appreciative of the emoluments that Columbia already provides to its retirees, faculty expressed repeatedly and in every forum the desire for a situation in retirement that was as full and meaningful as when they were active, and for Columbia to play a role in making this possible. Faculty in the focus groups said that, for the most part, they were not opposed to retiring. They care about the institution and recognize that the long-term vitality and eminence of their departments depend on an inflow of new knowledge and the disciplinary innovations and shifts in direction that come with the hiring of new PhDs and emerging mid-career stars. Except in periods of institutional expansion, they understand that this can only happen if senior faculty are willing to retire.

It would be unrealistic to think that any institution could create a menu of activities for its retirees equivalent to the circumstances provided by full employment but, to date, Columbia has done little to assist in this arena. It provides only modest financial and other support for the two retiree organizations at the institution and is severely limited in the office and lab space it gives retirees.

Retiree Groups -There are currently two organizations at Columbia that serve the interests of retired faculty, the Society of Senior Scholars and Emeritus Professors in Columbia. The Society of Senior Scholars brings together scholar-teachers who, after retirement, continue teaching part-time at Columbia in its general education programs. Members teach in the undergraduate Core Curriculum and other related undergraduate and graduate programs, as well as give colloquia at the Heyman Center for its alumni/ae supporters. The Scholars also organize lectures and discussions on issues of common interest. Established in 1988 at the Heyman Center for the Humanities, the Society is funded by an endowment provided by the Mellon Foundation that has been supplemented by gifts from other donors.

Emeritus Professors in Columbia (EPIC) was founded in 1999 as a professional and social fellowship and is composed of emeritus faculty and, by election, other retired faculty and administrators. Its purpose is to help retirees retain their connection to the University and to enable them to make meaningful contributions to the institution, the community and one another. It hosts a lecture series and makes its members available as mentors to faculty and students and as expert consultants to the media. Organizations such as EPIC are increasingly appearing on university campuses as retirees live longer and seek opportunities to remain active. The movement has grown to the point where it too has a membership organization, the Association of Retirement Organizations in Higher Education (AROHE), that supports "...colleges and universities in the creation and development of campus-based retiree organizations." EPIC is an AROHE member.

EPIC receives a small annual allocation from the Office of the Provost and relies on membership dues and gifts for the remainder of its support. EPIC's modest level of operating support severely limits what the organization is able to accomplish. It also lacks a campus office.

Retiree Space - As noted above, space limitations at Columbia mean that faculty must nearly always vacate their offices and labs following retirement. This was cited as a significant impediment to retiring and a major limitation on post-retirement quality of life. A few departments have identified shared space for retirees, but most do not have the luxury of using space in this manner.

Some institutions have created designated spaces on or close to campus as centers for retiree activities. The University of Southern California established a retiree facility over 30 years ago, UCLA over 40 years ago. The Koerner Center for Emeritus Professors at Yale was created in 2003 with a $10 million alumni gift, and the UC Berkeley Retirement Center is celebrating its 15th anniversary this fall.

Just this year, the Krieger School of Arts and Sciences (KSAS) established the Academy at Johns Hopkins. Tenured (KSAS) faculty aged 55 and older who retire after a minimum of ten years of continuous full-time service are eligible to apply for appointment as Academy Professors. Academy Professors must be actively pursuing research and are required to give and attend academic seminars sponsored by the Academy. Initial appointments are for three years and may be renewed annually for up to ten years. Academy Professors have access to the shared equipment and facilities within the Academy office and receive a research allowance of $2,000 per year and a health care stipend of $4,000 per year to help cover the costs of retiree medical benefits.

Centers typically provide common space with desks and comfortable seating, as well as access to computers, copiers, fax machines, newspapers and coffee service. Administrative support ranges from a part-time Departmental Administrator who keeps the center functioning to multi-person staffs who provide support for a range of services including member programs and volunteer efforts, grant proposal preparation, and the troubleshooting of personal benefits issues.

Deloitte looked more closely into several centers. It learned that retirees imagine that they will make extensive use of it as they are transitioning into retirement. The existence of the center seems to provide a level of reassurance that social and intellectual contacts will be readily available, and that there will be a place where one can go to do one’s work. As time passes, the frequency with which retirees visit the center decreases and, by year five, most are no longer using it on a regular basis.

The Working Group believes that there are strong arguments to be made for Columbia's establishing such a center. Construction of the new campus provides a unique opportunity for the institution to explore how and what might be constructed either there or in released space on the Morningside Campus.

Meaningful Contributions - As important as space is, it is not seen by retirees as the most critical consideration. They were unanimous in their view that the opportunity to engage in meaningful activity after retirement is the most important professional consideration, although space and professional engagement can and do go hand-in-hand. Their time as an active scholar may be decreasing or past, but they remain energetic and eager to engage with the world in an intellectually-productive manner. They are looking to Columbia to facilitate this.

There have always been retirees who have individually negotiated continued intellectual involvement, usually in the form of part-time teaching arrangements, but there have been no broad initiatives in this area. The Working Group believes that the long-term success of the institution's efforts to foster retirement as a normal career transition will depend in great part on having this piece in place as a complement to the financial component.

Given its academic character, supporting this did not seem to be a human resources function. For Columbia, the logical place to situate it would be under the umbrella of the proposed Office of Faculty Retirement described above. With sufficient staffing, the Office could spend time identifying opportunities for retirees both inside Columbia and beyond its bounds in the broader community. The Office would then serve as a broker to facilitate linkages between the opportunities and the retirees.

The Working Group developed a list of possibilities that the Office could explore. It includes opportunities to participate in the intellectual life of one's field, work with students, develop collaborative research projects with faculty and students, and contribute to administrative operations. It covers both internal and external activities, including options that might carry some level of compensation and others which would be done on a purely volunteer basis.

<u>Internal</u>
Teach a course at Columbia or Barnard
Help provide lab supervision ("special retiree scientist")
Get involved with the distance learning initiative (e.g., subject matter expert/course developer, course instructor)
Engage in programmatic activities of the Global Centers

Serve in an administrative role (e.g., committee chair, program director, Director of Undergraduate Studies, etc.)
Participate in a pool of thesis mentors (senior thesis, master's thesis, dissertation)
Mentor a beginning junior faculty member
Serve as a student advisor for residential or online students
Serve as an admissions volunteer (e.g., meet with prospects, read applications)
Serve as a club sponsor or Community Impact advisor
Advise students and alumni on entrepreneurial endeavors
Become a Faculty Athletics Fellow
Work on projects for the Office of Alumni and Development
Mentor incoming international faculty families transitioning to the University

<u>External</u>
Teach in a community college
Teach a course in a high school
Participate in colloquia sponsored by local cultural institutions
Give lectures at senior centers
Serve on boards of local organizations
Share expertise with governmental and non-governmental social service, health and cultural organizations
Work as a volunteer at local social service, health and cultural institutions

It would be unrealistic to assume that there will be no costs associated with these activities. Although providing funds to support retiree teaching, writing, research, academic meetings, conferences with colleagues, giving lectures here and abroad, etc., could over time become a sizeable expense, it will generate even greater returns as active faculty grow increasingly confident that retirement is simply another phase of their creative life, and not its end. Here too the principle for determining allocations might be that those directly or indirectly advancing the interests of the institution might receive more.

Conclusions and Recommendations

Life after retirement can be eagerly anticipated or approached with apprehension and even a degree of dread. Columbia retirees advise that the institution has it in its power to make life after retirement more attractive and more meaningful. The Working Group concurs and recommends that the institution:

a. Staff the new Office of Faculty Retirement at a level that would enable it to develop and maintain relationships with local cultural, educational, governmental, and other not-for-profit entities in support of retiree involvement with those organizations.
b. Invest in expanding and professionalizing a retired faculty membership organization.

c. Allocate resources to support professional activities of active retirees.
d. Explore the feasibility of establishing a center for emeritus faculty on the Manhattanville campus or in space freed by its creation on the Morningside Campus.

FINANCIAL CONSIDERATIONS

A number of the proposed changes can be accomplished with small investments. Providing training for deans and department chairs on an annual goal setting and salary review process; developing a retirement website, guide and checklist; creating a notification process at key career points; and expanding the retirement planning workshops and individualized counseling program offered by HR Benefits can be accomplished with existing resources. The relevant units see these as part of their responsibilities. HR is already at work on developing a number of these resources, and the Office of the Provost has begun a training program for deans and department chairs. Adding components that address retirement planning across the career could easily be developed and implemented.

Others will require investments on the part of both the schools and the central university. These include some which can be achieved for moderate investments, such as providing an allocation for individual financial counseling and increasing funding for Columbia's membership groups. Others, such as the revised retirement savings plan, down payment and apartment downsizing incentive programs, retirement incentive programs, creating an Office of Faculty Retirement, and establishing a retiree facility will require more substantial investments.

SUMMARY

Experts in aging, like Columbia's Linda Fried, note that the nation is in the midst of a major social experiment. Higher education, no less than other employment sectors, is confronted with a societal transformation for which no models for managing it currently exist. Government policies create incentives to remain employed past 70 and, for the first time in history, adults remain healthy and vigorous into their 70s, and even beyond. Just as the 'baby boomer generation' had an impact on the world during its teen, young adult and middle years, it is beginning to drive change as it reaches what had previously been consider the 'normal' age for retirement. It is demanding that society revise how it views life after 65 and insisting on the right to continue in meaningful and productive roles.

Institutions of higher education must adapt to these changes, and Columbia is taking steps to be responsive. The Working Group on Faculty Retirement identified five areas for attention and formulated recommendations in each. Taken together, they would represent a significant step forward in the University's role and responsibilities with respect to retirees.

1. <u>The institution must continue to offer retirement savings plans that provide sufficient resources to support faculty during the post-retirement period of their lives.</u>
   Changes in circumstances have meant that the officer retirement savings plan drafted by the Task Force on Retirement Benefits in Spring 2011could be revised to provide more generous contributions. Early in its work, the Working Group was asked to provide input on features for a revised plan, and these were shared with the administrative committee charged with drafting a new proposal. The Working Group had an opportunity to review the new proposal, and endorsed and recommended its adoption. The new proposal was approved by the University's Board of Trustees at its October 2012 meeting and will become effective for all new eligible officers whose appointments begin on or after July 1, 2013.

2. <u>Columbia's housing policies should not create disincentives to retire.</u>
   Housing issues loom large in faculty considerations about retirement at Columbia because the University, unlike nearly every other institution of higher education, provides housing for many of its faculty. Columbia must have a sufficient supply if it is to recruit and retain faculty whom schools believe are important to their eminence and productivity. While the annual census will ensure that those in housing are entitled to be there, the University should develop a down payment assistance program to enable faculty to purchase a primary residence in the private market and create incentives for retirees to downsize or leave Columbia housing so as to free the larger and most attractive apartments for reassignment to incoming faculty families.

3. <u>The University should improve communications and programming related to retirement planning throughout the faculty member's career.</u>
   Faculty are not seeking advice early and often enough across their careers, nor has the institution been proactive in this process. An Office of Faculty Retirement under the Provost, working in concert with Human Resources, should create a career-long process that reaches the right audiences at the right points in their careers. Investments in individual financial planning services and in training programs for department chairs and deans for talking with faculty about career planning will pay off in a more-informed, more financially secure faculty who will not feel that they need to remain indefinitely in their positions.

4. The institution should create formal and transparent retirement incentive programs.
   Faculty need support in making the decision to transition to retirement, and an Office of Faculty Retirement can provide this. The Office will confront many of the existing challenges in transitioning to retirement if the institution does not move from the current tailored approach for negotiating retirement agreements to one that is transparent and equitable. Offering a special, one-time retirement incentive option at the same time the new ongoing program is announced could help those already over the age of 69 to make decisions about retiring.

5. The University should work with retirees to create meaningful and productive post-retirement experiences.
   Faculty want to remain active after they retire. They want this activity to be rewarding and, to the extent possible, serve the University. They look to the institution to mediate these experiences on their behalf.

Columbia has always valued its active faculty. The Working Group believes that it must also invest in them as retirees, and that these investments will pay off for the institution. With a clearer understanding of what life will be like in retirement and greater confidence that it can be financially secure, productive and satisfying, faculty will be more likely to retire.

List of Attachments

Attachment 1

Membership of the Working Group on Faculty Retirement

Spencer Amory, Physicians and Surgeons

Michael Bell, Architecture, Planning and Preservation

Marian Carlson, Physicians and Surgeons

Douglas Chalmers, Retiree (Arts and Sciences)

John Coatsworth, Provost *(chair)*

Geraldine Downey, Arts and Sciences

Linda Fried, Public Health and Physicians and Surgeons

Gur Huberman, Business

Robert Hymes, Arts and Sciences

Robert Jervis, Arts and Sciences

David Madigan, Arts and Sciences

Thomas Merrill, Law

Staff: Stephen Rittenberg, Zeid Sitnica, Roxie Smith

Charge and Objectives

<u>Charge</u>

Advise the Provost on the creation of a culture that supports transition to retirement as a normal developmental stage in a faculty member's career path. Identify the enablers of and barriers to retirement at Columbia and recommend on any needed changes in policies, procedures and/or resources to improve circumstances for retiring faculty.

<u>Objectives</u>

Consider the following questions and report to the Provost on what encourages or impedes faculty retirement.

Descriptive

How similar/dissimilar is Columbia's age profile to that of its peers? Are there particular schools and/or departments that appear to have disproportionately skewed profiles?

How similar/dissimilar are the trends in faculty retirement over the past five years as compared to the prior five.

What does research say about what motivates faculty to retire and what factors influence decisions to delay?

Support

How does Columbia's financial counseling assistance compare to that of peers? What are the characteristics of places where it seems to be done particularly well?

How does the pre-retirement planning information on Columbia's website compare with that of its peers? What do the websites look like of places that seem most helpful?

How do Columbia's HR and provostial staffing for retirement counseling compare to that of its peers?

Where have retirement incentive programs worked and why? What features of these programs might be adapted for use at Columbia?

What levers to deans have to align work responsibilities with changes in academic productivity, e.g., space, teaching load, institutional service, salary increases, etc.?

How might deans use a faculty flow tool to aid in modeling the future composition of their faculty?

Programs

What institutional privileges and rights are the most meaningful to retirees?

Where do retiree membership groups/associations seem to work and why?

Where do institutes for learning in retirement work and why? Would this be attractive to faculty?

How does Columbia's retiree health plan compare to that of peers? Where significant differences exist, are there cost-effective ways to enhance Columbia's offering?

Would a designated retiree workspace appeal to Columbia retirees, and what features should it include?

How does Columbia's retiree housing program compare with those of other institutions that house their faculty? Are there compelling reasons to revise the current policy and, if so, in what way?

How does Columbia's mortgage assistance program compare with competitors? What features of their programs might be adapted for Columbia?

Would a building intended to house retires with special features such as an exercise room, onsite social services, and dedicated work space be attractive to those eligible to remain in housing after retirement?

Attachment 2

Change in Age Profile of Full-time Tenured Faculty, 1990 to 2010

Change in Age Profile of Full-Time Tenured Faculty, 1990 to 2010

Age	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<55	347	360	360	353	348	349	359	364	373	385	398	385	368	353	369	369	371	384	405	413	404
55	19	11	26	27	25	22	24	20	35	16	14	38	33	22	26	30	31	34	32	28	35
56	15	19	10	26	27	23	22	24	19	34	15	15	38	32	22	25	31	34	35	31	28
57	26	15	19	11	26	28	22	23	23	20	34	15	16	38	33	24	25	33	35	34	33
58	27	25	16	19	11	26	28	21	23	25	19	34	15	15	38	33	24	26	34	35	34
59	37	28	24	15	18	11	27	28	22	23	25	18	36	15	14	38	31	28	28	33	36
60	28	36	27	24	16	18	11	27	29	23	23	27	18	36	15	13	38	35	29	29	32
61	25	28	36	27	24	17	17	11	24	27	22	20	28	16	36	16	15	38	34	29	29
62	30	25	28	34	27	24	18	17	11	24	27	21	21	28	16	36	17	16	37	34	31
63	22	28	25	28	33	25	23	16	17	10	24	27	20	22	28	15	36	16	16	40	33
64	19	20	26	20	26	30	24	21	16	14	9	23	26	20	24	28	14	34	15	16	39
65	25	16	18	24	19	26	28	24	22	15	14	9	22	24	20	25	28	15	33	15	16
66	24	24	14	16	22	19	26	27	19	21	14	14	9	22	24	20	24	28	15	30	15
67	19	21	22	14	13	22	17	26	26	19	20	12	14	9	20	21	19	22	28	16	30
68	15	18	18	19	13	10	21	16	25	24	15	19	12	13	8	20	22	19	21	26	15
69	7	1	6	14	17	11	10	19	13	22	20	15	17	11	11	5	18	19	19	21	25
70		1			11	13	8	10	19	10	19	20	11	16	10	9	5	16	17	18	19
71						10	11	6	10	16	7	17	19	10	13	9	8	5	16	14	17
72							8	11	5	9	16	6	15	15	9	11	9	7	4	15	13
73								8	9	5	9	16	5	12	12	7	11	9	7	4	13
74									6	8	4	9	16	4	10	11	7	10	8	7	4
75										5	7	4	8	13	3	10	11	6	9	8	7
76				1							5	6	4	8	9	2	9	9	6	9	8
77					1							5	5	3	7	8	2	9	9	4	8
78													5	4	2	7	6	2	7	7	4
79														3	4	2	6	6	1	5	6
80															3	3	2	6	6	1	4
81																2	2	2	6	4	1
82																	1	2	2	5	2
83																		2	2	1	5
84																			2	1	1
85																				2	1
86																					2
Grand Total	**685**	**676**	**675**	**672**	**677**	**684**	**704**	**719**	**746**	**755**	**760**	**775**	**781**	**764**	**786**	**799**	**823**	**872**	**918**	**935**	**950**
Total 55 to 86	**338**	**316**	**315**	**319**	**329**	**335**	**345**	**355**	**373**	**370**	**362**	**390**	**413**	**411**	**417**	**430**	**452**	**488**	**513**	**522**	**546**
% of Grand Total	49%	47%	47%	47%	49%	49%	49%	49%	50%	49%	48%	50%	53%	54%	53%	54%	55%	56%	56%	56%	57%

Age Group	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<55	347	360	360	353	348	349	359	364	373	385	398	385	368	353	369	369	371	384	405	413	404
55 to 64	248	235	237	231	233	224	216	208	219	216	212	238	251	244	252	258	262	294	295	309	330
65 to 69	90	80	78	87	84	88	102	112	105	101	83	69	74	79	83	91	111	103	116	108	101
70 to 74	0	1	0	0	11	23	27	35	49	48	55	68	66	57	54	47	40	47	52	58	66
>74	0	0	0	1	1	0	0	0	0	5	12	15	22	31	28	34	39	44	50	47	49
Grand Total	**685**	**676**	**675**	**672**	**677**	**684**	**704**	**719**	**746**	**755**	**760**	**775**	**781**	**764**	**786**	**799**	**823**	**872**	**918**	**935**	**950**

% of Grand Total	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<55	51%	53%	53%	53%	51%	51%	51%	51%	50%	51%	52%	50%	47%	46%	47%	46%	45%	44%	44%	44%	43%
55 to 64	36%	35%	35%	34%	34%	33%	31%	29%	29%	29%	28%	31%	32%	32%	32%	32%	32%	34%	32%	33%	35%
65 to 69	13%	12%	12%	13%	12%	13%	14%	16%	14%	13%	11%	9%	9%	10%	11%	11%	13%	12%	13%	12%	11%
70 to 74	0%	0%	0%	0%	2%	3%	4%	5%	7%	6%	7%	9%	8%	7%	7%	6%	5%	5%	6%	6%	7%
>74	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	2%	2%	3%	4%	4%	4%	5%	5%	5%	5%	5%

Attachment 3

Average Age at Which Tenured Faculty Have Been Retiring, 1990-2011

	Arts & Sciences	
Year	Avg Age	Count
1990	64	2
1991	68	4
1992	67	5
1993	70	2
1994	67	7
1995	64	3
1996	70	4
1997	70	2
1998	66	1
1999	68	4
2000	66	4
2001	66	5
2002		
2003	71	5
2004	71	12
2005	73	8
2006	71	9
2007	73	8
2008	70	14
2009	79	5
2010	70	7
2011	73	9
Grand Total	70	120

	MS Campus	
Year	Avg Age	Count
1990	66	5
1991	69	6
1992	66	7
1993	69	6
1994	67	12
1995	64	4
1996	69	5
1997	67	4
1998	66	4
1999	68	7
2000	64	5
2001	66	8
2002	66	7
2003	68	7
2004	71	16
2005	73	8
2006	72	13
2007	71	11
2008	70	18
2009	75	7
2010	72	8
2011	73	17
Grand Total	70	185

	CUMC Campus	
Year	Avg Age	Count
1990		
1991	63	2
1992		
1993	64	2
1994	63	1
1995	64	2
1996		
1997		
1998	69	1
1999	72	2
2000		
2001	61	1
2002	69	1
2003	74	1
2004	70	7
2005	67	2
2006	79	2
2007	69	5
2008	66	9
2009	74	3
2010	74	8
2011	74	2
Grand Total	69	51

Attachment 4

Sample Quotes from Focus Group Participants

Lack of Clarity on Retirement Benefits

- “I don’t get anything from the University around retirement benefits – I don’t know what I get.”
- “Medical benefits [after retirement] are a big concern for me.”
- “I am not very informed. I never thought about health benefits. I have heard about Medicare but I don’t even know what Medicare means for me. For an educated person, I am very uninformed.”
- “Tuition benefit continuation is a reason I am delaying retirement.”
- “I don’t think Columbia offers spousal benefits.”
- “We need someone to explain our benefits to us.”

Uncertainty as It Relates to Housing Policy

- “Housing is a huge issue for those who came after 1989 because there is a lot of confusion around who is entitled to what.”
- “People who are not grandfathered and live in housing feel terribly insecure for themselves and their spouses. NOBODY KNOWS if you can stay in the apartment.”
- “Housing is a security we worry about losing.”
- “I am not sure whether I will be downsized and relocated – that would upset me very much. I live in an apartment which lets me to have privacy in one room. If I downsized, there would be no space for my intellectual endeavors.”

Influence of External Factors

- “People are not prepared. Some families are having their kids coming back because of the economy, even though they are 20-30 year olds.”
- “Nobody told us there would be a 14% increase in my health benefit costs.”
- “On a fixed income retirement salary, you’ll be forced out of your apartment in 20 years since your salary stays the same (and housing costs are rising).”
- “The market is a barrier to retirement.”

Passion for Profession

- “What I am doing is so much a part of my life, that retirement is like the end of life.”
- “Being here is exciting—it feels like what you were born to do.”
- “I want to do what I am doing – I tried to slow down and it didn’t work.”
- “If I look at my colleagues, they do the same amount of work I do—they work very hard. I assume they do it because they like it.”
- “If I won the lottery, I wouldn’t change anything. Retirement and going to an island – it is not my personality.”
- “It is not like I am going to go to Florida and sit somewhere and watch sunset – it is entirely different for me.”
- “Not many of us want to close the door and go to Arizona.”

Fear of Intellectual and Social Disengagement

- "There is another area where the University can do so much more. I think many of my colleagues at 70 would like to retire but they don't dare to because they are not sure if they are going to be able to participate in University life, if they are going to be part of this environment."
- "I have friends here. I want to stay around them."
- "I feel very alive intellectually and creatively. I don't want to retire because I like the atmosphere and people around."
- "I want to keep the day to day experiences."
- "I tried slowing down—it didn't work."
- "If I go into a situation where this is no significant pressure to accomplish something, I won't do well. Pressure means people are interested in what you are doing, no pressure means they are not interested. This is not something I would want to do."
- "I am not alone – most of my colleagues work 8-9 hour days."

Strained Relationship with Administration

- "People don't trust Columbia."
- "Columbia promises things sand then doesn't deliver."
- "The University becomes your home, it becomes your family and intellectually you are part of the enterprise. When someone says I don't need you anymore it is very painful."
- "It seems unclear that the University sees us as assets or the opposite."
- "We think that CU should indicate to the University that there is a retired group that is part of the University. That would make us happier and more proud."

Lack of Transparency

- "It is in Columbia's best interest to make things clear. We don't know if they are trying to turn over the faculty or not."
- "Nothing around here is transparent."
- "I felt uncomfortable about retirement because of a lack of transparency."
- "The way it's done is divide and reward – who ever goes through the process has to sign a confidentiality statement – so we can't see what they have."
- "We are willing to retire if the University offered a clear package to everyone at a certain age."
- "Retirement is the best kept secret at Columbia."
- "Retirement is like a big black hole."

Absence of Standardized Procedures

- "Right now people have to negotiate monetary and retirement privileges or they don't retire at all. If the University really wants someone to retire, they buy them out. If not everyone is being bought out, then the people who leave nicely feel as if they are getting the short end of the stick. There needs to be a programmatic change, something systematic, something which stipulates that there doesn't need to be individual negotiation. If you reach a certain age, you should agree to transition over the years. Some standards and process – a baseline."

- “We are willing to retire if the University offered a clear package to everyone at a certain age.”
- “I’m very uncomfortable with senior professors negotiating their retirement package. I would think the University needs to move in new directions, it is hard for people our age.”
- “People approach these [retirement] agreements with terror.”

Discomfort with Seeking Retirement Information

- “At 60 the University should send everyone information on retirement as a standard.”
- “My friend successfully retired, but it was by her design and her initiative.”
- “When people turn 60, there should be something proactive from the University…people should approach you.”

Attachment 5

Columbia University Retirement Plan for Current Officers

Age	Years of Service	Current Officers Plan Contribution
Any Age	Less than five years of service	5% of salary up to SSWB*, then 10% of salary above the SSWB up to $245,000 (2011)
Less than 40	5+ years or tenured	5% of salary up to SSWB*, then 10% of salary above the SSWB up to $245,000 (2011)
40+	5+ years or tenured	7.5% of salary up to SSWB*, then 12.5% of salary above the SSWB up to $245,000 (2011)
55+	15+ years	12.5% of salary up to SSWB*, then 17.5% of salary above the SSWB up to $245,000 (2011)

*SSWB is the Social Security Wage Base. In 2013, the SSWB will be $113,700.

Attachment 6

Columbia Retirement Plan for Officers Hired on or After July 1, 2013

Age	Years of Service	Contribution
Any Age	All New Hires	100% up to 3% of compensation
Less than 40	Less than 5 years	5%/9% of compensation under/over *SSWB
40+	5+ years of service	6%/10% of compensation under/over *SSWB
55+	Tenure bonus	New Hires – 10% of compensation in year gaining tenure for non-highly compensated faculty (less than $115,000 for 2012, indexed with inflation and linked to IRS definition) Current Participants – 20% of compensation in year gaining tenure for non-highly compensated faculty (less than $115,000 for 2012, indexed with inflation and linked to IRS definition)

*SSWB is the Social Security Wage Base. In 2013, the SSWB will be $113,700.

Attachment 7

Comparison of Current and New Retirement Plans to Those of Selected Peers at Ages 65 and 73 Under Varying Conditions

	Hire Age	Hire Salary	Hire Tenure	Total Balance of Peers	Current CU % of Peers	Total Current CU Balance	New CU % of Peers	Total New CU Balance
Maximum Employer and Employee Contributions - Retirement Age of 65								
Hypothetical Example 1	50	150,000	T	530,000	103%	550,000	108%	580,000
Hypothetical Example 2	45	200,000	T	1,230,000	113%	1,390,000	111%	1,360,000
Hypothetical Example 3	35	87,000	On	1,360,000	99%	1,340,000	107%	1,440,000
Hypothetical Example 4	45	65,000	On	410,000	92%	380,000	105%	420,000
Hypothetical Example 5	40	134,000	On	1,410,000	108%	1,540,000	107%	1,520,000
Hypothetical Example 6	30	75,000	On	1,710,000	93%	1,600,000	106%	1,800,000
Hypothetical Example 7	45	140,000	T	840,000	108%	910,000	107%	900,000
Hypothetical Example 8	45	180,000	T	1,100,000	112%	1,230,000	109%	1,210,000
Maximum Employer and Employee Contributions - Retirement Age of 73								
Hypothetical Example 1B	50	150,000	T	1,210,000	114%	1,390,000	108%	1,330,000
Hypothetical Example 2B	45	200,000	T	2,550,000	120%	3,070,000	111%	2,850,000
Hypothetical Example 3B	35	87,000	On	2,600,000	104%	2,710,000	107%	2,760,000
Hypothetical Example 4B	45	65,000	On	870,000	101%	870,000	104%	900,000
Hypotetical Example 5B	40	134,000	On	2,800,000	114%	3,220,000	108%	3,050,000
Hypothetical Example 6B	30	75,000	On	3,170,000	98%	3,110,000	106%	3,350,000
Hypothetical Example 7B	45	140,000	T	1,740,000	116%	2,020,000	107%	1,890,000
Hypothetical Example 8B	45	180,000	T	2,290,000	119%	2,720,000	109%	2,530,000
Maximum Employer Contributions Excluding Employee Contributions - Retirement Age of 65								
Hypothetical Example 6B	30	75,000	On	1,340,000	84%	1,120,000	101%	1,330,000
Hypothetical Example 7B	45	140,000	T	680,000	103%	710,000	102%	700,000
Minimum Employer Contributions Excluding Employee Contributions - Retirement Age of 65								
Hypothetical Example 6C	30	75,000	On	1,020,000	110%	1,120,000	82%	840,000
Hypothetical Example 7C	45	140,000	T	530,000	133%	710,000	93%	490,000

Assumptions: Calculated the benefit as if the hypothetical faculty member had been employed by each peer University, ranked and averaged the results; Assumed a 3% employee contribution – in some cases, the employee not receiving full match/Employee contribution and the match received are reflected in the charts; Investment earnings rate: 6.5%; Annual increase in pay:3%; Tenure Track Faculty gain tenure in their 10th year at Columbia and receive a 10% salary increase; National average wages (for assumed increases in Social Security Taxable Wage Base): 2.5%.

Peers: Harvard, Princeton, Yale, Cornell, Penn, Dartmouth, NYU, Stanford, Chicago, Brown

Attachment 8

Officers in Columbia Housing as of July 2011

	GROUP 1		GROUP 2	GROUP 3			Total
	Pre July 1, 1984	July 1, 1984 to June 30, 1989	Post July 1, 1989 to June 30, 2009	Post July 1, 1989 to June 30, 2009	Post June 30, 2009		
		Tenured or 15\15 at time of retirement	Tenured or 15/15 as of June 30, 2009	Non-tenured and < 15\15	Tenured - 3 yrs	Other	
Faculty							
Tenured	76		344	37			457
On-Track	0		0	247			247
Off-Track	3		0	159			162
Sub Total	**79**		**344**	**443**			**866**
Administrator	20		36	32			88
Barnard College	5		13	26			44
Librarian	15		11	46			72
Researchers	4		11	109			124
Support Staff	4		31	36			71
Teachers College	2		1	0			3
Sub Total	**50**		**103**	**249**			**402**
Active Total	**129**		**447**	**692**			**1268**
Retired							
Tenured/Off-Track	116		14	0			130
Other/On-Track	105		6	0			111
Sub Total	**221**		**20**	**0**			**241**
Grand Total	**350**		**467**	**692**			**1509**

Definitions

GROUP 1: Can stay in current apartment after retirement, spouses can stay after death of officer

GROUP 2: Tenured or other tenant who has been continuously employed for 15 yrs and cont resided in housing for 15 yrs as of June 30, 2009, can stay in housing in unit of appropriate size

GROUP 3: Non-tenured tenant with <15 yrs of cont service and cont residence as of June 30, 2009

Other tenants whose lease started after June 30, 2009 are not entitled to remain in housing

Tenured faculty whose lease start after June 30, 2009, eligible for 3 yrs in housing after retirement

Attachment 9

Number of Bedrooms by Tenant Category

	Housing Type	CO	ST	1B	2B	3B	4B	5B	6B	Grand Total
GROUP1	Administrator		1	7	7	5				20
	Barnard			1	2	1	1			5
	Faculty			9	30	31	8	1		79
	Librarian			6	7	2				15
	Research			2	1	1				4
	Retired		4	39	88	71	16	3		221
	Staff		1	1	2					4
	Teachers College			1	1					2
GROUP1 Total			**6**	**66**	**138**	**111**	**25**	**4**		**350**
GROUP2	Administrator			10	12	9	3	1	1	36
	Barnard			1	9	3				13
	Faculty		4	20	132	142	42	4		344
	Librarian			6	4	1				11
	Research		1	6	3	1				11
	Retired			2	10	7	1			20
	Staff		1	3	9	15	3			31
	Teachers College					1				1
GROUP2 Total			**6**	**48**	**179**	**179**	**49**	**5**	**1**	**467**
GROUP3	Administrator		1	10	15	5	1			32
	Barnard		1	5	17	1	2			26
	Faculty		19	164	203	47	10			443
	Librarian		4	25	14	3				46
	Research		6	68	27	8				109
	Staff	1	2	3	22	8				36
GROUP3 Total		**1**	**33**	**275**	**298**	**72**	**13**			**692**
Grand Total		**1**	**45**	**389**	**615**	**362**	**87**	**9**	**1**	**1509**

Definitions

GROUP 1: Can stay in current apartment after retirement, spouses can stay after death of officer

GROUP 2: Tenured or other tenant who has been continuously employed for 15 yrs and continously resided in housing for 15 yrs as of June 30, 2009, can stay in housing in unit of appropriate size

GROUP 3: Non-tenured tenant with <15 yrs of cont service and cont residence as of June 30, 2009

Other tenants whose lease started after June 30, 2009 are not entitled to remain in housing

Tenured faculty whose lease start after June 30, 2009, eligible for 3 yrs in housing after retirement

Number of Bedrooms by Tenant Age

	Age Group	1B	2B	3B	4B	5B	6B	CO	ST	Grand Total
GROUP1	1. <55	1	4	5	2					12
	2. 55 to 64	14	26	22	4	1			1	68
	3. 65 to 69	8	11	8		1			2	30
	4. 70 to 74	6	8	2	2					18
	5. >74	5	12	20	8	1				46
	Age unknowr	32	77	54	9	1			3	176
GROUP1 Total		**66**	**138**	**111**	**25**	**4**			**6**	**350**
GROUP2	1. <55	20	83	86	23	1			2	215
	2. 55 to 64	14	57	61	14	2	1		2	151
	3. 65 to 69	7	8	14	5	2			2	38
	4. 70 to 74	3	12	7	6					28
	5. >74	2	2	3	1					8
	Age unknowr	2	17	8						27
GROUP2 Total		**48**	**179**	**179**	**49**	**5**	**1**		**6**	**467**
GROUP3	1. <55	232	227	50	7			1	26	543
	2. 55 to 64	26	37	19	2				3	87
	3. 65 to 69	5	12	1	1				1	20
	4. 70 to 74	4	3	1	1				1	10
	5. >74	3	2						1	6
	Age unknowr	5	17	1	2				1	26
GROUP3 Total		**275**	**298**	**72**	**13**			**1**	**33**	**692**
Grand Total		**389**	**615**	**362**	**87**	**9**	**1**	**1**	**45**	**1509**

Note: Age of retirees and surviving spouses unknown.

Attachment 10

Overview of Proposed Changes to Existing Housing Policies

	Current Policy				**New Policy**			**Impact**	
	Remain in Current Apartment (1)	Downsize/Appropriately Sized Apt.	Remain for 3 Years Then Leave	Leave within a Couple of Months	Remain in Current Apartment (1)	Remain for 3 Years Then Leave	Leave within a Couple of Months	No Change	Policy Changed
Pre-1984 Policy									
Tenured Faculty	x				x			x	
All Others (2)	x				x			x	
7/1/84 - 6/30/89									
Tenured Faculty	x				x			x	
Other Occupants of CU Housing									
Employed F-T 15 yrs. (3)	x				x			x	
Employed F-T <15 Years				x		x			x
7/1/89-6/30/09									
Tenured Faculty		x			x				x
Other Occupants of CU Housing									
All with 15 x 15 (4)		x			x				x
All <15 x 15				x		x			x
7/1/09 on									
Tenured Faculty			x		x				x
Other Occupants of CU Housing				x		x			x

Notes:

(1) Retirees may remain in the apartment in which they reside throughout their lifetimes, so long as it remains their primary residence, as determined by Columbia University Facilities. Surviving spouses/same-sex domestic partners of these retirees receive the same benefit. All claims to the apartment end upon the death of the surviving spouse/same sex domestic partner of the Columbia retiree.

(2) "All Others" are those individuals who had signed leases before 7/1/84, regardless of the type & duration of their position prior to retirement, and include non-tenured officers of instruction; officers of research, libraries, athletics and administration; and support staff, primarily former superintendents.

(3) Individuals who signed leases in the 7/1/84-6/30/89 period and who at the time of their retirement a) reside in Columbia housing and b) will have been employed full-time at Columbia for 15 continuous years immediately prior to retirement are entitled to remain in their existing apartment throughtout their lifetimes, as are their surviving spouses/same-sex domestic partners so long as it remains their primary residence, as determined by Columbia University Facilities.

(4) Individuals who signed leases in the 7/1/89-6/30/09 period and who at the time of their retirement a) will have been continuously employed in a full-time capacity for at least 15 years immediately prior to retirement and b) will have maintained continuous residency in Columbia housing for at least 15 years immediately prior to retirement are entitled to remain in Columbia housing so long as it remains their primary residence as determined by Columbia University Facilities. Spouses/same-sex domestic partners of these retirees receive the same benefit. All claims to the apartment end upon the death of the surviving spouse/same sex domestic partner of the Columbia retiree.