

UNIVERSITY OF DELAWARE  
NEWARK, DELAWARE  
19711

UNIVERSITY FACULTY SENATE  
303 HULLIHEN HALL  
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September 25, 1978

MEMORANDUM

TO: All Faculty Members  
FROM: Reed Geiger, Vice President  
University Faculty Senate  
SUBJECT: Regular Senate Meeting, October 2, 1978

*Reed G. Geiger*

In accordance with Section IV, paragraph 6 of the Constitution, the regular meeting of the University Faculty Senate will be held on Monday, October 2, 1978 at 4:00 p.m. in room 110 Memorial Hall.

AGENDA

- I. Adoption of the Agenda
- II. Approval of the Minutes of the regular Senate meeting of September 11, 1978
- III. Remarks by President Trabant and/or Provost Campbell
- IV. Announcements - R. Kleinman, President, University Faculty Senate
- V. Old Business
  - A. Election of one member of the Nominating Committee  
(Note: this will complete the elections from Item VI-B of the May 1, 1978 Agenda.)
  - B. Recommendation from the Coordinating Committee on Education (U. Toensmeyer, Chair) and the Committee on Undergraduate Studies (A. Thompson, Past Chair) for approval of a major and a minor in Classics. (This item was withdrawn from the September 11, 1978 Agenda.)

RESOLVED, that the Faculty Senate approves the establishment of a major and a minor in Classics.

Requirements for the major are as follows:

30 credit hours of course work in Latin, Greek, Ancient Languages and Literature, and Arts and Science courses, to be distributed as follows:

GR 101 and 102;

12 credit hours of Latin and Greek at the 200 level, with 6 credit hours at the 300 level or above, and with at least 3 credit hours from each language;

AS 360, and ALL 316;

6 credits of hours of ALL work at the 200 level, to be chosen from ALL 213/214/215/216;

15 credit hours of related work in specified correlative departments, including History, Philosophy, Art History, Modern Languages and Geography.

Requirements for the minor are as follows:

- 18 credit hours of course work, including
  - 12 credit hours of Latin or Greek at or above 200 level  
(If all 12 in one language, at least 6 credit hours  
at 300 level or above)
  - 6 credit hours of Ancient Languages and Literature, and at least  
3 of those at 300 level or above.

#### VI. New Business

- A. Request from the Committee on Committees (B. Settles, Chair) for confirmation of the following appointments of Senate committee members and chairpersons:

Adjunct Academic Affairs	P. Pelosi, member
Budget Review	M. Palley, chair
Computer Committee	F. Hofstetter, member and chair
Promotions and Tenure	F.L. Smith, chair
	R. Hunsperger, member (replaces Wolters)
Student & Faculty Honors	D. Black, chair
	R. Hamlin, member (replaces Van Name)
	V. James, member (Nursing)
Student Life	D. Buckmaster, member
Undergraduate Studies	J. Thornton, member (replaces Paretta)

- B. Report to the University Faculty Senate on the University Honors Program, by Prof. Donald Harward, Director.
- C. Recommendation from the Executive Committee (R. Kleinman, Chair) regarding the report of the Ad Hoc Committee on Early Retirement (Attachment 1).

RESOLVED, that the Faculty Senate adopts the Report of the Ad Hoc Committee on Early Retirement.

- D. Resolution for a change of the Trustee Bylaws (approved by the Senate April 3, 1978). For discussion only. (This resolution will be read at the General Faculty Meeting on October 16, 1978 and be presented for reconsideration at the November meeting of the Senate.)

RESOLVED, that the University Faculty Senate recommends that the following provision be added to Chapter 2, Section II-E of the Trustee Bylaws:

On such matters as the faculty deems to be of unusually great import, and for which the faculty has reason to believe that its collective view is significantly at variance with that of the President, the University Faculty Senate shall have the privilege of transmitting its position directly to the entire Board of Trustees. It shall also be provided the opportunity of participating in discussion of the matter before a plenary meeting of the Board or of one of its appropriate standing committees.

A decision for direct referral of its recommendations to the Board shall require a 2/3 vote of the Senate when a quorum is present. For the presentation of its views before the Board, the Executive Committee of the Senate shall select appropriate faculty members.

- E. Such items as may come before the Senate. (No motion introduced at this time may be acted upon until the next meeting of the Senate.)

RGG/b

Attachment: Report of the Ad Hoc Committee on Early Retirement

Report of the  
Ad Hoc Committee on Early Retirement

Preface

An Ad Hoc Committee on Early Retirement was created by the University Faculty Senate in mid-June 1978 with the following charge:

To develop a preliminary set of early retirement plans (one or more) including estimates of costs and/or savings, for consideration for adoption at the University of Delaware, with a report to be submitted by July 31, 1978.

The subject of early retirement is a complex one, and even though the committee has met once a week since its inception, the attached report cannot be considered complete. Some of our conclusions are tentative, and there are certain important questions of fact that we do not yet have answers to. In order to comply with our charge, and being aware that the Senate had been expected under the terms of the contract between the University and the AAUP to produce a report by July 1, we have decided that we should submit this interim report now (early August) and continue attempting to collect additional factual material that could be appended to the present report prior to the time when the Senate convenes in September. We will not consider ourselves discharged until a final report (which may not be all that much different from this preliminary one, considering the problems of summer committee work) is formally presented in September.

The report itself first deals briefly with the idea of early retirement, and some possible advantages and disadvantages of an early retirement plan. The reader's attention is then drawn to a series of what we have chosen to call "policy questions" (e.g., age of eligibility for the plan, years of

service for eligibility, etc.). The committee makes specific recommendations on a number of these questions. Finally, some data is presented, showing amongst other things the following:

(a) age distribution of faculty by college, and the number of faculty in the state pension plan and in TIAA (Table I);

(b) faculty turnover for various causes for the last five years, and projected turnover (Table II);

(c) an attempt to show what early retirement would mean to a "typical faculty employee" (assumptions carefully noted) in terms of his/her contributions and benefits as compared to the contributions and benefits for a person in similar circumstances who retired at the "normal" age of 65, and to assess the impact of this early retirement plan on the University of Delaware as well (Table III, IV and V).

A list of material collected by the committee, and available for inspection by interested parties, is also attached to this report.

This committee has concluded that it is within the realm of practical possibility for the University of Delaware to offer an early retirement plan, and we recommend that they do so. It should be made very clear that while we do have specific recommendations to make on a number of "policy" questions, we are not endorsing the specific detailed plan used as a model for the construction of Tables III-V. Some persons will find this model too generous, others too stingy, and there are doubtless other ways of accomplishing much the same thing. In our opinion, the financial details of an early retirement plan, assuming that one is accepted, will have to be worked out through bargaining between the AAUP and the University. The Senate's role, it seems to us, is to decide whether an early retirement plan is in the best interests of the

University of Delaware, and if so, to provide guidance on the various "policy" questions that are raised in this report.

### Introduction

The question of retirement has commanded a considerable amount of attention in the last year or so, especially in connection with the debate in Congress on changes in the mandatory retirement age in the Age Discrimination in Employment Act of 1967; with the changes in the Social Security tax schedules; and as a consequence of an increasing tendency for employees to seek ways to retire, or at least convert to part-time status, prior to the historically hallowed age of 65. At first glance, it might appear that American society is at odds with itself when pressures develop more or less simultaneously to modify existing arrangements so as to permit both earlier and later retirements. However, these two tendencies are not so much conflicting and competing as they are a natural outcome of the desire of every American worker to decide for himself or herself, insofar as this is feasible, the terms and conditions of his/her own employment. To some persons, retirement is anathema at virtually any age, and something to be resisted as long as possible. To others, the attractions and challenges of the present job have lost some or all of their allure, and retirement, or at least transition to part-time status, is something that is sought at the earliest economically feasible time.

It is not clear at this point what fraction of employees will decide to work beyond the traditional retirement age of 65 (when that becomes possible); what fraction would elect early retirement if a suitable plan were available; and what fraction will continue to retire at 65.

Although a Ladd-Lipset survey (Chronicle of Higher Educ., Nov. 7, 1977) indicated that 50% of faculty members in the U.S. expect to retire at the

"standard" age of 65, and that only 15% expect to continue full-time careers much past 65, there are other items in the survey that suggest that this may be misleading. For example, faculty at schools that now have a mandatory retirement age of 70 are more likely to plan to work to that point than are faculty at schools with a retirement age of 65. Also, the survey indicates that no matter what faculty in general say about their retirement plans, these plans are revised upwards as the retirement time actually draws near.

Congress has recently mandated a change in the compulsory retirement age from 65 to 70. The implementation date for this change with respect to employees in higher education is July 1, 1982. However, the State of Delaware also amended its own pension plan very recently in the same way, effective immediately, thus creating two categories of faculty employees: state pension plan people, who now have the option of working until 70, and TIAA plan people, who do not have this option under existing law and University policy until 1982. It seems likely, however, that the University will soon act to remove this rather artificial distinction by voluntarily accepting the 70-year retirement age for all employees. We will not be concerned with "late" retirement any further here, except insofar as attempts may be made to estimate the effect these changes in the law will have on the University of Delaware, both from the point of view of cost and staffing.

#### General Advantages and Disadvantages

If a generous enough plan can be adopted, or if the faculty person has other financial resources, the advantage to the faculty or staff member is obvious; he or she is provided with a previously unavailable option (unavailable except at ruinous cost, that is) and may take up other activities or drift into indolence at an earlier point in life than is presently feasible. There are no evident

disadvantages from the point of view of faculty/staff, assuming that the plan adopted contains certain reasonable provisions. The faculty person taking early retirement will have to be in a position to accept a substantial diminution in income from the University, of course, but if provisions are made to continue health and life insurance benefits, and if the financial security at retirement is of more or less the same kind as would be available at the normal retirement age, there seems to be no reason why such an option would not be attractive to some number of faculty members.

The most important benefit of such a plan from the institution's point of view is the employment flexibility that would be established. The cessation of growth in higher education, coupled with the very rapid expansion of staff in the late 1950's and 1960's, has put many institutions, including Delaware, in the position of having relatively few positions available in the next 10-15 years (see Tables I and II for an analysis of the age of the Delaware faculty, and retention in recent years).

Although the proportion of tenured faculty, University-wide, is only 50.5% at the present time, there are a number of units where all or most faculty are now tenured, and the proportion of tenured faculty can only increase in the next 10-15 years, as the present group of highly qualified assistant professors moves into the upper ranks without significant new additions at the bottom. Things change, however, even in academe; some academic areas flourish while others go into slow decline, and deans and provosts need a finite number of new positions with which to carry out, in close collaboration with the Senate, of course, such remodelings of the institution as seem appropriate as the years go by. An early retirement plan could reasonably be expected to provide this flexibility.



There are at least two possible disadvantages to an early retirement plan from the institution's point of view, although neither of them need necessarily obtain. The first is the possibility that the most active and productive faculty members in the eligible cohorts will be the ones electing early retirement, leaving the institution in a steadily worsening situation with respect to the vigor of its older faculty; the other is, of course, the possibility that the plan will cost more than the institution can reasonably afford. Each of these is discussed in more detail below.

With respect to the first point, the only information that we are aware of is contained in a Ladd-Lipset survey published in the Chronicle of Higher Education for November 7, 1977. In this survey, Ladd and Lipset directly address this question and assert that it simply is not the case. Looking at faculty members for whom retirement is an immediate issue (55-62 years old) they find that "it is those of the highest scholarly standing and performance who most want late retirement...(and) those with the fewest scholarly attainments (who) are most interested in retiring early."

If one accepts these findings, then there is perhaps no problem here from the institution's point of view, and the problem will be more one of dispelling the notion that an onus is attached to early retirement, as being diagnostic of low productivity.

The second possible disadvantage from the institution's point of view, that is, that the cost will be too high, obviously depends on precise details of the plan that is adopted, including such questions as whether one assumes the replacement of a retiring senior faculty member by a junior one in every case; what the particular financial inducements are; how many faculty elect to take advantage of the plan, etc. These questions are addressed more directly later in this report (see Table III-V).

Necessary General Features of an Early Retirement Plan (Assuming Adequate Financial Inducements):

(1) It must be voluntary. Early retirement has always been an option open to faculty and staff, of course, but only rarely and in a strictly ad hoc way have any financial incentives been provided to the early retiree. Hard data is not readily available, and the number of cases is probably small in any event, but it seems likely that in the past, some persons, more or less at the height of their academic careers, have elected to retire entirely of their own volition and for reasons of their own; and that a few other persons have been persuaded by the administration to accept early retirement; a resignation in exchange for a full year's sabbatical, that sort of thing. This committee sees no reason to suggest that any particular effort be made, in adopting a formal early retirement plan, to prevent in the future the administration from pointing out the virtues of early retirement to persons whom they feel would benefit from it, just so long as it is clear that no person who is performing at a satisfactory level can be required to retire before 65 (at the present time) or before 70 (after July 1, 1982). If a plan is adopted, however, then its provisions must be applied uniformly to all retirees--no special deals, in other words.

(2) It seems unlikely that the University will decide that it can adopt an early retirement plan that would be substantially more generous over a 5-year period than the present sabbatical arrangements are for one (i.e., 50% of salary, plus maintenance of pension contributions and health and life insurance). It follows from this that the people who will seriously consider early retirement will fall into one of three groups: (a) persons with a second significant income, as from spouse, inheritance or financial acumen well above the norm;

(b) persons prepared to accept a very significant reduction in income in exchange for release from a situation that has lost its appeal; or (c) persons who would be seeking alternate employment. One form of alternate employment would, of course, be part-time work at the University, either in the form of teaching occasionally (regular session, summer/winter sessions, CED); in the form of part-time administrative duties; or in the form of sponsored research. There is a \$3,000/year limit on the amount that a state pensioner can earn from the state without jeopardizing the pension, but this complication aside, it seems eminently reasonable to this committee that the University should declare its willingness to consider various part-time arrangements on a case by case basis. The University should, therefore, make a good-faith effort to work out part-time arrangements with those early retirees who might want this, but there should be no requirement for part-time service from the early retirees in the plan. It should also be possible in some cases, as it is now for some emeritus faculty, to allow continued access to secretarial help, office and laboratory space, and computer time, and the retention in all cases where it is desired of those perquisites that go with an ID card, such as library, free attendance at certain campus events, etc.

(3) An early retirement plan that is adopted must be available to all faculty who meet the eligibility requirements, that is, participation cannot be subject to administrative veto. If there is concern that too many people would be making this choice, which seems unlikely to this committee, then a limit on the number per year could be established, with a ranking system. It would also be feasible, in the committee's judgment, to allow the administration in certain cases to seek a year's deferment, to allow more time to seek appropriate replacement.

(4) One of the principal deterrents to early retirement will be the fear on the part of the faculty member of the effect of continuing inflation on a fixed retirement stipend. This is a concern of all retirees, of course, but the problem is clearly more troublesome if the erosion starts at 60, say, than if it starts at 65 or 70. Some kind of adjustment provision will be necessary so that the 60-year old retiree will not be 5 years worse off at 65 with respect to inflation, than his colleague who steps out at 65.

(5) The plan will have to deal with the differences between state-retirement plan people (about 65 of them) and TIAA people, providing approximate equity to the two groups.

(6) Persons who retire now at 65 lose their University-sponsored health and life insurance benefits, but become eligible for Medicare. Future early retirees will not be eligible immediately for Medicare, and the plan will have to find a way to continue this coverage for the interim period.

(7) Because of the existence of several unknowns (e.g., how many eligible faculty will elect early retirement; future changes in FICA tax laws, etc) the University must retain the right to make adjustments in the early retirement plan annually, but it must make a commitment, if it adopts an early retirement plan at all, to continue offering a plan, even if modified, for at least 5 years. Further, whatever modifications are deemed necessary from year to year cannot have a negative impact on persons who have already chosen the early retirement option; and if the adjustments are such as to make the plan more attractive, it would be desirable to extend these improvements to persons already in the plan.

(8) 60 is the minimum eligibility age.

(9) 15 years service at the University of Delaware shall be required also for eligibility.

(10) There shall be no limitation on outside earnings on the part of early retirees.

Prepared by:

Gordon Bonner, Business Administration  
John Marrazzo, Institutional Research &  
Financial Planning  
Helen Morgan, Benefits Office  
Robert Stark, Statistics & Computer  
Science  
John Wriston, Chemistry, Chairperson

TABLE I

RETIREMENT PROFILES  
MANAGING FACULTY  
SEPTEMBER 1977

No. of Faculty	Sex	Tenure	2	Avg. Yrs. Service	SERVICE			AGE DISTRIBUTION						15+	OVER 15 YEARS SERVICE					OVER 15 YEARS SERVICE					AGE & PENSION DISTRIBUTION														
					0-9		10-14		15-19		20-24		25-29		30-34		35-39		40-44		45-49		50-54		55-59		60-64		65+		60-64		65+		60-64		65+		
					Years	Years	Years	Years	Years	Years	Years	Years	Years		Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years	Years		
771	309	50.5	7.89	10.50	22	7	13	44	31	1	7	2	1	13	4	1	5	2	1	4	2	35	6	14	7	11	12	4	14	0	2								
42	25	59.5	10.50	41	424	63	45	35	4	105	41	21	23	18	2	35	6	14	7	11	12	4	14	0	2	1	4	2	1	2	1								
Arts & Science																																							
152	72	47.4	7.58	107	30	15	42	123	16	6	6	1	13	5	4	2	4	2	4	2	4	2	4	2	4	2	4	2	4	2	4	2	4						
107	62	37.9	7.35	74	23	10	40	93	6	3	3	2	10	5	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2					
90	47	34.5	9.78	48	22	22	43	72	7	6	5	2	22	11	4	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2					
37	22	39.3	8.22	17	4	6	43	29	2	1	5	2	6	2	1	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2				
66	25	37.9	6.24	53	7	6	38	56	5	3	2	2	6	1	2	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1				
45	25	51.6	7.66	39	10	6	44	32	6	3	4	2	6	1	2	2	3	2	3	2	3	2	3	2	3	2	3	2	3	2	3	2	3	2	3	2			
54	41	71.9	6.54	33	12	9	43	42	7	4	1	2	9	3	2	4	2	4	2	4	2	4	2	4	2	4	2	4	2	4	2	4	2	4	2	4	2		
32	10	31.3	6.08	25	4	3	39	18	2	2	2	2	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		
18	10	55.6	5.73	16	1	1	42	15	2	2	2	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		
44	9	20.5	6.72	33	9	2	44	30	6	3	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		
11	8	72.7	6.80	8	3	2	42	10	1	2	2	2	0	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		
18	0	0	7.04	14	3	1	40	14	4	2	2	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		
35	9	25.7	10.10	22	5	10	38	30	2	2	1	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		
20	4	26.0	5.41	16	3	1	38	19	2	2	2	2	1	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		

Does not include new hires.  
S.P. = State Pension

TABLE II  
FACULTY RETENTION

Faculty retention at the University of Delaware has remained at a high level for the last five years. The percentage of retention for 1976-77 was 89%, the same as for 1975-76. The level of retention for the last two years is below the highest level of 92% which was reached in 1972-73. The number of faculty remaining at the University of Delaware can be attributed to satisfaction with job conditions here and to the current economic conditions which have made teaching positions at other institutions difficult to obtain.

	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>	<u>1975-76</u>	<u>1976-77</u>
Total number of Faculty (includes chairs)	681	715	738	758	790
Terminations:					
Illness	-	1	2	-	-
Death	-	2	1	1	1
Retirement	<u>5</u>	<u>8</u>	<u>7</u>	<u>4</u>	<u>4</u>
Total Normal	5	11	10	5	5
Contracts Not Renewed	12	21	33	36	42
Transfer to Professional	-	-	5	4	1
Resignations:					
Lecturers	-	-	-	-	3
Instructors	13	7	6	3	8
Assistant Professors	14	19	16	29	19
Associate Professors	6	6	-	7	4
Professors	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>4</u>
Total Resignations	<u>35</u>	<u>34</u>	<u>22</u>	<u>39</u>	<u>38</u>
	52	66	70	84	86
<u>Destination of Resignees</u>					
Marriage, or spouse transferred	-	4	2	1	1
Government or industry	7	5	4	5	7
Continue education	1	2	1	-	2
Other institution	18	11	5	25	17
Other (including maternity)	<u>9</u>	<u>12</u>	<u>10</u>	<u>8</u>	<u>11</u>
	35	34	22	39	38

TABLE III  
EARLY RETIREMENT COSTS FOR  
A TYPICAL EMPLOYEE

I. Normal 5 year cost with retirement at age 65  
"Typical Employee", married, 2 children.

AGE	BASE SALARY <sup>1</sup>	TAXES <sup>2</sup>			T.I.A.A. <sup>3</sup> UNIV.	TOTAL	BENEFITS COSTS <sup>4</sup>		NET PAY <sup>5</sup>	UNIV. COSTS <sup>6</sup>
		FED.	STATE	F.I.C.A.			INDIV.	UNIV.		
60	\$ 30,000	\$ 5,950	\$ 2,226	\$1,071	\$ 2,400	\$ 4,800	\$ 2,948	\$ 3,324	\$17,805	\$ 34,395
61	31,800	6,598	2,248	1,403	2,544	5,088	3,118	3,523	18,433	36,726
62	33,710	7,285	2,444	1,588	2,697	5,394	3,300	3,656	19,093	38,954
63	35,730	8,012	2,688	1,975	2,858	5,716	3,491	3,952	19,564	41,657
64	37,875	8,785	2,947	2,130	3,030	6,060	3,694	4,188	20,319	44,193
TOTAL	169,115	36,630	12,553	8,167	13,529	27,058	16,551	18,643	95,214	195,925

<sup>1</sup>Annual base salary, 6% increase each year

<sup>2</sup>All taxes as of 7/1/78

<sup>3</sup>Both Individual and University amounts at 8%

<sup>4</sup>Includes T.I.A.A., Blue Cross, Life Insurance, Major Medical, Disability, Blood Bank, and Physical Exam; annual premium increase of 5%

<sup>5</sup>Base salary minus taxes and individual benefit costs

<sup>6</sup>Includes base salary, F.I.C.A., and University benefit costs

II. 5 year costs with early retirement at age 60  
"Typical Employee", married, 2 children, 20 years of service.

Early retirement assumptions: 40% of base salary, plus 1% for each year of service over 15. University pays all T.I.A.A. contributions, all benefits continue.

AGE	SUPPLEMENT SALARY <sup>1</sup>	TAXES <sup>2</sup>			T.I.A.A. <sup>3</sup> UNIV.	TOTAL	BENEFITS COSTS		NET PAY	UNIV. COSTS
		FED.	STATE	F.I.C.A.			INDIV.	UNIV.		
60	\$ 13,500	\$ 1,390	\$ 575	\$ 0	\$ 4,800	\$ 4,800	\$ 548	\$ 5,625	\$10,987	\$ 19,125
61	13,500	1,390	575	0	5,088	5,088	574	5,951	10,961	19,451
62	13,500	1,390	575	0	5,394	5,394	603	6,296	10,932	19,796
63	13,500	1,390	575	0	5,716	5,716	633	6,660	10,902	20,160
64	13,500	1,390	575	0	6,060	6,060	664	7,048	10,871	20,548
TOTAL	67,500	6,950	2,875	0	27,058	27,058	3,022	31,580	54,653	99,080

<sup>1</sup>Supplement salary equals 40% of base + 5% for service over 15 years

<sup>2</sup>All taxes as of 7/1/78; F.I.C.A. excluded

<sup>3</sup>TIAA contribution computed on annual base salary, 6% increase each year



TABLE IV

BENEFIT COSTS OF EARLY RETIREMENT  
FOR A "TYPICAL EMPLOYEE"  
(EXCLUDES T.I.A.A.)

I. Normal 5 year costs with no early retirement (5% annual increase in premiums).

AGE	BASE SALARY	BLUE CROSS		LIFE INS. UNIV.	MAJOR MEDICAL		DISABILITY UNIV.	BLOOD BANK UNIV.	PHYSICAL UNIV.	BENEFIT COSTS		
		INDIV.	UNIV.		INDIV.	UNIV.				INDIV.	UNIV.	TOTAL
60	\$ 30,000	\$ 523	\$ 590	\$ 180	\$ 41	\$ 16	\$ 86	\$	50	\$ 548	\$ 924	\$1,472
61	31,800	543	620	200	43	17	90		50	574	979	1,553
62	33,710	576	650	218	45	18	95		50	603	1,033	1,636
63	35,730	605	683	240	47	19	100		50	633	1,094	1,727
64	37,875	635	717	264	49	20	105		50	664	1,158	1,822
TOTAL	169,115	2,887	3,260	1,102	225	90	476	10	250	3,022	5,188	8,210

II. 5 year cost with early retirement (5% annual increase in premiums).

AGE	BASE SALARY	BLUE CROSS <sup>1</sup>		LIFE. INS. <sup>1</sup> UNIV.	MAJOR MEDICAL <sup>1</sup>		DISABILITY <sup>1</sup> UNIV.	BLOOD BANK UNIV.	PHYSICAL UNIV.	BENEFIT COSTS		
		INDIV.	UNIV.		INDIV.	UNIV.				INDIV.	UNIV.	TOTAL
60	\$ 13,500	\$ 523	\$ 590	\$ 81	\$ 41	\$ 16	\$ 86	\$	50	\$ 548	\$ 825	\$1,373
61	13,500	548	620	84	43	17	90		50	574	863	1,437
62	13,500	576	650	87	45	18	95		50	603	902	1,505
63	13,500	605	683	90	47	19	100		50	633	944	1,577
64	13,500	635	717	94	49	20	105		50	664	988	1,652
TOTAL	67,500	2,887	3,260	436	225	90	476	10	250	3,022	4,522	7,544

<sup>1</sup>It is conceivable that these benefits couldn't be continued, at least at reasonable cost. More information is being sought.

TABLE V

COST DIFFERENCES OF EARLY RETIREMENT  
FOR A "TYPICAL EMPLOYEE"

AGE	SALARY		TAXES		BENEFIT COSTS				NET PAY		UNIV. COSTS	
	\$	%	\$	%	INDIV.	UNIV.	\$	%	\$	%	\$	%
60	- 16,500	-55	- 7,282	-79	- 2,400	2,301	- 2,400	69	- 6,818	-38	-15,270	-44
61	- 18,300	-58	- 8,284	-81	- 2,544	2,428	- 2,544	69	- 7,472	-41	-17,275	-47
62	- 20,210	-60	- 9,352	-83	- 2,697	2,640	- 2,697	72	- 8,161	-43	-19,158	-49
63	- 22,230	-62	-10,710	-84	- 2,858	2,708	- 2,858	69	- 8,662	-44	-21,497	-52
64	- 24,375	-64	-11,897	-86	- 3,030	2,860	- 3,030	68	- 9,448	-46	-23,645	-54
TOTAL	-101,615	-60	-47,525	-83	-13,529	12,937	-13,529	69	-40,561	-43	-96,845	-49

Appendix...List of Articles, Plans, etc.

- 1) TIAA Bulletin, April 1972, Provisions for Early Retirement
- 2) Pittsburgh plan (1971)
- 3) Proposed University of Vermont plan (not adopted), November, 1977
- 4) State Employee's Retirement System (including Early Retirement), state of Pennsylvania, 1976
- 5) Early retirement plan, Univ. of Pennsylvania, March 1976
- 6) Dartmouth plan, November 1973
- 7) An article entitled "Making Early Retirement Feasible", by David S. P. Hopkins, that appeared in Change for June 1974
- 8) Stanford early retirement program, April 1973
- 9) an article entitled "Faculty Early-Retirement Programs", by D. S. P. Hopkins, that appeared in Operations Research, 22, 455, 1974
- 10) Chronicle of Higher Education for November 7, 1977, containing a Ladd-Lipset survey on retirement