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SOME INTERESTING INFORMATION ABOUT PHASED RETIREMENT

Anna Rappaport, FSA

A lot has been written about phased retirement. The January 2007 *Pension Section News* included an article (by Steve Siegel and this author) about phased retirement after the PPA. This 2008 article provides some new information and perspectives on the topic.

On June 26, 2007, the U.S. Conference Board sponsored a Web cast on phased retirement. There were several interesting aspects of the Web cast and ensuing discussion. These included:

- Polling results
- Focus on case studies about how employers have implied phased retirement, including examples of how employees are moved from job to job as they entered phased retirement
- Participation by a number of employers, indicating their interest in the topic.

This article will focus on the first two of these three elements.

The polling questions reflect very quick responses to an informal poll. The sample respondents are limited to people who are interested in the topic. Nevertheless, the responses offer some interesting findings:

- Does your organization currently offer phased retirement?
 - 63 respondents
 - 41 answered no, 1 said yes to a formal program, and 21 said yes with informal arrangements
- How likely is your organization to offer some phased retirement option within the next three years?
 - 69 responses
 - 33 said very likely, 26 said somewhat likely, 6 said somewhat unlikely and 4 said very unlikely. More respondents (33 versus 28) said that their company was more likely to offer a formal rather than an informal program.

I found these results to be very significant in that they indicate considerable interest in developing phased retirement programs in the future. They indicate that significantly more companies may offer these programs a few years down the road than do now. This is a topic that has been talked about for many years. Maybe we are coming closer to concrete action.

The second interesting part of the Web cast that I want to share with *PSN* readers are examples of how individuals have made phased retirement work for them. These stories are from a presentation by Dawn Malone of

Countdown to Share Comments on CPD Requirement Begins!

Hurry! Don't miss your chance to share your comments with the SOA Board on the CPD Requirement Exposure Draft. The comment period, launched in November 2007, will close on February 22, 2008.

[Click here for more information.](#)

Save the Date:
June 4-6, 2008

The Joint CCA/SOA Employee Benefits Spring Meeting will take place in Tampa, FL. Stay tuned to www.soa.org, Meetings & Events for more information.

Bon Secours Health System which was included in the Web cast. Bon Secours offers three phased retirement options which are described in detail in a recent Conference Board report, Phased Retirement after the Pension Protection Act (www.conference-board.org/publications/describe.cfm?id=1289).

Dawn Malone told these stories:

"Job-sharing is tougher to accommodate but it can be done, too. Jackie started her nursing career at Bon Secours in 1971. She had been mentoring Becky, who is also a nurse. Last year, Jackie had remarried and decided, after 36+ years in nursing, that she wanted more time to stop and smell the roses. Becky wanted to spend more quality time with her four boys, ages 7 to 17. They had observed a successful job-sharing arrangement elsewhere in the health system and asked their supervisor about co-managing their department.

Their supervisor, James, asked lots of questions, such as if the staff would accept it, if it would create confusion over who was in charge, and if any possibility existed that tasks or information might fall through the cracks. During the decision-making process, he said everyone laid their concerns on the table and discussed them openly. That reflected well on the team, and in the end, the job-share was approved on a pilot basis. It's working well—this is a great example of mentoring and knowledge transfer that's so vital to our business."

"Jane was a nurse at one of our hospitals for 40 years before it closed. Then she transferred to the Rapid Admit Unit at our then newest facility. She was thinking she'd just be marking the days until she could retire. However, the environment at this facility came as a very pleasant surprise. And at age 67, she loved her job and the people so much, she really didn't want to retire. But like many after age 50, she was finding the physical demands of nursing increasingly difficult.

Her supervisor, Jill, recognized that a valuable resource was about to disappear and had something else for Jane in mind. She saw the perfect opportunity to fill a department need with someone who had a tried and true set of skills who could hit the ground running. Jill had no idea whether Jane would be interested—it was a shot in the dark, but she took it. The offer was a welcome surprise to Jane. She called Jill's offer a gift. In addition to being able to stay with friends in an environment she enjoyed, she appreciated the extra income and continuation of her health benefits. She now works 15 to 18 hours over three days each week."

"In this next scenario, we'll look at Nettie's career. She began nursing in 1957. She worked on three units. She was one of the first "working mothers" to request flex scheduling to accommodate child care issues. Her husband was in the military and was gone for months at a time. She was originally hired to work 3 p.m. to 11 p.m. However, with small children at home and child-care issues interfering with her work schedule, Nettie lobbied the Nursing Director to allow her to flex her schedule. She worked 7 a.m. to 7 p.m. for many years.

In 1975, she transferred to Employee Health. During this time, she also worked PRN evenings, and weekends on the units. This made her the first employee allowed to work in more than one cost center—another flex scheduling milestone. In 1999, she retired. Then in January 2000, she returned to work for Employee Wellness. Among other duties, she performs

TB skin tests on employees. She has gradually reduced her hours since retirement. She currently works two days per week. “

“Finally, we have Jean’s story. She first retired as a nurse in 1997. She loved her work in the psychiatric department, and she loved her coworkers. However, the physical nature of nursing had led to two knee replacements and later a broken foot.

A few months after she had said her good-byes, she got a phone call from a nurse manager she had worked with who asked Jean if she would come back as a substance abuse counselor. Jean was flattered. She had learned a lot from social workers on the unit, as well as the patients. And, as it turned out, she was wanting to do something else with her time. She talked with HR about reinstating, and found that her retirement benefits would accommodate this situation. She was excited about being able to continue collecting her pension while working part-time. Most importantly, she just loved what she was doing. She has since retired again and is enjoying spending time with friends, many of them former nurses.”

These stories offer us an unusual insight into what phased retirement can mean at the individual level. Many of us who think about statistics and groups of people do not envision the practical aspects of how one person’s job and role can successfully change during a phased retirement period. These stories help permit us actuaries to think about these issues in a different way. Thank you to Dawn Malone and the Bon Secours Health System for sharing them.

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