

2012 BRINGING ADMINISTRATORS TOGETHER CONFERENCE

Department Planning for Upcoming Retirements: What Should You Think Through?

April 11, 2012: 9:30 – 10:45 AM

UIC UNIVERSITY OF ILLINOIS
AT CHICAGO

Workshop Presenter(s)

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Please ...

- Turn off cell phones.
- Avoid side conversations.
- Please hold your questions until the end.
- Sign the attendance roster.
- Complete the evaluation at the end of the workshop.

Workshop Objectives

- How to develop a “Big Picture” view of the operation in anticipating staffing changes
- How to develop a “Staffing Plan”
- Status report on pending legislation on the “Rehiring of Retirees”
- Develop an awareness of available resources
- Get answers to your questions about specific employee groups, e.g. Faculty, APs, and CS
- Get answers and advice re: Legal issues

Operational Considerations

- Replace or not to replace . . . that is the question
- Be opportunistic, creative and strategic
- Opportunity to reorganize
 - Shared services
 - Centralization
 - Consolidation

Operational Considerations

- Factors to Consider
 - Number of vacancies
 - Functional Needs of the Unit(s)
 - Volume of activity
 - Size of unit(s)
 - Skill set of remaining staff
 - Professional Development of Staff
 - Opportunity to hire or train specialists
 - Combine functions and promote a supervisor
 - Efficiency/Effectiveness versus Cost Savings

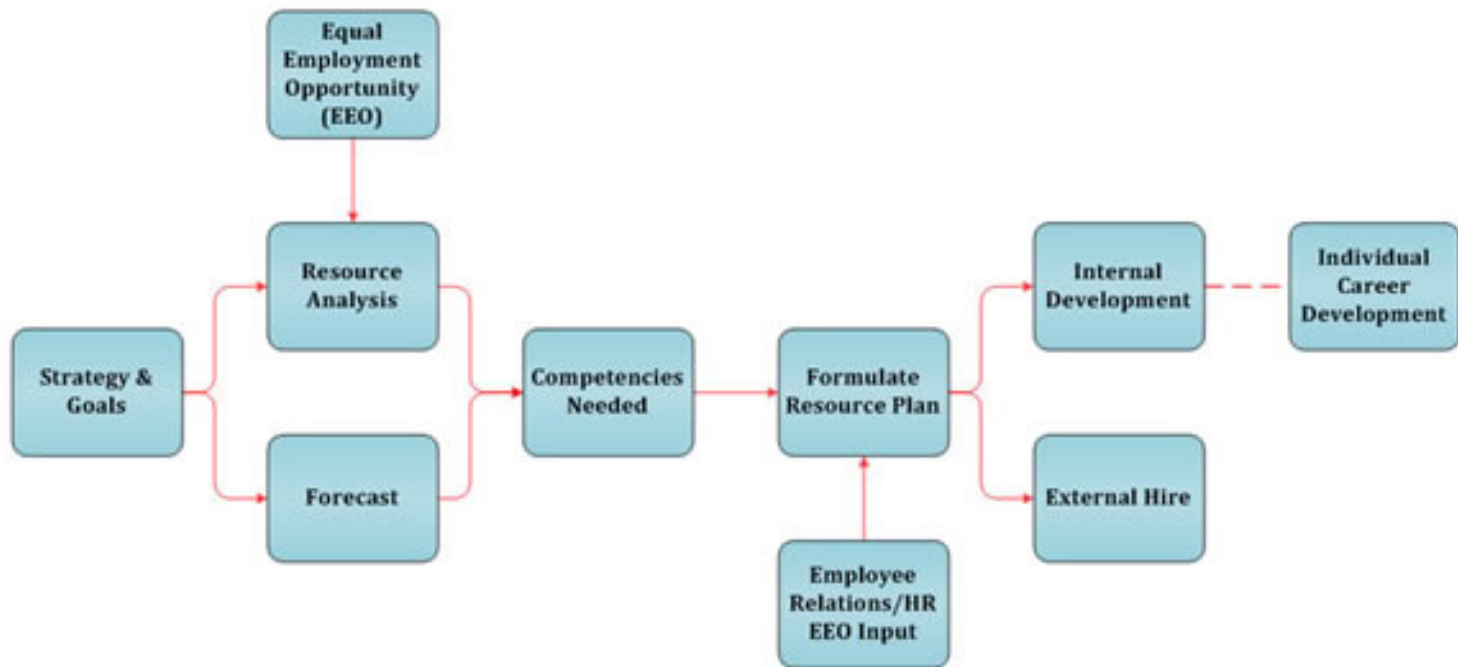
Operational Considerations

- Budget Issues
 - Policy of the College/Unit
 - Faculty versus Staff
 - Terminal Benefits
 - Sick Leave
 - compensable frozen 1/1/98
 - 50% compensable, other 50% used for service time
 - Compensable can be waived to add to service time
 - Vacation - 48 Days Max accrual
 - Soft Money Funded Positions

Should you be concerned?


- Mercer, 2011, 32% of surveyed considering resigning from current positions.
- 10,000 baby boomers are projected to reach age 65 every day for the next 19 years, beginning January 1, 2011.
- The bureau of labor statistics data show that the average American will have approximately 10 jobs between the ages of 18 to 42 indicating knowledge will move with the individual but not always occur within the same organization.
- The average turnover cost at the management level is 25 to 50 percent of salary.

Succession Planning Process



Talent Management Site

► Main Menu



Talent Management

Talent Management: is an integrated process that matches capability with commitment by providing for the right people for the right job at the right time in order to maximize individual and organizational effectiveness.

► Navigation

► Process Flow

University Human Resources
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Forecast Human Capital Needs

Step One

Identify your department's long-range goals and objectives based on your strategic plan. For every goal and objective analyze the functions that will be required to achieve the strategy. A function may be described as a business process, support, or service. This review should be completed and the plan revised annually. Consider both functions to be added, functions that will require changes to roles or skill sets, and functions to be retired.

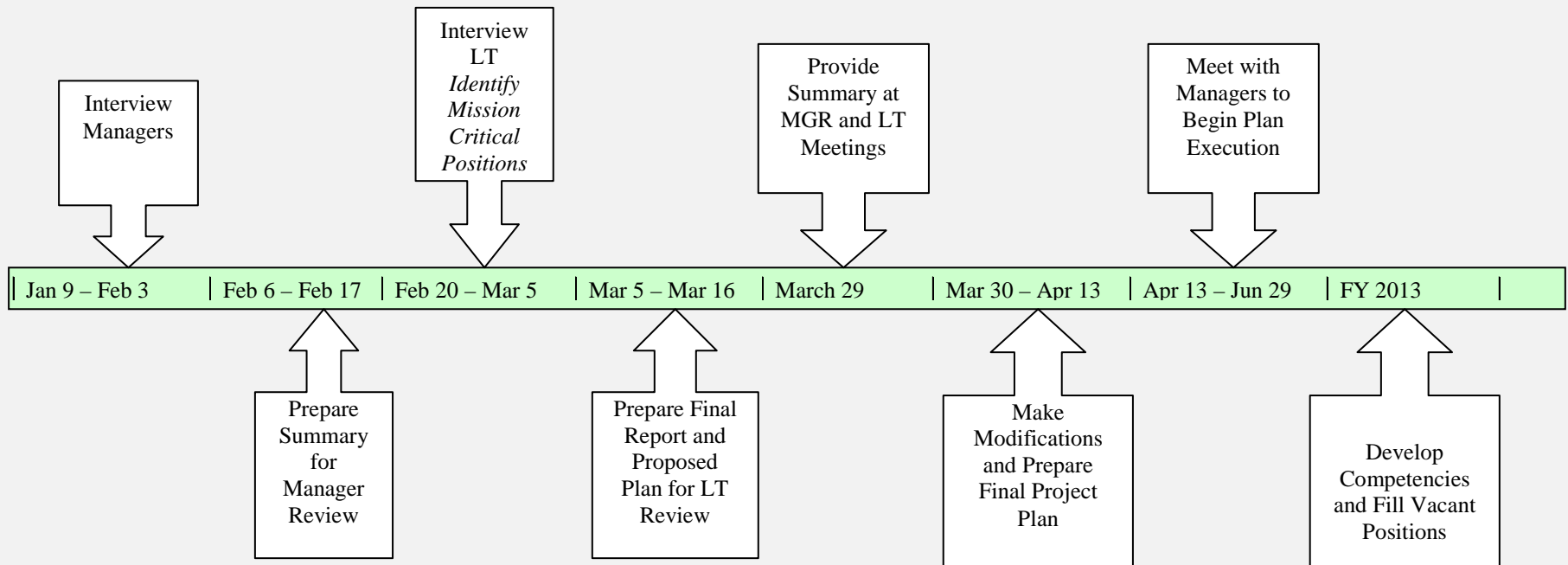
Strategic objective/goal	Function(s) required to achieve	Timeframe when resource will be needed
Prepare for employees that qualify for retirement over the next five years.	Implement a Succession Planning Process across University Administration	2010 to 2015
Reduce University Administrative Budgets by 15%	Eliminate positive time reporting	Immediately

Step Two

Based on predicted capacity requirements for the above functions and the future timeframe you choose to select (recommend 12 month, 24 month, 36 month projections), assess the FTE count required to perform the function for the organization. A process may be defined as a business process such as e-verify.

Roles to fulfill each new function	e-Verify	Process 2	Process 3
HR Coordinator	0 in role, ½ FTE needed		
Role 2			
Role 3			

Sample Timeline



Project Plan Execution

1. Interview Managers
2. Interview Employees
3. Conduct Job Analysis
4. Prepare Job Description
5. Identify availability of internal successors
 - a. Identify skills gap
 - b. Develop plan for bridging gap
6. Identify need for external searches
7. Conduct searches
8. Execute training plan for new and internal staff

Capturing Knowledge

– Inventory

Name	Title	Role	Primary	Assist	Back-Up	Frequency	Tools Resources	Unique Skills	Decision Making	%Time
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Name	Title	Current Job Responsibilities and Percentage of Total Job	Assessment of Strengths and Competencies	Areas for Professional Growth	Comments, Concerns or General Discussion
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– Interview

- Probe into the decision making process
- Determine when and how they make judgment calls

Succession Planning: Manager Questionnaire

Name
Date of Interview
Hire Date
Anticipated Vacancy Timeline

Time in Position
Years of Service
Location
Salary

Succession plan or replacement plan? When vacated, will role be filled or reallocated?

Current Role Responsibilities

Percentage of Total

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Please describe the current bench strength for the role.

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Manager Interview Questions

Current Employee Information

- Name
- Date of Interview
- Hire Date
- Anticipated Vacancy Timeline
- Time in Position
- Years of Service
- Location
- Salary

Workforce Planning Information

- Succession plan or replacement plan?
- When vacated, will role be filled or reallocated?
- Classification of Role: Strategic, Critical, Core, Requisite

Manager Interview Questions

- Explanation of Role Classification?
- Current Role Responsibilities?
- Current bench strength for the role?
- Internal/external factors affecting this role?
- What competencies/skill sets are required? Are there any competency/skill set gaps not met by current staff?
 - If so, what strategies will be used to address the gaps?
- What will the position look like in the future? Outline in what way the role may need to change. Should the skill set or leadership style of the successor be the same as the incumbent?
- Does a similar role exist in any other group (internal or external to unit)? Are you aware of any potential successors within the unit or University units? Is consideration of external recruitment warranted to deepen the pool of potential successors?
- Do you have any additional comments, concerns, or items you'd like to discuss?

Employee Interview Questions

- General Description of Role.
- Current Role Responsibilities.
- Please describe your background/experience (e.g. education, training, specialized skills/knowledge).
- Please describe what you enjoy most about your job role.
- Please describe what you don't enjoy as much about your job role.
- What strengths make you successful in this role?
- What are your career plans/objectives? What interests/preferences do you have with regard to future roles?
- What types of skill/development opportunities are most relevant to this type of role?
- Does a similar role exist in any other groups (internal or external to unit)?
- Do you have any additional comments, concerns, or items you'd like to discuss?

Current

Post-Retirement Considerations

- Employment at any SURS institution must be at least 60 days after retirement to avoid annuity impact.
- Return-to-work limitations apply to pay received for services performed at a SURS covered employer.
- If you return to work within 60 days after you retire, your annuity will be canceled, you will again participate in SURS, and you must repay all annuity payments.
- There is no guarantee of post retirement employment at the University of Illinois in accordance with Board of Trustees guidelines which encourage succession planning.

HB 4996: Pension Code- SURS-Return-to-Work

HB 4996 As Introduced and Amended by House Amendments 1 and 2

**Draft* April 4, 2012*

Overview

- HB4996 creates restrictions and additional SURS contributions for State universities and community colleges that hire/rehire individuals receiving an annuity from SURS.
- While the re-employment of SURS retirees at the University of Illinois is a small proportion of its workforce, the University is keenly interested in this legislation because of its anticipated impact on rehired SURS annuitants, employing departments, and University hiring policies and procedures.

HB 4996: Pension Code- SURS- Return-to-Work: Key Provisions

- Effective date: August 1, 2012
- The University is responsible for identifying SURS annuitants prior to hire and reporting such hires to SURS within 60 days.
- SURS annuitants may work up to 100 paid days or 500 paid hours per academic year without any additional SURS contribution from the University.
- Once an annuitant is employed for 18 paid weeks with one or more SURS employers AND receives or is entitled to receive compensation greater than 40% of the highest annual earnings prior to retirement, the University must pay an additional SURS contribution.
- Compensation paid from federal, foundation, or trust funds is excluded from the determination of whether an additional SURS contribution is required.
- The additional SURS contribution is 12 times the amount of the gross monthly retirement annuity; double that amount if the University fails to provide correct or timely information.

UI Data

<u>COA/E-Group</u>	<u>Retirement Eligible</u>	<u>Not Retirement Eligible</u>	<u>Total Employees</u>	<u>Percent Retirement Eligible</u>
UIUC	2,036	9,165	11,201	18.18%
Academic Professional	535	3,170	3,705	14.44%
Civil Service	857	3,534	4,391	19.52%
Faculty	644	2,461	3,105	20.74%
UIC	2,093	9,975	12,068	17.34%
Academic Professional	402	2,879	3,281	12.25%
Civil Service	1,038	4,599	5,637	18.41%
Faculty	653	2,497	3,150	20.73%
UIS	150	690	840	17.86%
Academic Professional	36	184	220	16.36%
Civil Service	54	244	298	18.12%
Faculty	60	262	322	18.63%
UA	245	983	1,228	19.95%
Academic Professional	146	645	791	18.46%
Civil Service	99	320	419	23.63%
Faculty	-	18	18	0.00%
Grand Total	4,524	20,813	25,337	17.86%

HB 4996: Pension Code- SURS-Return-to-

Work: Next Steps for HB 4996

- Passed IL House March 28, 2012
- Senate Sponsor: Heather Steans
- HR studying impact of implementation “as is”
- UI meeting with Senator Steans to express concerns
- UI will continue to stay involved and suggest changes

Resources Available

- Employees eligible to retire in the next five years:
 - UIC Retirement Planning Session – April 14, 2012
 - Other Retirement Planning Sessions:
 - Monday, April 16 2pm-4pm
 - Tuesday, April 17 2pm-4pm
 - Monday, April 23 10am-12pm
 - Tuesday, April 24 9am-11am

Retirement Information and Separation Websites/Information

- Benefits Section – Retirement and Investment Plans:
https://nessie.uihr.uillinois.edu/cf/benefits/index.cfm?Item_ID=126&rlink=1
- Benefits Section – Retirement and Investment Plans/Retirement Checklists:
https://nessie.uihr.uillinois.edu/cf/benefits/index.cfm?Item_ID=3196
- Benefits section – Terminating Employment – Important Information to Know about Retirement:
https://nessie.uihr.uillinois.edu/cf/benefits/index.cfm?Item_ID=3155
- Life Events section - Retirement/Guide to Retiring from the University of Illinois:
https://nessie.uihr.uillinois.edu/cf/events/index.cfm?Item_id=4594
- Life Events – Retirement:
https://nessie.uihr.uillinois.edu/cf/benefits/index.cfm?Item_ID=1124
- Faculty Affairs - Section FPP 900: Retirement, Resignation, and Termination
http://www.uic.edu/depts/oaa/policies_proced.html
- HR Contacts Information for Separations and Retirement
<http://www.uic.edu/depts/hr/UICRetirementProcessPresentation.pdf>

Questions / Concerns?