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With some exceptions, colleges and universities are planning to restore or have already restored the faculty retirement benefits they cut during COVID-19. Having fared better than expected during the pandemic in terms of finances, certain institutions are even retroactively contributing to their professors' retirement plans to make up for those cuts.

A forthcoming full-length report on faculty compensation from the American Association of University Professors says that more than a quarter of institutions eliminated or reduced fringe benefits for full-time faculty members during the 2020-21 academic year. Private institutions were much more likely to do so than public institutions.

According to data from the College and University Professionals Association-Human Resources, 71 percent of college and universities contributed to employee 403(b) plans, the most commonly offered retirement plan in higher education, in January 2020. As of January 2021, that figure was just 63 percent.

While the AAUP and CUPA-HR don't have current data on how many institutions plan to resume their stalled benefits, the Teachers Insurance and Annuity Association of America, or TIAA, said that nearly all of its top 200 client institutions that are still suspending retirement matching contributions plan a full reinstatement by July 1.

Lehigh University, for instance, told ^[1] faculty and staff members earlier this year it will restore merit raises and retirement benefits starting in July. Freezing

those programs in March 2020 helped the university avoid layoffs amid financial uncertainty, Nathan Urban, provost, and Patricia Johnson, vice president of finance and administration, said in their restoration announcement.

“In large part because of your work, our community has persevered,” they said. “Our students are progressing in their education, the work of the university is moving forward, and there is at long last cause for optimism about the future.”

In another example, Duke University said [2] in March that it was resuming full employer contributions to faculty and staff retirement plans on July 1, after a planned 12-month suspension.

The University of Louisville, which cut its retirement benefits to 2 percent during the pandemic and recently raised contributions back up to 6 percent, has also promised [3] to raise them back to the pre-COVID-19 rate of 7.5 percent by July 1, pending approval from the Board of Trustees.

Cornell University resumed [4] full retirement contributions already, in January. That university reduced [5] employee retirement benefit contributions in its endowed colleges from 10 percent to 3 percent and cut salaries in its contract colleges relatively late into the pandemic, in August. It initially planned for 11 months of such cuts but promised an update by the end of 2020.

President Martha E. Pollack delivered that update early, in November, writing in a campus memo, “Our latest financial projections show that as long as we continue with our other cost containment actions, notably including strict limits on discretionary spending and a hiring pause, we can and will again begin providing full retirement benefits and salaries, effective Jan. 1, and have a balanced budget.”

Ashland University said [6] last month that it would not only resume the pay and benefits it cut during the pandemic, but also fully restore them in the new budget cycle, starting June 1. The university attributed its ability to do so to careful financial stewardship, personal sacrifices and federal stimulus funds.

Other institutions are finding ways to compensate employees retroactively. According to TIAA, at least five of its top 200 client institutions are funding retirement benefit contributions that they missed due to cuts, back to the start of this year.

Northwestern University faculty members want their university to consider such a move. In January, the institution resumed the retirement benefit contributions it cut in May 2020. But the university, like some others, ended up with a significant surplus in fiscal year 2020, despite the pandemic, and professors are urging Northwestern to restore their lost benefits and create a rainy-day fund to help protect employees from future economic crises.

“Whereas the university’s financial position is now far better than feared at the start of the pandemic,” says a [resolution](#) [7] approved by the Faculty Senate this month, “be it resolved that the university should take steps to restore lost faculty and staff retirement contributions as well as needed spending and staffing.”

In a separate resolution about creating a rainy-day fund, the senate said Northwestern “unilaterally rewrote the implicit contract between the university and its faculty and staff” by cutting employee benefits during COVID-19, unlike during other recent economic downturns.

Northwestern did not respond to requests for comment regarding its take on these faculty resolutions. Martin A. Lariviere, John L. and Helen Kellogg Professor of Operations and chair of the senate’s budget and planning committee, said he was not aware of any university response to the resolution thus far.

Faculty members at Texas Christian University, which had one of the biggest [showdowns](#) [8] over retirement benefit cuts last year, remain frustrated, as well. The university cut retirement benefits from 11.5 percent to 8 percent last spring, first for new hires and then for all employees. Texas Christian first attributed these changes to COVID-19 but later said that employee benefits packages were simply too generous.

“We also are not getting annual merit raises for the first time in about 15 years,” said Chip Stewart, professor of journalism at Texas Christian and president of the campus’s new advocacy chapter of the AAUP. “Last year’s raises -- already approved for work for the previous year before the pandemic - - were delayed from September to December.”

Texas Christian’s AAUP chapter recently wrote a response to an [interview](#) ^[9] with Chancellor Victor J. Boschini published by the *Fort Worth Star-Telegram*. In the interview, Boschini said of his relationship with the faculty that “everyone is mad at everything, and so they are lashing out. Or they were, at everything they could lash out at.”

Boschini also said, “One thing I’m very proud of; we didn’t release one freakin’ person from TCU. Show me a company that didn’t do that around here. Everybody has the same job with the same salary, and got a raise this year. They only got the raise for half a year, which I totally get that. We lost \$50 million last year.”

In its [response](#), ^[10] the campus AAUP said, “While the 30 percent cut to our retirements stung, costing us each thousands of dollars in our annual compensation, the larger issue is that faculty and staff have been asked to bear the brunt of deep cuts to the academic mission.”

Quoting Boschini’s “one freakin’ person” comment, the AAUP wrote that “he neglected to mention the elimination of about 6 percent of full-time faculty lines for the upcoming year.” That’s on top of 27 professors taking early retirement and nonrenewed lecturers, while the library lost 20 percent of its staff and more than half its book budget.

“While it may be true that TCU lost \$50 million last year, we also ran an average budget surplus of \$104 million a year from 2010-19,” the AAUP continued. “Last year, [the chancellor justified turning down \\$5.4 million in CARES Act relief by saying we were a rich school](#) ^[11]. We unveiled a [\\$113 million addition of luxury suites](#) ^[12] to the football stadium last summer, and the university trumpeted [\\$677 million raised for the endowment](#) ^[13] in the fall. Yet at the same time, the university cut \$20 million from the academic

affairs budget. A university with our resources should not be eliminating faculty and staff jobs, cutting our compensation, and gutting valuable academic resources such as the library.”

Texas Christian did not respond to a request for comment about faculty benefits.

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Links

- [1] <https://www2.lehigh.edu/news/3521-restoring-retirement-benefits-and-merit-pay-july-1>
- [2] <https://today.duke.edu/2021/03/duke-restore-contribution-faculty-and-staff-retirement-plan>
- [3] <http://www.uoflnews.com/post/uofltoday/plans-to-restore-employee-retirement-benefits-shared-with-the-faculty-senate/>
- [4] <https://news.cornell.edu/stories/2020/11/cornell-resume-full-retirement-benefits-and-salaries>
- [5] <https://covid.cornell.edu/updates/20200702-additional-measures-budget.cfm>
- [6] https://www.richlandsource.com/news/au-will-restore-previously-reduced-pay-benefits-to-faculty-staff/article_78a902a9-9240-5d31-83e3-5be7f84eb672.html
- [7] <https://www.northwestern.edu/faculty-senate/>
- [8] <https://www.insidehighered.com/news/2020/05/21/more-institutions-are-suspending-or-cutting-retirement-plan-contributions>
- [9] <https://www.star-telegram.com/sports/spt-columns-blogs/mac-engel/article250617809.html>
- [10] <https://aauptcu.wordpress.com/2021/04/26/response-to-chancellors-comments-in-the-fort-worth-star-telegram/>
- [11] <https://www.tcu360.com/2020/06/tcu-officials-talk-finances-semester-plans-in-town-hall/>
- [12] <https://www.star-telegram.com/sports/college/big-12/texas-christian-university/article243945877.html>
- [13] <https://advancement.tcu.edu/new/web-standards/celebrating-year-one>
- [14] <https://www.insidehighered.com/news/news-sections/pay-and-benefits>
- [15] <https://www.insidehighered.com/news/news-sections/faculty>
- [16] <https://www.insidehighered.com/news/news-sections/administration-and-finance>