

# Retirement benefits for adjunct faculty

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## Introduction

Part-time nontenure-track faculty, i.e., adjunct faculty, comprise approximately one-half of the academic workforce in U.S. higher education.<sup>1</sup> Previous TIAA Institute research surveyed adjunct faculty about their personal finances and financial behavior.<sup>2</sup> Findings included:

- Sixty-four percent of adjunct faculty reported personally saving for retirement in the previous year. Among these, 56% contributed to a retirement plan offered by a college or university where they worked.
- Among adjuncts who did not save for retirement in the previous year, 74% either had no plan available from a college or university or were unsure whether they did. Fifty-eight percent of these reported that they likely would have contributed if a plan had been available.

This report presents follow-up research based on a survey of colleges and universities about retirement savings plan coverage for adjunct faculty. More specifically, it examines:

- The availability of retirement savings plans for adjunct faculty.
- The frequency of employment thresholds for plan eligibility.
- Whether plan-eligible adjuncts are auto-enrolled.
- Whether participating adjuncts receive employer matching contributions.

<sup>1</sup> Based on 2016 IPEDS data.

<sup>2</sup> See Yakoboski, Paul J. "Adjunct Faculty: Personal Finances and Retirement Savings," TIAA Institute *Trends and Issues* (March 2019). This report focused on academics in adjunct faculty positions, excluding adjuncts with career employment outside higher education and those retired from a tenured position.

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Forty-one higher education systems and 296 institutions that are not part of a system were surveyed online between August and September 2019. Sixteen systems (39%) and 105 institutions (35%) completed surveys. Private nonprofit colleges and universities accounted for 78 institution responses.<sup>3</sup> Public higher education accounted for the other 27 institutions responding, along with the 16 systems.<sup>4</sup>

## Key findings

- The overwhelming majority of U.S. colleges and universities—91% of institutions and 100% of higher education systems—permit all or some adjunct faculty to defer salary into a sponsored retirement savings plan.
- Adjunct eligibility for plan participation is typically not contingent upon a minimum teaching load or a previous service requirement—83% of institutions and 75% of systems cover first-time adjuncts who teach only one course.

- Plan-eligible adjunct faculty are typically not auto-enrolled into the retirement savings plan.
- Contributions by adjunct faculty are matched by 37% of institutions and 60% of systems where adjuncts can participate in a retirement savings plan. There is typically a threshold employment level to be eligible to receive matching contributions.

## Plan eligibility

The overwhelming majority of U.S. colleges and universities—83% of individual institutions and 75% of higher education systems—permit all adjunct faculty to defer salary into a sponsored retirement savings plan, such as a 403(b) plan (Figure 1, Table A1).<sup>5</sup> An additional 9% of institutions and 25% of systems permit adjuncts meeting a minimum teaching load or a previous service requirement to participate in a plan.<sup>6</sup> An employment level of 50% FTE (full-time equivalent employee) is the norm threshold when plan eligibility requires adjuncts to teach more than one course.

<sup>3</sup> Private for-profit institutions were not surveyed.

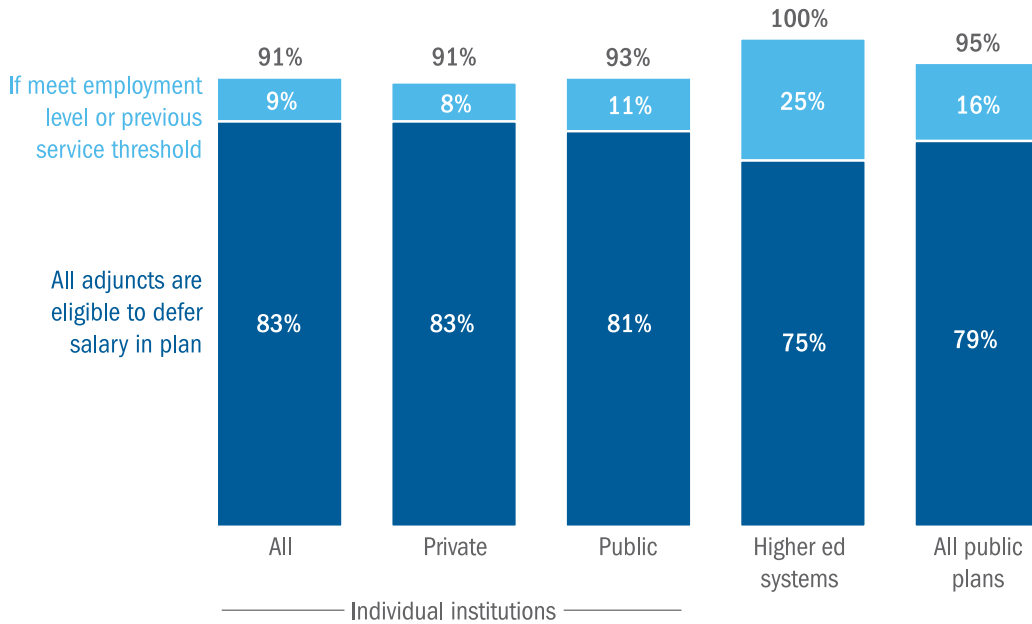
<sup>4</sup> Seven of the public institutions that responded are community colleges.

<sup>5</sup> Higher education systems were surveyed as single entities rather than separately surveying each institution within a system. Public colleges and universities that are not part of a state system were surveyed as institutions.

<sup>6</sup> The initial survey question was—*An individual teaches as an adjunct at your college or university (system) for the first time this semester. He/she is paid by the course and there is no agreement for future teaching. If the individual teaches one course, is he/she eligible to defer salary in a retirement savings plan sponsored by your institution (system), such as a 403(b)?* Respondents who answered “no” were asked a follow-up—*If the individual teaches more than one course this semester, is there a % FTE (percentage of full-time employee) threshold at which he/she would become eligible to defer salary in a retirement savings plan sponsored by your institution (system)?* Respondents who answered “no” to this question were asked—*Is this because your institution (system) requires a minimum level of previous service for eligibility?*

## Figure 1. Adjunct faculty retirement benefits

The vast majority of colleges and universities allow adjunct faculty to participate in a sponsored retirement savings plan.



Considering systems and individual public institutions jointly, 95% of public higher education plans permit all or some adjuncts to participate. Ninety-one percent of private colleges and universities do so.

### Auto-enrollment

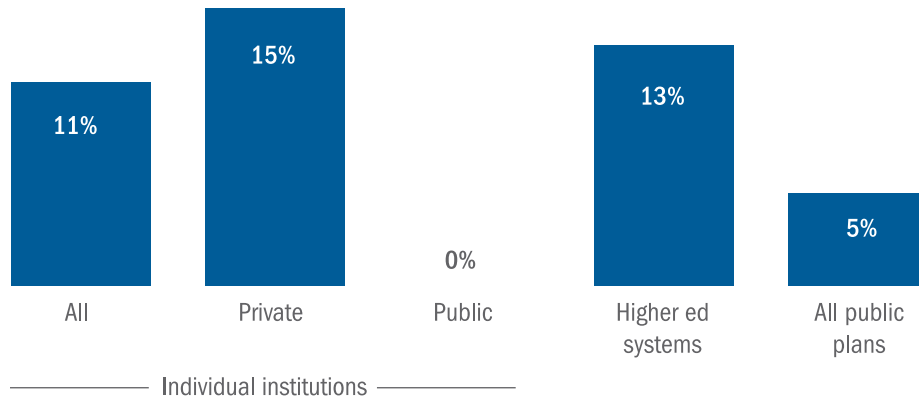
Auto-enrollment of plan-eligible adjunct faculty is not common, occurring at 11% of individual institutions and

13% of higher education systems that permit all or some adjuncts to defer salary into a sponsored plan (Figure 2, Table A2). Considering systems and individual public institutions jointly, 5% of public higher education plans auto-enroll eligible adjuncts. Fifteen percent of private colleges and universities do so.

## Figure 2. Adjunct faculty retirement benefits

Adjunct faculty are not typically auto-enrolled.

*% of colleges and universities that auto-enroll plan-eligible adjuncts (among those where all or some adjuncts can participate)*



Adjunct auto-enrollment is more common when plan eligibility requires meeting an employment-level threshold. Four private institutions responding to the survey have such a threshold, and three of the four auto-enroll plan-eligible adjuncts. Analogously, one of the three system respondents with an employment-level eligibility threshold auto-enrolls adjuncts meeting it (Table A2).

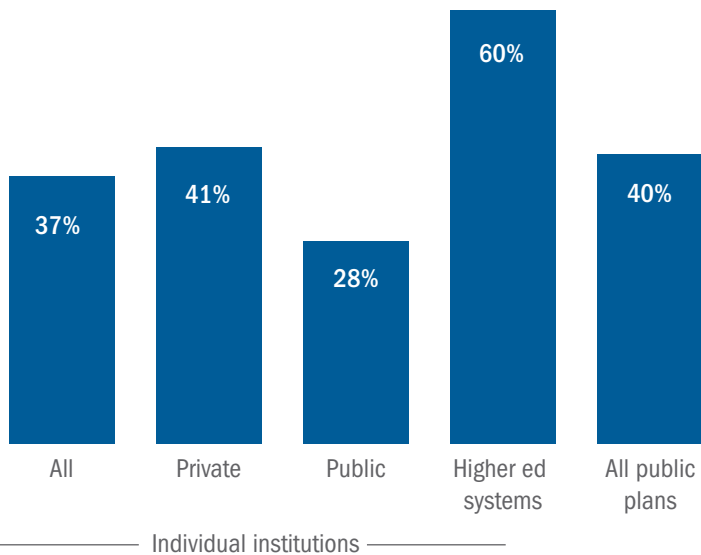
### Matching contributions

Adjunct contributions are matched by 37% of individual institutions and 60% of higher education systems that permit all or some adjuncts to defer salary into a retirement savings plan (Figure 3, Table A3). Considering systems and individual public institutions jointly, 40% of public higher education plans match adjunct contributions. An essentially identical 41% of private colleges and universities do so.

### Figure 3. Adjunct faculty retirement benefits

Adjunct faculty typically do not receive matching contributions.

*% of colleges and universities that will match adjunct faculty contributions (among those where all or some adjuncts can participate)*



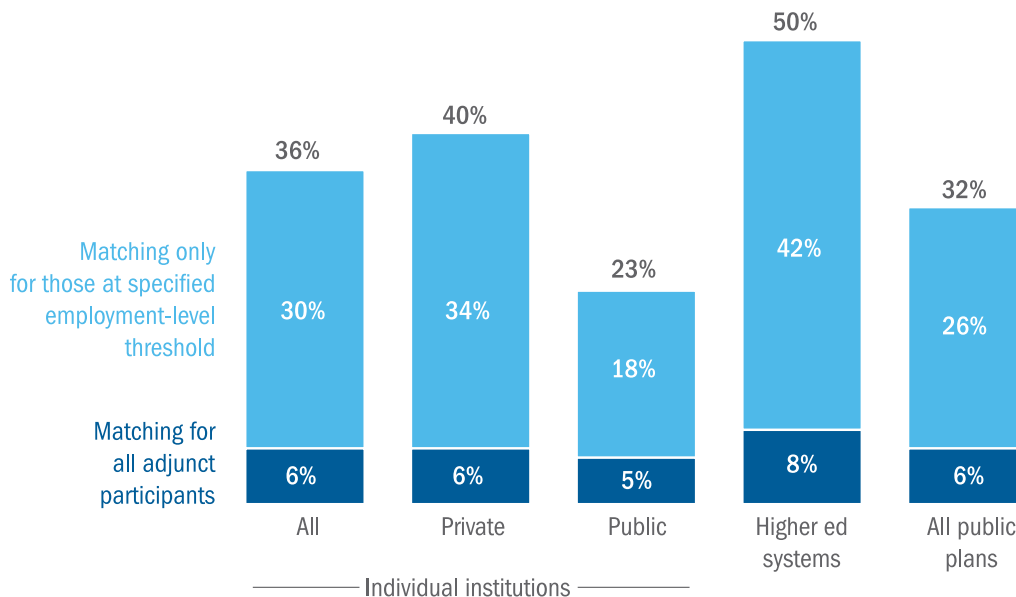
However, there is typically an employment-level threshold for receiving matching contributions. Among individual institutions where all adjunct faculty are plan eligible, only 6% will match contributions for all adjuncts, while 30% will match for those meeting an employment-level

threshold (Figure 4, Table A3). The analogous figures are 8% and 42%, respectively, among higher education systems where all adjuncts are plan eligible. The norm employment-level threshold for matching is 50% FTE, though one-third of institutions have a higher threshold.

## Figure 4. Adjunct faculty retirement benefits

Very few one-course adjuncts receive matching contributions.

% of colleges and universities that will match adjunct faculty contributions (among those where all adjuncts can participate)



Most colleges and universities with an employment-level threshold for adjunct faculty to be plan eligible match adjunct contributions—57% of institutions and 100% of systems. The employment threshold for matching is almost always equal to that for participation eligibility.

### Conclusion

The overwhelming majority of colleges and universities allow adjunct faculty to defer salary in a sponsored retirement savings plan, such as a 403(b) plan. Furthermore, plan eligibility for adjuncts is typically not contingent upon meeting an employment-level threshold or a previous service requirement. These findings are noteworthy in the context of previous research regarding retirement saving among adjunct faculty.

Given the degree of opportunity documented here, previous research finding that one-third of adjunct faculty contributed to a college or university retirement plan is not surprising, especially considering that 60% of adjuncts have household incomes of \$50,000 or more.

However, given that two-thirds of adjunct faculty reported saving for retirement, one-half of these individuals are not doing so through a college or university plan. In some cases, they may be forgoing matching contributions in the process. It is possible that some adjuncts are unaware of their eligibility to participate in a retirement savings plan at a college or university where they work.

A similar dynamic may be at work among some adjuncts who are not saving for retirement. Sixty percent of the one-third of adjunct faculty not saving for retirement reported that a college or university plan was not available to them—a figure that appears high given the findings of this report. An additional 16% of retirement non-savers reported being unsure whether there was a plan at their college or university. This is significant because the majority of these individuals reported that they likely would have contributed if a retirement savings plan had been available (or they had known that a plan was available).

## Appendix

An individual teaches as an adjunct at your institution [an institution in your system] for the first time this semester. He/she is paid by the course and there is no agreement for future teaching.

1. If the individual teaches one course, is he/she eligible to defer salary in a retirement savings plan sponsored by your institution [system], such as a 403(b)? (Yes/No)
2. [If Q1=No] If the individual teaches more than one course this semester, is there a % FTE (percentage of FTE employee) threshold at which he/she would become eligible to defer salary in a retirement savings plan sponsored by your institution [system]? (Yes/No)
3. [If Q3=No] Is this because your institution [system] requires a minimum level of previous service for eligibility?

**Table A1. Colleges and universities where adjunct faculty can participate in a retirement savings plan**

	Individual Institutions						Systems		All public plans	
	All		Private		Public		Count	%	Count	%
	Count	%	Count	%	Count	%				
All respondents	105		78		27		16		43	
All adjuncts are eligible to defer salary in plan	87	83%	65	83%	22	81%	12	75%	34	79%
Only adjuncts at specified minimum FTE level are eligible for plan	7	7%	4	5%	3	11%	4	25%	7	16%
Adjuncts meeting previous service requirement are eligible for plan	2	2%	2	3%	0	0%	0	0%	0	0%
All or some adjuncts are eligible for plan	96	91%	71	91%	25	93%	16	100%	41	95%
No adjunct eligibility	9	9%	7	9%	2	7%	0	0%	2	5%

4. [If Q1=Yes] Would the individual be auto-enrolled in the plan? (Yes/No)

5. [If Q2=Yes] Upon reaching that threshold, would the individual be auto-enrolled in the plan? (Yes/No)

**Table A2. Auto-enrollment of adjunct faculty when they become eligible to participate in plan (among colleges and universities where adjuncts can participate in a retirement savings plan)**

	Individual Institutions						Systems		All public plans	
	All		Private		Public		Count	%	Count	%
	Count	%	Count	%	Count	%				
Where all adjuncts are eligible to participate in plan	85		63		22		12		34	
	7	8%	7	11%	0	0%	1	8%	1	3%
Where only adjuncts at specified minimum FTE level are eligible for plan	7		4		3		3		6	
	3	43%	3	75%	0	0%	1	33%	1	17%
	92 <sup>a</sup>		67 <sup>a</sup>		25		15 <sup>b</sup>		40	
	10	11%	10	15%	0	0%	2	13%	2	5%

a Two private institutions with a previous service requirement were not asked the auto-enrollment question. Two other private institutions did not respond to the question.

b One system did not respond to the question.



6. [If Q1=Yes] Would matching contributions be made to the individual's account? (Yes/No)
7. [If Q6=No] If the individual teaches more than one course this semester, is there a % FTE (percentage of FTE employee) threshold at which he/she would become eligible to receive matching contributions? (Yes/No)
8. [If Q2=Yes] Upon reaching that threshold, would the individual also become eligible to receive matching contributions in the plan? (Yes/No)
9. [If Q8=No] Is there a higher threshold at which the individual would become eligible to receive matching contributions? (Yes/No)

**Table A3. Matching contributions for adjunct faculty participating in retirement savings plan (among colleges and universities where adjuncts can participate in a retirement savings plan)**

	Individual Institutions						Systems		All public plans	
	All		Private		Public		Count	%	Count	%
	Count	%	Count	%	Count	%				
<b>Colleges and universities where all adjuncts are eligible to participate in plan</b>										
	87		65		22		12		34	
Matching for all adjunct participants	5	6%	4	6%	1	5%	1	8%	2	6%
Matching only for those at specified minimum FTE level	26	30%	22	34%	4	18%	5	42%	9	26%
	31	36%	26	40%	5	23%	6	50%	11	32%
<b>Colleges and universities where only adjuncts at specified minimum FTE level are eligible for plan</b>										
	7		4		3		3		6	
Matching for all adjunct participants	3	43%	2	50%	1	33%	3	100%	4	67%
Matching only for those at specified FTE level greater than participation FTE level	1	14%	0	0%	1	33%	0	0%	1	17%
	4	57%	2	50%	2	67%	3	100%	5	83%
<b>Colleges and universities where at least some adjuncts are eligible to participate in plan</b>										
	94		69 <sup>a</sup>		25		15 <sup>b</sup>		40	
Matching for all adjunct participants	8	9%	6	9%	2	8%	4	27%	6	15%
Matching only for those at specified minimum FTE level	27	29%	22	32%	5	20%	5	33%	10	25%
	35	37%	28	41%	7	28%	9	60%	16	40%

a Two private institutions with a previous service requirement were not asked the matching contribution question.

b One system did not respond to the question.

## About the authors

**Paul Yakoboski** is a senior economist with the TIAA Institute, where his research focus is lifetime financial security, including issues related to financial literacy and financial wellness, retirement saving and investing, and asset management during retirement. In addition, he researches workforce issues in the higher education and nonprofit sectors. He manages the Institute's survey research program and is director of the Institute's Fellows Program. Prior to joining the TIAA Institute, Yakoboski held positions with the American Council of Life Insurers, the Employee Benefit Research Institute and the U.S. Government Accountability Office. Yakoboski earned his Ph.D. and M.A. in economics from the University of Rochester and his B.S. in economics from Virginia Tech.

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