

# Guidelines for the Payment of Special Pensions for Leading Professors

Established Sep. 3, 1996

Amended Mar. 1, 2000

Amended Feb. 16, 2007

**Article 1 (Purpose)** These Guidelines set forth detailed matters relating to the payment of Special Pensions for Leading Professors at Pohang University of Science and Technology (hereinafter referred to as “University”).

**Article 2 (Definitions)** The terms used in these Guidelines shall be defined as follows:

1. “Leading Professor” shall refer to a person who is recognized as a distinguished scholar in his/her field of study given his/her current academic rank and status and has thus been appointed as Leading Professor following a prescribed procedure.
2. “Special Pension” shall refer to monthly or lump sum payments paid to retired Leading Professors by the University.
3. (Deleted March 1, 2000)
4. “Monthly remuneration amount” shall refer to the standard amount used for the payment of Special Pensions; a monthly remuneration amount shall be increased annually, whose increase rate shall be the same as the average remuneration increase rate for all faculty members of the University for a given year. (Amended March 1, 2000)
5. “Surviving family” shall refer to the spouse of a Leading Professor at the time of his/her resignation/retirement.
6. “Teachers’ Pension benefit amount” shall refer to the “retirement benefits (or bereaved family benefits)” and “retirement allowances” of the benefits specified under the Pension for Private School Teachers and Staff Act.

**Article 3 (Eligibility)** ① Special Pensions shall be paid to Leading Professors of the University, who are recognized as distinguished scholars in their fields of study given their current academic rank and status and have thus been appointed as Leading Professor with approval from the Board of Trustees, following recommendation of the Faculty Personnel Committee. The 12 Leading Professors appointed by the fourth University Founding Deliberation Committee (held on February 8, 1986) and the 58th Faculty Personnel Committee (held on November 13, 1989), however, shall be deemed to have been designated as beneficiaries in accordance with these Guidelines.

② The number of Leading Professors at any given time cannot exceed 15.

**Article 4 (Retirement Age)** The retirement age of Leading Professors shall be 70 years of age, notwithstanding the provisions of the Regulations on Faculty Personnel Management of the University.

**Article 5 (Amount of Special Pension Payment)** ① Leading Professors who have served at the University for a minimum of 10 years and retired after the age of 65 shall be entitled to receive 65% of the monthly remuneration amount in the form of monthly payments every month for the remainder of his/her life, or the corresponding amount in a lump sum at the time of retirement.

② In the event a Leading Professor who is entitled to a Special Pension dies, either of the following shall be paid to the surviving family as surviving family benefits.

1. If a Leading Professor dies while employed by the University, 30% of the monthly remuneration amount under Clause 1 shall be paid in the form of monthly payments every month to the surviving family for the remainder of his/her life, or the corresponding amount shall be paid in a lump sum.
2. If a Leading Professor who has been receiving a Special Pension in the form of monthly

payments dies, 30% of the monthly remuneration amount under Clause 1 shall be paid in the form of monthly payments every month to the surviving family for the remainder of his/her life.

③ If a person who has been appointed Leading Professor ends up with less than 10 years of service at the University for any of the reasons listed below, the following amount shall be paid: Special Pension payment amount under Clause 1 or 2 \* number of months of service/120.” In calculating the number of months of service, a period shorter than a full month shall be disregarded.

1. The person served the University until the retirement age but the total years of service does not reach 10 years.
2. The person ceases to be employed by the University as a result of death
3. The person is unable to work due to illness, etc.

④ The amount of Special Pension paid under Clauses 1 through 3 above shall be paid after deducting Teacher’s Pension benefit amounts.

⑤ In the application of Clauses 1 through 3, if a Leading Professor gets dismissed with reduction in retirement pay or moves to another institution prior to the retirement age without obtaining approval from the POSTECH Foundation, he/she shall no longer be eligible for Special Pension payments.

**Article 6 (Payment Method)** ① A Special Pension payment under Article 5 shall be paid using one of the following methods, as chosen by a recipient.

1. If a Leading Professor receives Teachers’ Pension benefits in a lump sum and gives the entire amount to the University, then he/she shall be paid the entire amount of a Special Pension in the form of monthly payment for the remainder of his/her life, starting from the month following the month of his/her retirement.
2. If a Leading Professor receives Teachers’ Pension benefits in a lump sum and does not give it to the University while wishing to receive a Special Pension in the form of monthly payment, he/she shall be paid monthly the difference between the Special Pension amount and the Teachers’ Pension Benefit amount converted into monthly payment for the remainder of his/her life, starting from the month following the month of his/her retirement.
3. If a Leading Professor receives Teachers’ Pension benefits in a lump sum and does not give it to the University while wishing to receive a Special Pension in a lump sum, he/she shall be paid in a lump sum the difference between the Special Pension amount converted into a lump sum and the Teachers’ Pension Benefit amount at the time of his/her retirement.
4. If a Leading Professor draws retirement benefits out of the Teachers’ Pension benefit amount in the form of monthly payment and does not give the Teachers’ Pension benefit amount to the University while wishing to receive a Special Pension in the form of monthly payment, he/she shall be paid in the form of monthly payment the difference between the Special Pension amount and the sum of the retirement allowances out of the Teachers’ Pension benefit amount converted into monthly payment and the retirement benefits. The payment shall be made monthly for the remainder of his/her life, starting from the month following the month of his/her retirement.
5. If a Leading Professor draws retirement benefits out of the Teachers’ Pension benefit amount in the form of monthly payment and does not give the Teachers’ Pension benefit amount to the University while wishing to receive a Special Pension in a lump sum, he/she shall be paid in a lump sum at the time of his/her resignation/retirement the difference between the Special Pension amount converted into a lump sum and the sum of the retirement benefits out of the Teachers’ Pension benefit amount converted into a lump sum and the retirement allowances .

② The method of conversion between the lump sum and monthly pension payments of the Teachers’ Pension benefit amount in the application of Clause 1 shall be as follows: (Calculation of

the monthly remuneration amount and the number of months of employment in this Clause shall follow the standards specified in the Pension for Private School Teachers and Staff Act.)

1. Conversion from a lump sum into monthly payments
  - a. Retirement benefit:  $(\text{monthly remuneration amount} * 1/2) + \{\text{monthly remuneration amount} * (\text{number of months of employment} - 240) * 1/12 * 2/100\}$
  - b. Retirement allowance:  $(\text{retirement allowance} / \text{retirement benefit}) * \text{the amount of the retirement benefit converted into monthly payment}$
2. Conversion from monthly payments into a lump sum
  - a. Retirement benefit:  $(\text{monthly remuneration amount} * \text{number of months of employment} / 12 * 1.5) + \{\text{monthly remuneration amount} * \text{number of months of employment} / 12 * (\text{number of months of employment} - 60) / 12 * 1/100\}$
  - b. Retirement allowance:  $(\text{retirement allowance} / \text{retirement benefit}) * \text{the amount of the retirement benefit converted into a lump sum}$

③ In the application of Clause 1, the payment standards for a lump sum payment under the Pension for Private School Teachers and Staff Act shall be applied *mutatis mutandis* to the method of converting the Special Pension into a lump sum, while the University's standards shall be applied to the monthly remuneration amount, with uniform application of 27 years and 6 months as the number of months of employment, as follows:

- Conversion of Special Pension into a lump sum:  $(\text{monthly remuneration amount} * \text{number of months of employment} / 12 * 1.5) + \{\text{monthly remuneration amount} * \text{number of months of employment} / 12 * (\text{number of months of employment} - 60) / 12 * 1/100\}$

④ If a professor who has been receiving a Special Pension in the form of monthly payment in accordance with Clause 1, Items 1, 2 and 4 dies, the amount corresponding to the monthly payment for the deceased shall be paid to the surviving family on the first Special Pension payment date following the death, and the amount corresponding to the surviving family benefit shall be paid from the month thereafter as monthly surviving family benefits for the remaining life of the surviving family.

⑤ In the event a Leading Professor entitled to Special Pension payments dies while employed by the University, the amount corresponding to a surviving family benefit shall be paid to the surviving family in a manner specified in Clause 1 as preferred by the surviving family; if the surviving family wishes the Special Pension to be paid in the form of monthly payment, the payment shall be made starting from the month following the month of the Leading Professor's death.

⑥ When a Special Pension is paid as monthly payments in accordance with Clauses 1 through 5, the monthly remuneration amount that serves as the standard shall be calculated based on the monthly remuneration amount of the year in which payments are to be made, which shall reflect annual increases.

⑦ If a Leading Professor gives his/her Teachers' Pension benefit amount to the University in accordance with Clause 1, Item 1 and Clause 5, the University's duty to pay a Special Pension shall terminate with the death of the Leading Professor and his/her surviving family, and the Teachers' Pension benefit amount that has been given to the University shall not be returned under any circumstances.

**Article 7 (Payment Requests)** ① A Leading Professor seeking to receive a Special Pension in accordance with Article 6, Clause 1 must decide on his/her preferred payment method and notify it to the University using a method designated by the University by one month prior to his/her retirement.

② A surviving family seeking to receive a Special Pension in accordance with Article 6, Clause 5 must decide on his/her preferred payment method and notify it to the University using a method

designated by the University within 15 days from the death of the Leading Professor.

**Article 8 (Payment Date)** ① If a Special Pension is paid in the form of monthly payment pursuant to Article 6, the payment shall be made on the payday of each month. If a payday falls on a Saturday or a holiday, the payment shall be made on the preceding business day.

② If a Special Pension is paid in a lump sum pursuant to Article 6, the relevant amount shall be paid within 15 days of the submission of the request for Special Pension by the beneficiary; a detailed statement of the Teachers' Pension benefit amount received must be attached to the request.

**Article 9 (Supplementary rules)** For matters not set forth in these Guidelines, the Pension for Private School Teachers and Staff Act shall be applied *mutatis mutandis*.

### **Addendum**

These Guidelines shall be established and take effect on September 3, 1996.

### **Addenda**

1. (Effective Date) These amended Guidelines shall take effect on March 1, 2000.
2. (Special Exception in Determination of Monthly Remuneration Amounts) In determining monthly remuneration amounts under Article 2, Item 4, the monthly remuneration amount for the year 1999 shall be the annual sum of salaries, teaching material development expenses, end of semester allowances and diligence allowances, divided by 12 months.

### **Addendum**

These amended Guidelines shall take effect on February 16, 2007.