

# PLANNING FOR RETIREMENT: THE BASICS



HEALTH &  
WELL-BEING

EFFECTIVENESS  
& EFFICIENCY

CULTURE  
& CLIMATE

# What Topics Will Be Covered?

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- Retirement Eligibility
- Benefits in Retirement
- Retiree Privileges
- Phased Retirement
  - PTO and Vacation Accrual
- Waiving Coverage
- Comparable Coverage
- Medicare and Medicare Advantage
- Employer Shared Responsibility (ESR)
- Paying for Your Benefits
- Next Steps
- Additional Information

# RETIREMENT ELIGIBILITY

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# What Counts Toward My Retirement Eligibility?

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## Eligible service to retire

- Continuous years employed in a status that was eligible for participation in both the Basic Retirement Savings Plan and health plan benefits
- Points = age + continuous years of eligible service

## Ineligible service to retire

- Supplemental and Adjunct titles with appointment effort less than 50%
- House Officer
- Research Fellow
- Professional Specialist
- Graduate Student
- Temporary hourly

## Where can I find my retirement date?

- Wolverine Access > Faculty & Staff > Employee Self Service > Benefits > Est. Retirement Eligibility Date

# BENEFITS IN RETIREMENT

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# What Benefits Continue In Retirement?

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- Health Plan and Prescription Drug Plan
  - Are you moving? (see page 2)
- Dental Plan
- Vision Plan
- Legal Services Plan
- Retiree Life Insurance (if previously enrolled in University Group Term Life Insurance as an active employee) (see page 2)
- Retirees will still participate in Open Enrollment (see page 2)

# What Benefits End In Retirement?

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- University group and optional life insurance
- Dependent spouse, child and OQA life insurance (see page 3-4)
- Expanded long-term disability plan
- Flexible Spending Accounts (health care and dependent care) (see page 4)
- Retirement savings plans
- Business travel accident insurance

# UNIVERSITY CONTRIBUTION & RETIREE HEALTH BENEFITS

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# Retiring Before Age 62

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- The university contribution for retiree health benefits is based on the average premium cost of the two least expensive health plans, weighted by enrollment
- Your service date, age, and retirement date determine the maximum university contribution you are eligible to receive
- Your choice of health plan, Medicare status, and coverage level also impact your costs
- If you retire before age 62 and your date of service is **on or after July 1, 1988**, you will pay the full cost of all benefit plans through the month you turn age 62 (see page 4)

# Retiree Health Care Costs

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- Rates are determined by your service date and retirement date
- Medicare Advantage is the health plan for Medicare-eligible retirees and their dependents.
- All of the retiree rate charts are on the benefits website @benefits.umich.edu
- Choose your coverage level based on Medicare eligibility for yourself and dependents
  - “Regular” refers to retirees or their dependents who are not eligible for Medicare (65 or older)
  - “Child(ren)” refers to retiree’s covered dependent child or children under age 26, who are not eligible for Medicare
  - “With Medicare” refers to retirees or their covered dependents (any age) who are eligible for Medicare

# Waiving Coverage

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- If you retire before age 62 and have a service date on or after July 1, 1988, you are not eligible for any university contribution to retiree benefits until you reach age 62
- If you choose instead to waive coverage, you are eligible for re-enrollment in U-M medical and/or dental coverage at age 62 as long as you maintain continuous comparable medical and/or dental coverage through another source and request re-enrollment by calling the SSC Contact Center within **30** days of turning 62
- You will be required to provide certification that you have maintained comparable coverage. U-M will then provide a contribution toward the cost of benefits effective the first of the month after you reach age 62 (see page 4)

# Comparable Coverage

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- Comparable medical coverage is health coverage that is at least as comprehensive as the university-sponsored Blue Cross Blue Shield of Michigan Comprehensive Major Medical (CMM) plan.
- The health plan must offer the same scope of benefits as CMM, but benefits do not have to be exactly the same. The plan must include basic coverage for:
  - Primary and preventive care
  - Hospitalization
  - Surgical services
  - Emergency care services
  - Mental health services
  - Office visits
  - Prescription drugs
  - Diagnostic tests (x-rays, labs)
- A plan that places a lifetime limit on the dollar value of these services does not qualify as comparable coverage (see page 4)

# RETIREE PRIVILEGES

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# Retiree Privileges

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- Retiree ID card
- Parking permit
- U-M Retirees Association
- Temporary employment
- Athletic tickets
- Rec Sports facilities
- Libraries
- Computing
- University publications  
(see pages 12-14)

# PHASED RETIREMENT

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# Criteria for Phased Retirement

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- Phased retirement is not “early” retirement; you must have enough points to retire before starting phased retirement
- Phased retirement must be a reduction in effort; it can be as little as a 1% reduction and can include multiple, gradual reductions in effort
- There is no minimum or max length of a phased retirement
- The phased retirement must include an end date, at which point full retirement occurs (date is determined and agreed upon by your unit prior to approving phased retirement)
- Phased retirement must be approved by your department and the appropriate dean, director or senior leader based on your unit’s appointment approval processes (SPG 201.83)



# MEDICARE ADVANTAGE

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# Medicare & Medicare Advantage

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- Medicare is a federal health care plan available to persons at age 65 or older. For Medicare-eligible retirees and survivors, enhanced Medicare Advantage Plans replaced Medicare supplemental plans in 2024.
- U-M's Medicare Advantage plans are offered through three providers:
  - 1) Blue Cross Blue Shield of Michigan (Medicare Advantage PPO)
  - 2) Blue Care Network (BCN) (U-M Premier Care Advantage)
  - 3) UM Health Plan (Michigan Care Advantage) **Offered through Dec. 31, 2025**
- Enrollment in a Medicare Advantage plan requires enrollment in Medicare, which includes a monthly premium for Part B that is deducted from your Social Security check.
- In addition, you will be responsible for paying monthly premiums to U-M for the Medicare Advantage plan.

# When to Enroll in Medicare

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## When should you apply for Medicare Parts A and B?

- If retired before 65: apply 3 months before 65<sup>th</sup> birthday
- If retiring at age 65 or older:
  - If you retire on the first of the month, apply for Medicare the month before you retire so Medicare will begin on the date of your retirement.
  - If you retire on the second of the month or later, apply for Medicare the month you retire so Medicare will begin the first of the following month.

## When should your dependent spouse apply?

- If you retire on the first of the month, apply for Medicare the month before you retire so Medicare will begin on the date of your retirement.
- If you retire on the second of the month or later, they should apply for Medicare the month you retire so Medicare will begin the first of the following month.

## When should your OQA apply?

- They must enroll 3 months before their 65<sup>th</sup> birthday or whenever first eligible, no matter how old you are or if you are still working.

# EMPLOYER-SHARED RESPONSIBILITY

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# Employer-Shared Responsibility (ESR)

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- Retirees who return to work at the university may become eligible for health benefits under ESR, particularly if they return to work within 26 weeks of retirement
- Retirees are treated the same as other employees for the purposes of ESR
- Before returning to work, please call the Shared Services Center at 734-615-2000 to inquire about your ESR eligibility (see page 13)

# NEXT STEPS

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# Retiring Within the Next 2-5 Years

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- **Enroll in a Supplemental Retirement Account.** You may enroll in a 403b SRA and/or 457b account at any time via Wolverine Access
- Life Insurance and Long Term Disability
- Meet with TIAA and/or Fidelity Investments to review your retirement portfolio. To make an appointment, please contact:
  - TIAA at 1-800-732-8353
  - Fidelity Investments at 1-800-642-7131

# Retiring Within the Next 12 Months

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1. Attend a Planning for Retirement Class, or watch the online presentation
  2. Meet with TIAA or Fidelity Investments
  3. Notify Your Supervisor of Your Retirement
    - Your department must submit transactions to university records to initiate your transition from active employment status to retiree. Departments usually want notification of your intent to retire in writing and with enough Reasonable advance notice to plan for it
  4. Update Your Address
  5. Request Your Retirement Checkout Kit
    - Call the SSC Contact Center 30-60 days prior to your retirement and request to have a Retirement Checkout Kit mailed to your home
- For the complete list please visit the Benefits Office website



# Additional Assistance

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- You've completed the Planning for Retirement class, learned about Social Security, Medicare and Medicare Advantage, and met with TIAA or Fidelity to set up a plan for your income in retirement
- Still have questions?

# Register for an Individual Session

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- Short Q&A consultations with the Benefits Office are now available to assist with complex retirement questions. To qualify for this service, you must meet the following criteria:
  - You have already attended the Planning for Retirement class
  - You are within 6 months of retirement
  - You have notified your department of your intent to retire and planned retirement date
- For more information, send an email to [benefits-programs@umich.edu](mailto:benefits-programs@umich.edu) to request the registration link for your consultation
- For other questions please contact the SSC at 734-615-2000

**THANK YOU**

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