

PLANNING FOR RETIREMENT: THE BASICS



What Topics Will Be Covered?

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

RETIREMENT ELIGIBILITY

What Counts Towards My Retirement Eligibility?

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

Where can I find my retirement date?

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

Ineligible service to retire

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

BENEFITS IN RETIREMENT

What Benefits Continue In Retirement?

- 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?

- University group and optional life insurance
- Dependent spouse, child and OQA life insurance (see page 3)
- 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

Retiring Before Age 62

- 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

- Rates are determined by your service date and retirement date
- All of the retiree rate charts can be found on the benefits website
- 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

- 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. The university 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

- Comparable medical coverage is health coverage that is at least as comprehensive as the university-sponsored BCBSM 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

Retiree Privileges

- 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

Criteria for Phased Retirement

- 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)

SOCIAL SECURITY & MEDICARE

Social Security

At [SSA.GOV](https://www.ssa.gov), you can:

- Find your retirement age
- Estimate your life expectancy
- Estimate Your Retirement Benefits
- Use other benefit calculators to test different retirement ages or future earnings amounts
- Learn about Social Security programs
- Find out what happens if you work after you retire or are already a Medicare Beneficiary
- Learn how certain types of earnings and pensions can affect your benefits

Social Security and Medicare

**RETIREMENT
TOOLKIT**

After years of hard work, you are looking forward to retirement. Choosing when to retire is an important decision and involves a number of issues you may want to consider in your retirement planning. The more you know before you start making decisions, the better off you will be in retirement.

This retirement toolkit is brought to you by the three federal agencies involved in key elements of your retirement planning and security: the Department of Labor, the Social Security Administration and the Centers for Medicare & Medicaid Services.

RETIREMENT TOOLKIT

When to Enroll in Medicare

- Medicare is a federal health care plan available to persons at age 65 or older. Medicare becomes the primary coverage for you and any covered dependents age 65 years of age or older (or disabled) once you have retired
- If you retire at age **65 or older**, apply for Medicare Parts A and B before the end of the month in which you retire for coverage to begin the first of the month after your retirement
- If you **retire before age 65**, apply for Medicare Parts A and B approximately three months before your 65th birthday for coverage to begin the first of the month in which you turn 65
- Medicare will begin the first of the month before your 65th birthday if your birthday falls on the first of the month (see pages 8-11)

Additional Enrollment Information

- When should you apply for Medicare Parts A and B?
 - If retired before 65: apply 3 months before 65th birthday
 - If still working at 65: apply when you retire
- When should your dependent spouse apply?
 - If 65 or older when you retire: apply when you retire
 - If under 65 when you retire: 3 months before their 65th birthday
- When should your OQA apply?
 - 3 months before their 65th birthday or whenever first eligible, no matter how old you are or if you are still working.
- (Please see pages 8-11)

EMPLOYER SHARED RESPONSIBILITY

Employer Shared Responsibility (ESR)

- 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 (734-615-2000) to inquire about your ESR eligibility (see page 13)

NEXT STEPS

Retiring Within The Next 2-5 Years

- **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

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

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

Register for an Individual Session

- 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 to request the registration link for your consultation
- For other questions please contact the Shared Services Center at 734-615-2000

THANK YOU
