Planning for Retirement: The Basics

- HEALTH & WELL-BEING
- EFFECTIVENESS & EFFICIENCY
- CULTURE & CLIMATE
What Topics Will Be Covered?

• Retirement Eligibility
• Benefits in Retirement
• Retiree Privileges
• Phased Retirement
• Social Security and Medicare
• Next Steps
• Q&A
RETIREMENT ELIGIBILITY
What Counts Toward Retirement Eligibility?

**Eligible Service to Retire**
- Continuous years employed in a status that was eligible for both the Basic Ret. Plan and a health plan
- Points = age + continuous years of eligible service
- **Point system**

**Ineligible Service to Retire**
- Supplemental, Adjunct, and LEO I titles with appointment effort < 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 out of MI?
• Dental plan
• Vision plan
• Legal services plan
• Retiree life insurance (if previously enrolled in university group term life insurance as an active employee)
• Retirees still participate in Open Enrollment
What Benefits End in Retirement?

• University group and optional life insurance
• Dependent spouse, child and OQA life insurance
• Expanded long-term disability plan
• Flexible spending accounts (health and dependent care)
• Retirement savings plans (Basic, 403(b) SRA and 457(b))
• Business travel accident insurance
Retiree Health Care Costs

• Rates are determined by your service date and retirement date
• Choose your coverage level based on Medicare eligibility for yourself and dependents
• View retiree rate charts
Waiving Coverage

• If you have a service date on or after July 1, 1988 and you retire before age 62, there is no university contribution to your retiree benefits until you are age 62
• You may opt to waive U-M coverage until age 62 if you maintain comparable coverage through another source
• **Important information about waiving coverage in retirement**
RETIREE PRIVILEGES
Retiree Privileges

• Retiree ID card
• Parking permit
• U-M Retirees Association
• Temporary employment
• Athletic tickets

• Rec Sports facilities
• Libraries
• Computing
• University publications

View complete list
PHASED RETIREMENT
What Is Phased Retirement?

- Gradually transition into retirement by reducing your appointment over time, instead of abruptly going from working to being retired
- Must already be eligible to retire
- Benefits continue, but some are affected by the reduction in effort:
  - Life insurance
  - Basic Retirement Plan
  - Sick time and vacation/PTO accrual
- Phased retirement
SOCIAL SECURITY & MEDICARE
Social Security

• Visit ssa.gov to:
  – Find your retirement age
  – Estimate your life expectancy
  – Estimate your Social Security benefits
  – 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 Toolkit

Watch Social Security Toolkit Video
More About Medicare

• Medicare becomes the primary coverage for you and your dependents age 65 or older (or disabled) once you are 65 and retired
  – All services must go through Medicare first for payment
  – Your U-M health plan becomes secondary

• We **do not recommend** that you enroll in Medicare Part D
  – Except if you are retired or on long-term disability **AND** you apply for and are approved for Medicare low-income prescription drug assistance
Medicare Enrollment

• When should you apply for Medicare Parts A and B?
  – If retired before 65: apply 3 months before 65\textsuperscript{th} 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 65\textsuperscript{th} birthday

• When should your OQA apply?
  – 3 months before their 65\textsuperscript{th} birthday or whenever first eligible, no matter how old you are or if you are still working
More on Medicare Enrollment

- Penalties for failure to enroll
- If you plan to move outside the U.S.
- Medicare enrollment deadlines
- Medicare FAQs
- Medicare.gov
NEXT STEPS
Retiring Within 2-5 Years

• Increase your voluntary retirement savings
  – Enroll in a 403(b) Supplemental Retirement Account or 457(b) Deferred Compensation Plan account at any time

• Meet with TIAA or Fidelity to review your portfolio and your retirement income options
  – TIAA: 1-800-732-8353
  – Fidelity Investments: 1-800-642-7131

• Apply for Social Security and Medicare, if applicable
  – ssa.gov
  – medicare.gov
Retiring Within 12 Months

• Follow the steps on the Retirement Checklist
• Visit hr.umich.edu/benefits-wellness to browse information under Retiring from U-M