

# Planning for Retirement: The Basics



# What Topics Will Be Covered?

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- Retirement Eligibility
- Benefits in Retirement
- Retiree Privileges
- Phased Retirement
- Social Security and Medicare
- Next Steps
- Q&A

# RETIREMENT ELIGIBILITY

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# What Counts Toward Retirement Eligibility?

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## 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

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# What Benefits Continue in Retirement?

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- 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?

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- 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

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- 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

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- 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

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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
- [View complete list](#)

# PHASED RETIREMENT

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# What Is Phased Retirement?

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- 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

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# Social Security

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- Visit [ssa.gov](https://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

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[Watch Social Security  
Toolkit Video](#)

# More About Medicare

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- 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

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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 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<sup>th</sup> birthday
- When should your OQA apply?
  - 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

# More on Medicare Enrollment

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- Penalties for failure to enroll
- If you plan to move outside the U.S.
- [Medicare enrollment deadlines](#)
- [Medicare FAQs](#)
- [Medicare.gov](#)

# NEXT STEPS

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# Retiring Within 2-5 Years

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- 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](https://www.ssa.gov)
  - [medicare.gov](https://www.medicare.gov)

# Retiring Within 12 Months

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- Follow the steps on the [Retirement Checklist](#)
- Visit [hr.umich.edu/benefits-wellness](https://hr.umich.edu/benefits-wellness) to browse information under [Retiring from U-M](#)

**THANK YOU!**

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