

Planning for Retirement:  
A Timeline for Action

University Payroll and Benefits  
Customer Service



April 10 - 11, 2018

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**Presenters**

- Tiffany Montgomery  
Payroll & Benefits Manger  
University Payroll & Benefits Customer Service
  
- Verna Chatman  
Benefits Manager  
University Payroll & Benefits Customer Service

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**Annually**

- Verify beneficiary designations
  
- Consider enrolling in, or changing contributions to, a 403(b) or 457 supplemental retirement plan

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### 60 Days Prior to Retirement

- ❑ Terminal Benefit Payout (TBP):
  - ❑ Unit HR/Business Manager – Completes the Terminal Benefit Payout Calculation Sheet
  - ❑ Defer to the 457 Deferred Compensation Plan and/or the 403(b) Plan (must use a paper form as this cannot be done in NESSIE)
  - ❑ Must meet with UPB to complete

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### 60 Days Prior to Retirement

- ❑ Optional State Employee and/or Dependent Life Insurance (Minnesota Life):
  - ❑ Apply for up to four times the basic life insurance amount – requires underwriting approval
    - ❑ Under age 60 – Maintain the value of the life insurance at the time of retirement
    - ❑ If retired and age 60 or older - Each salary increment will drop to \$5000
    - ❑ Any optional life insurance coverage lost at retirement or when you turn age 60, can be retained as a term policy on a portable basis OR the Employee Basic and Optional Life Insurance can be converted to a whole life policy

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### 60 Days Prior to Retirement

- ❑ State Spouse Life and Child Life Insurance
  - ❑ Continuation of coverage is available
- ❑ Medical Care Assistance Program (MCAP):
  - ❑ May continue participation for the remainder of the plan year through COBRA
  - ❑ Complete the MCAP COBRA Election Form prior to retirement

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### 60 Days Prior to Retirement

- ❑ **University Life Insurance (Voya):**
  - Coverage may continue on same three-year term basis to age 70; Automatically billed to home address
  - Contact UPB to terminate coverage
- ❑ **University AD&D (The Hartford) Coverage:**
  - Coverage may continue up to \$100,000 for one year following retirement
  - Premiums must be taken on the final regular paycheck

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### Health Insurance Transition

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### Health Insurance Transition

- ❑ To be eligible for health insurance as a retiree
  - **Traditional or Portable Plans** - must receive a monthly annuity
  - **Self-Managed Plan** – must annuitize to meet eligibility requirements for health insurance coverage as an annuitant
- ❑ If retiree does not annuitize, for example takes a lump sum payment, then insurance will end at midnight on the last day of active employment

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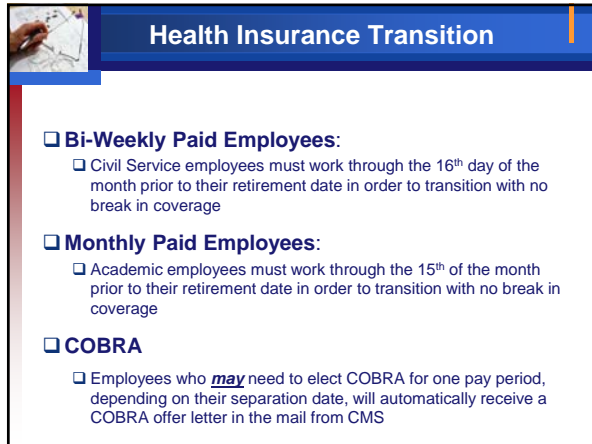
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**Health Insurance Transition**

- Bi-Weekly Paid Employees:**
  - Civil Service employees must work through the 16<sup>th</sup> day of the month prior to their retirement date in order to transition with no break in coverage
- Monthly Paid Employees:**
  - Academic employees must work through the 15<sup>th</sup> of the month prior to their retirement date in order to transition with no break in coverage
- COBRA**
  - Employees who *may* need to elect COBRA for one pay period, depending on their separation date, will automatically receive a COBRA offer letter in the mail from CMS

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**Medicare**



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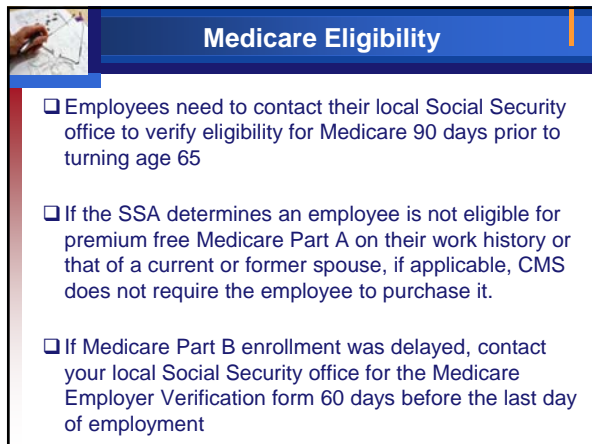
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**Medicare Eligibility**

- Employees need to contact their local Social Security office to verify eligibility for Medicare 90 days prior to turning age 65
- If the SSA determines an employee is not eligible for premium free Medicare Part A on their work history or that of a current or former spouse, if applicable, CMS does not require the employee to purchase it.
- If Medicare Part B enrollment was delayed, contact your local Social Security office for the Medicare Employer Verification form 60 days before the last day of employment

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 **Medicare**

Due to the complexity associated with Medicare and Coordination of Benefits (COB) issues, please contact one of the agencies below:

- CMS Medicare COB Unit 1-800-442-1300
- Your local Social Security Office

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 **UPB Contact Information**

**University of Illinois – University Payroll & Benefits Office**  
809 S. Marshfield Ave 1st Floor (MC 547)  
Chicago, IL 60612-7205

Telephone: 312-996-7200  
Fax: 217-244-3135

**Business Hours:**  
Telephone 9:00 a.m. to 4:00 p.m.  
Walk-In 10:00 a.m. to 3:00 p.m.

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 **Thank you**

Questions?  
Please stop by  
our table!



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