

Planning for Retirement: A Timeline for Action

University Payroll and Benefits Customer Service

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Urbana Human Resources





Presenters

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University Payroll & Benefits Customer Service

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Benefits Manager

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Annually

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



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



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



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



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

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



Health Insurance Transition

Bi-Weekly Paid Employees:

- Civil Service employees must work through the 16th 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 15th 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

Medicare



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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



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



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.

Thank you

Questions?
Please stop by
our table!

