Planning for Retirement: A Timeline for Action

UIC Human Resources

April 25, 2015

60 – 90 Days Prior to Retirement

- Determine your accumulated vacation and sick leave balances
  - Civil Service Employees – biweekly earnings statement
  - Academic Employees – August balances on October & November earnings statements; contact your HR Unit for current balances
  - Contributing a portion of vacation and/or compensable sick to 403(b) or 457 plan go to: http://www.obfs.illinois.edu/training/registration/
  - Contact UPB at 217-333-3111 with questions on this contribution

- General Formula Only: Decide if you want to waive part or all of any compensable sick leave for a maximum of one year service credit
  - Waiver form can be found at:
    - http://www.hr.uic.edu/UserFiles/Servers/Server_1316432/File/d_HR_for.ms56.07.leave/waiveranddirection.pdf
60 – 90 Days Prior to Retirement

- Complete and file application to retire with SURS

**Required data**
- Current salary and Future expected salary increases – likely to be zero but keep in mind anniversary date increases for Civil Service employees if any
- Sick and vacation accumulations

**Required documentation**
- A copy of your birth certificate
- If married, a copy of your spouse's birth certificate and a copy of your marriage certificate

60 – 90 Days Prior (cont’d)

- If you have time with another public retirement system in the State of Illinois, you should contact that system(s) for an application.

- Give your unit a retirement letter indicating your last day of work (email or paper)

- Provide a copy of the retirement letter to your appropriate Department HR contact. They will forward it to the appropriate Campus HR Office:
  - UIC Human Resources  
    715 S. Wood Street M/C 900  
    Chicago, IL  60612
  - Faculty Affairs  
    2715 University Hall M/C 103  
    601 S. Morgan Street  
    Chicago, IL  60607

30 Days to Retirement

- Work with your unit to determine if you have an estimated vacation and/or compensable sick leave payout

- Report to your unit your final vacation/sick leave usage (faculty and academic professional – for Civil Service it is captured through time reporting)

- Complete waiver form if you are going to waive any of your compensable sick leave for service credit
Before you leave……

- Complete the exit checklist and procedures with unit (keys, computers, etc.)
- Update your mailing address
  - NESSIE up to 3 months after retirement
  - More than 3 months after retirement but before January 2015
    - contact Payroll at payinq@uillinois.edu for an address change form
- Go to ID center for your retirement ID
  - 1200 W. Harrison
  - Student Center West on Wolcott

Your Last Day and Afterwards…

<table>
<thead>
<tr>
<th>Last day of work</th>
<th>SIRS begins pay of estimated annuity on the first day of the following month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Vacation/Sick Leave usage</td>
<td>Monthly or Biweekly Pay</td>
</tr>
<tr>
<td>Exit checklist -keys, etc</td>
<td>Final Regular Pay</td>
</tr>
</tbody>
</table>

From SIRS

SIRS Estimator

- www.surs.org

Note: You will register as a member on the SIRS website BEFORE you can use the Estimator. Use your Member ID found on your annual summary statement.
Information Needed for the Estimator

- Anticipated Salary Growth (probably 0% if retiring in next few months)
- Last day of work
- First day of retirement
- Unused sick leave (in days) will be used by SURS to determine additional service credit up to one year (not Money Purchase) – academic employees work with your unit to get this information
  - Unused cumulative (non-compensable) sick leave
  - Compensable sick leave
    - Remember you are eligible to be paid for half of your compensable sick leave balance (accrued between January 1, 1984 and December 31, 1997). You can waive all or part of that payment for additional service credit.
    - Note do not include non-cumulative non-compensable sick leave (academics only)
- Unused vacation (in days)
  - This is the number of days of vacation you will be paid upon retirement up to your maximum, according to your appointment

Enter information to obtain estimates based on different last day of work, based on waiving compensable sick leave, etc.
Can I work at the University?

- There is no guarantee of post retirement employment in accordance with Board of Trustees guidelines which encourage succession planning.

- Units are responsible for monitoring the guidelines and no offer or promise of post-retirement work should be given without having first secured appropriate approvals.

 Working After Retirement

- Employment at any SARS institution must be at least 60 days (61 days or more, even unpaid or emeritus) after retirement to avoid annuity impact.

- Return-to-work limitations apply to pay received for services performed at a SARS covered employer.

- If you return to work within 60 days after you retire, your annuity will be cancelled, you will again participate in SARS, and you must repay all annuity payments.
Chicago Contacts

- Faculty Affairs
  2715 University Hall M/C 103
  601 S. Morgan Street
  Chicago, IL 60607
  312-413-3470

- UIC Human Resources
  715 S. Wood Street M/C 900
  Chicago, IL 60612
  312-413-3490

Planning for Retirement: A Timeline for Action

University Payroll and Benefits Customer Service

April 25, 2015

Presenters

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  Business Administrative Associate
  University Payroll/Benefits Customer Service

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  Assistant Manager
  University Payroll/Benefits Customer Service

- Julie Nelson
  Assistant Manager
  University Payroll/Benefits Customer Service
Abbreviations You Will Hear Us Use

- **HR:** Human Resources
- **CMS:** Central Management Services
- **SSA:** Social Security Administration
- **SURA:** State Universities Retirement System
- **UPB:** University Payroll and Benefits

Anually

- Verify beneficiary designations for any of the following that you have:
  - Minnesota Life State Life
  - State Universities Retirement System (SURA)
  - Fidelity
  - TIAA-CREF
  - 457 Deferred Compensation Plan
  - VOYA (University Life) – previously known as ING/Reliastar
  - The Hartford Accidental Death & Dismemberment (AD&D-University Plan)

Anually

- Consider enrolling in, or changing contributions to, a 403(b) or 457 supplemental retirement plan
  - Traditional 403b (Pre-Tax) or Roth 403b (Post-Tax)
  - Enroll or make changes through NESSIE
  - Vendors
    - Fidelity Investments
    - TIAA-CREF
  - 457 Deferred Compensation Plan (Pre-Tax)
  - T. Rowe Price – Record keeper
  - Must complete paper enrollment/change form
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)

- Contact the 403(b) and/or 457 supplemental retirement plans for fund, distribution and rollover options:
  - Fidelity Investments 800-343-0860
  - TIAA-CREF 800-842-2005
  - Deferred Compensation 800-442-1300

60 Days Prior to Retirement

- 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

- 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

- 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**
  - Apply for and go through the underwriting approval process
  - When employee retires, spouse life continues at the amount of $10,000; however, coverage reduces to $5,000 when the spouse turns 60
  - Child Life – continues for children up to the age of 26 in the amount of $10,000

- **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

Health Insurance Transition

- **Transitioning from Employer Group Insurance to Retiree Insurance:**
  - On January 13, 2012, Public Act 097-0668 was signed into law.
  - This law requires all retirees who wish to have State of Illinois insurance they must complete and return a State of Illinois Group Insurance Election Form to SURS.
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
Medicare Eligibility

- Employees need to contact their local Social Security office to verify eligibility for Medicare 90 days prior to turning age 65
  - Schedule an appointment with your local Social Security office
  - Apply using the online application
    - [http://www.socialsecurity.gov/pgm/medicare.htm](http://www.socialsecurity.gov/pgm/medicare.htm)

Medicare Enrollment

- 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.
  - CMS does require the employee to provide a written statement from the SSA verifying ineligibility to the CMS Medicare Coordination of Benefits Unit
  - If elect the State Health Insurance as an annuitant, the insurance health plan options continue to be the same as for active members

Medicare Enrollment

- Member still *Actively Employed*
  - Members and dependents eligible for premium-free Medicare are *required* by the CMS Group Insurance Program to accept the Medicare Part A, but they may delay enrollment in Medicare Part B when employer group insurance is in effect
    - State of Illinois Insurance will remain primary until you retire
Medicare Enrollment

- If members and/or dependents become eligible After Retirement
  - Must enroll in Medicare Parts A and B when first eligible (including persons who qualify via their spouse)

Medicare Enrollment

- 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
  - UPB will need to complete and sign the form verifying the dates employer group insurance was in effect
    - Failure to complete this form could result in a penalty for delaying Medicare Part B coverage

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:** 312-996-6471
  - **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?