RETIRING FROM THE UNIVERSITY
PLANNING FOR RETIREMENT
THE BASICS

Retirement Income

Health & Well-Being

Next Steps
AGENDA/OBJECTIVES

- Retirement Eligibility
- Retirement Programs
- Financial Readiness
- Understanding your Retirement Income Options
- UIRA
- Benefits in Retirement
- Medicare Basics
- Next Steps
RETIREMENT ELIGIBILITY

- **Age 55 or above** when employment ends
  - Eligible for retiree health and dental insurance, sick leave payout
  - Eligible to withdraw retirement plan funds
RETIREMENT PROGRAMS

- Regular Retirement
- Phased Retirement
PHASED RETIREMENT PROGRAM

- Board of Regents Program
  - Subject to annual review
  - Expires June 30, 2022 unless renewed
  - All requests must receive approval from department & dean/DEO
PHASED RETIREMENT PROGRAM

- Age 57 & 15 years of service
- Reduce percent of time to 50%-65%
- 50% required:
  - Phasing period of one year
  or
  - Year two of a two year phasing period
- Must retire at end of program
  - Maximum two years
PHASED RETIREMENT

Impact on these benefits:

- FICA
- TIAA employee contribution
- IPERS
- Vacation
- Sick Leave
PHASED RETIREMENT PROGRAM INCENTIVES

- Salary incentive at the discretion of the department:
  - First year of two year program: % salary, plus up to 10%
  - Second year or first year of one year program: 50% time, 50% salary (no incentive)

- Benefits – Group Life, LTD & TIAA
  - Based on full-time salary (100%)
FINANCIAL READINESS

University Retirement Plans:

TIAA

or

IPERS

Employee + University Pre-tax contributions
FINANCIAL READINESS

Voluntary Retirement Savings Plan

• Pre-tax or After-tax (Roth)
• Annual IRS max for most is $19,000 in 2019
• Highly compensated may be limited
• If 15 years of service, may be allowed additional $3000 catch up contribution
• Age 50 allows additional $6000 annual contribution in 2019
IPERS RETIREMENT BENEFIT

- Formula multiplier based on years of service

- Highest 3-year average salary; 7/1/12 - highest 5 year average

- Age at retirement (reduction if less than normal retirement age)
IPERS RETIREMENT BENEFIT

- Age 65
- Age 62 with 20 years of service
- Rule of 88 (years of service + age)
- Receiving Social Security disability or railroad disability benefits (must be vested)
IPERS RETIREMENT BENEFIT

If no longer working in IPERS-covered employment:

- Can begin benefits if 55 years of age and vested (7 years of service)
  - Permanent reduction of .5% per month for each month prior to normal retirement
- Must begin benefits at age $70 \frac{1}{2}$
IPERS RETIREMENT BENEFIT

- Monthly benefit for life
- Choice of survivor benefit
  - Fixed lump sum to survivor
  - Variable decreasing lump sum to survivor
  - Joint & survivor annuity options
  - No survivor benefit
IPERS RETIREMENT BENEFIT

- Benefits estimates & options, on-line calculators - www.ipers.org
- Monthly on campus visits
- Contact well in advance of retirement – 800-622-3849
RETIREE HEALTH INSURANCE

COVERAGE OPTIONS

- Retiree coverage from employer
- COBRA
- Spouse’s coverage if still working
- Group plans (AARP, professional assoc)
- TRICARE
- Individual policy – ACA Marketplace
- Medicare, when eligible (65 or disabled)
MEDICARE ELIGIBLE WHILE STILL WORKING

- Coverage through active employment is primary
- Enroll for Medicare Part A
- Delay Medicare Part B enrollment until retirement
- Do not enroll for Part D
MEDICARE ELIGIBLE
WHEN RETIRED

- Must enroll for Medicare Parts A & B
- Medicare becomes primary
- Will need prescription drug coverage - Medicare Part D coverage or other creditable coverage
MEDICARE OPTIONS

Retiree health coverage options:

- Original Medicare only (Parts A & B)
- Original Medicare + Part D (Medicare Part D Prescription Drug Coverage)
- Medicare Advantage Plans (Parts A, B & D)
- Medicare Supplement/Medigap Plans
- Employer-based Medicare Carve out Plans (Supplements Parts A & B, do not need D)
UNIVERSITY OPTIONS FOR RETIREE HEALTH & DENTAL

- Health and dental insurance
- Health insurance only
- Dental insurance only

You may continue health and/or dental coverage different coverage for a spouse, domestic partner and/or dependent children.
UNIVERSITY PLAN OPTIONS
AT-A-GLANCE

Medical & Prescription Drug Coverage:

- UIChoice
- Health Alliance PPO (Medicare Eligible Retirees)
- Health Alliance HMO (Medicare Eligible Retirees)

Dental Coverage

- Dental II
RETIREE HEALTH & DENTAL

- If you decline or drop University retiree health or dental coverage, you will not be able to re-enroll at a later date (exception: employment-based coverage)
  - If you drop your University plan, coverage for your spouse/dependents is also cancelled
- In the event of your death, if your spouse is covered by your plans, your spouse can continue the coverage
**REGULAR RETIREE MONTHLY PREMIUMS FOR HEALTH & DENTAL INSURANCE**
**EFFECTIVE JANUARY 1, 2019 – DECEMBER 31, 2019**

When a retiree or their spouse becomes eligible for Medicare, they are moved into separate policies and charged the appropriate premium based on Medicare eligibility and eligibility for the University’s retiree contribution.

### 2019 UIC Choice Retiree Premiums for those eligible for the University Contribution

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<thead>
<tr>
<th>Type of Contract</th>
<th>Total Cost</th>
<th>UI Contribution</th>
<th>Your Cost</th>
</tr>
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<tbody>
<tr>
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<td>Retiree/Spouse (Neither Medicare Eligible)</td>
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<td>$1,432</td>
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<td>Retiree/Children (Not Medicare Eligible)</td>
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<td>$1,586</td>
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### 2019 UIC Choice Retiree Premiums for those not eligible for the University Contribution

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### 2019 Health Alliance Plan Premiums

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<td>Single</td>
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<td>Retiree/spouse</td>
<td>$53</td>
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<tr>
<td>Retiree/children</td>
<td>$100</td>
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<td>Retiree/family</td>
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**PLEASE NOTE:** Faculty and Staff who retired at age 65 or older with 10 years or more years of continuous benefit eligible service at the time of retirement, will receive a University contribution of $288 per month toward the cost of the UIC Choice health insurance in 2019.
RETIREE HEALTH
UI CONTRIBUTION

UI Choice – the university currently contributes $288 per month towards the cost of UIChoice health coverage premium if age 62 or more with 10 or more years of continuous benefit-eligible service at the time of retirement.
## 2019 MONTHLY PREMIUM RATES

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MEDICARE BASICS

SHIIP
HEALTH ALLIANCE
MEDICARE ADVANTAGE PLANS
RETIREMENT DECISIONS

- WHEN should you retire?
  - Determine financial readiness
    - Accessing TIAA or IPERS
    - Cost of health care pre/post Medicare
    - If spouse/partner is retired/retiring
    - When will Social Security Benefits begin
      - Access at age 62? (less than normal retirement age = benefit reductions, earnings limits)
Applying for Social Security Benefits

3 options available to apply:

1. Online: www.socialsecurity.gov
2. By phone: 1-800-722-1213

Note: Social Security can assist with Medicare Enrollment
RETIREMENT DECISIONS

- WHEN should you retire?
  - Talk to your department
    - End of academic year or semester
    - Wrapping up projects
    - Transitioning to your replacement
    - Process for turning in keys/cards
    - Availability for part-time or special project work after retirement
      - Access to retirement funds
RETIREMENT DECISIONS

- WHEN should you retire?
  - Consider benefit end dates
    - End of month for:
      - Health, dental, life insurances
      - Health care spending account
  - Consider Medicare enrollment dates
  - Consider tax year
    - vacation/sick leave payouts
RETIRING FROM THE UNIVERSITY

- Review Retirement Section of Benefits website: http://hr.uiowa.edu/retirement/university-process

- Schedule meetings with:
  - TIAA and/or IPERS
  - Social Security Office
    - Employer verification for Medicare Enrollment
  - University Benefits Office
RETIRING FROM THE UNIVERSITY

- Meet with University Benefits to complete paperwork
  - Health & dental insurance forms
  - Vacation & Sick Leave Payout
    - Vacation - automatic payout of any accrued vacation after final time record is completed
    - Sick Leave - form needed to request payout of unused accumulated sick leave up to $2000
  - Option to make contributions to VRSP - form required
- Life insurance
  - Group Life – Conversion Option
  - Supplemental Life – Conversion and Portability Options
RETIRING FROM THE UNIVERSITY

- Continuation/cancellation of other benefits
  - Athletic tickets
  - Parking
  - Faculty/Staff ID card
  - Email Account
  - Voluntary AD&D
  - Long-term care premiums
ANNUAL NOTICES

- Annual enrollment period
  - Rates
  - Coverage changes

- Annual Medicare D Creditable Coverage Notice for Medicare eligible retirees and spouses
University Benefits Office

benefits@uiowa.edu
hr.uiowa.edu/benefits
319-335-2676
877-830-4001
120 University Services Building