

Preparing for Retirement



We'll cover these questions. Others?

1. Thinking about retiring? Clearance process?
2. What benefits change if my work status changes?
3. What will it cost me for health insurance?
4. Medicare and UAMS Retiree Benefits
5. What Happens to Benefits After UAMS
6. Retirement Options from TIAA/Fidelity/APERS
7. Start Social Security early or later?



Leaving UAMS?



What is the clearance process?

- Notify both your supervisor and Human Resources at least one month in advance of your intent to retire or resign your current position. Notification can be done one of three ways:
 - Complete online form through Employee Self Service (**PREFERRED**)
 - Hand deliver written statement to Human Resources
 - Email Askhr@uams.edu
- Then on your last day give your badge, key, any other equipment to your department HR Administrator. They will notify you of the additional separation clearance steps
- Vacation and holiday balances, up to 240 hours max, will be paid in a lump sum via paper check mailed to your home.
- Exit Survey- recommended exit feedback form. Form completed online.
- Update your address with UAMS and benefit vendors. Log into ESS to update
- As soon as you set your retirement date, contact our office to set up an appointment to meet with the Benefits and Retirement HR Consultants.
 - Dawn Wieda, HR Benefits Manager- Retiree Healthcare Benefits
 - Aerial Wright, HR Senior Consultant- Retirement Savings w/ Fidelity and TIAA



Phased Retirement

- Change in work status from full-time to part-time? Refer to benefits package for rates information.
 - 75-100% Time worked
 - 50-74% Time worked
 - <50% Time worked (no benefits)
 - Faculty Group Practice (FGP) members
 - Resident Physicians



Insurance for Retirees - “forever COBRA”

Eligibility is the “10-70 rule”

The definition of a “retiree” for insurance purposes is someone who at the time they leave the University’s employment:

- Has been covered under the insurance plan for the past ten consecutive years;
- Has worked for the University of Arkansas for ten consecutive years; and
- Has a combined age and continuous years of University of Arkansas service equal to 70 or more.

Modified “65-5” rule effective 1-1-2017

In addition to the guidelines above, medical and/or dental insurance will be offered to employees who retire at age 65 or older and immediately prior to retirement completed 5 or more consecutive years of UA service and had 5 or more consecutive years of continuous coverage under the plan.

What insurance may I continue?

If you meet the “ retiree” criteria, you may keep three of your plans:

- Medical
 - If you are under age 65 and not yet eligible for Medicare, you may keep your UA employee coverage under the Classic plan.
 - If you are Medicare-eligible (age 65 or older), you may enroll in the UA United Healthcare Medicare Advantage plan. This is an “open access” PPO plan, meaning you can see any doctor or provider that accepts Medicare, regardless if they are in or out of United’s network.
- Dental (same as UA employee plan)
- Life Insurance - \$10,000 life insurance policy (must meet the 10-70 rule)-**until Dec 31, 2020**

What does it cost?

Refer to the benefits rate sheets (2020 retiree rates- next two slides)

As a retiree you would pay 100% of the total premium.

***Please note that these rates are subject to change and may be different when you retire. If you currently work full-time, your department is paying a portion of your premiums.*





Under Age 65 Medical Coverage – University of Arkansas Classic Health Plan

Eligible retirees, surviving spouses and their dependent children who are not eligible for Medicare may elect the UA group Classic health plan administered by UMR. Premiums will be billed by and payable to UMR.

	Classic Plan
1 Member in UA Health Plan <i>Only one member of the family remains covered in UA medical. The member may be a retiree, a retiree's spouse, a surviving spouse, or a child.</i>	\$ 444.56
2 Adult Members in UA Health Plan <i>Retiree is the primary member, spouse is the dependent member, and both remain in UA medical.</i>	\$ 1,010.36
1 Adult + Child(ren) in UA Health Plan <i>Adult can be a retiree, a retiree's spouse, or a surviving spouse; plus one or more children</i>	\$ 831.68
Family: 2 Adults + Child(ren) in UA Health Plan <i>Retiree is the primary member. Spouse and one or more children are the dependent members. All remain enrolled in UA medical.</i>	\$ 1,408.12
2 or more Children in UA Health Plan <i>Either the parent(s) of the children are enrolled in the UHC Medicare Advantage plan, or the children are the only covered survivors of a deceased employee.</i>	\$ 831.68

Dental Coverage

Premium will be billed by and payable to UMR.

1 Primary Adult <i>Adult can be either a retiree or a surviving spouse</i>	\$ 32.00
Retiree + Spouse <i>Retiree is the primary member; plus spouse</i>	\$ 66.00
1 Primary Adult + Child(ren) <i>The primary adult can be either a retiree or a surviving spouse; plus one or more children</i>	\$ 55.70
Retiree + Spouse + Child(ren) <i>Retiree is the primary member; plus spouse; plus one or more children</i>	\$ 89.70

Life Insurance (\$10,000 coverage)

\$42.69 quarterly premium will be billed by Standard Insurance Company. Monthly premium is \$11.73 + \$2.50 administrative fee.

Retiree	\$ 14.23
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If you're eligible for RETIREE insurance...

65+

- Especially important to do this at least one month ahead of time if you are age 65+ when you retire
- And you've got 5 years of service and were covered under the UA health insurance the last 5 years
- You are eligible to enroll in the UA United Healthcare Group Medicare Advantage plan, a Medicare Part C plan. You enroll directly through United Healthcare.
- You MUST be enrolled in original Medicare, both parts A and B, to be eligible. Your medical premium cost will be the amount below PLUS your Part B premium that you pay to Social Security.

Age 65+ Medical Coverage – United Healthcare Medicare Advantage

Eligible retirees, surviving spouses and their dependent children who are eligible for Medicare A + B (for example, age 65 or older or disabled) may enroll in the University of Arkansas System United Healthcare Group Medicare Advantage (PPO) plan. Premiums will be billed by and payable to United Healthcare.

1 Member in Medicare Advantage

Each member is individually enrolled. For example, retiree and spouse may both enroll, but each will be billed the premium separately and each will receive their own member ID card.

\$ 167.70 per individual



COBRA

Continuation of UAMS Medical, Dental or Vision

* The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) is a federal law which mandates continuation of group health care insurance plans, at workers' expenses, after a worker leaves an employer. The University of Arkansas outsources COBRA benefits administration to:

HealthEquity (former name Wage Works)

P.O. Box 226101

Dallas, TX 75222-6101

PHONE (toll-free): 1-877-722-2667

INTERNET: mybenefits.wageworks.com



MEDICAL	Classic Plan	Premier Plan	Health Savings Plan
Single coverage for Employee Only, Spouse Only, or Child Only	\$ 437.07	\$518.69	\$ 403.47
Employee and Spouse	\$ 993.38	\$ 1,184.55	\$ 918.22
Employee and Child(ren), or Spouse and Child(ren), or Children only	\$ 817.69	\$ 971.28	\$ 756.27
Employee, Spouse and Child(ren)	\$ 1,384.45	\$ 1,642.75	\$ 1,281.26

DENTAL

Single coverage for Employee Only, or Spouse Only, or Child Only	\$ 32.64
Employee and Spouse	\$ 67.32
Employee and Child(ren), or Spouse and Child(ren), or Children only	\$ 56.81
Employee, Spouse and Child(ren)	\$ 91.49

VISION

	Basic	Enhanced
Single coverage for Employee Only, or Spouse Only, or Child Only	\$ 5.88	\$ 11.85
Employee and Spouse	\$ 11.66	\$ 23.43
Employee and Child(ren), or Spouse and Child(ren), or Children only	\$ 11.41	\$ 22.97
Employee, Spouse and Child(ren)	\$ 17.35	\$ 34.90



Accessing Your UAMS Retirement Savings



Meet with a consultant to discuss retirement benefit options

To reduce the risk of exposure to coronavirus COVID-19, all one –on- one appointments are currently taking place by telephone or other virtual option.



www.TIAA.org/schedulenow

1-800-842-2252



www.nb.fidelity.com

1-800-343-0860

Your money. Your future. Your Options.

Option 1: Leave your money in the employer plan

Option 2: Move your money directly into an Individual Retirement Account (IRA)

Option 3: Move your money directly into your new employer's retirement plan

Option 4: Withdraw your money in cash



Access Your Retirement Savings

- You can initiate a “distribution” any time after you are **totally** off the payroll.
- A distribution can be:
 - Periodic withdrawals (how much do you need a month?)
 - Annuity (guaranteed amount for life)
 - Rollover to an IRA
 - Lump sum (not available for some investments)



Exception: In- service withdrawal

- If you're age 59 ½, you can access your contributions (not the University's) while still working, called “in-service age withdrawal”.
- If you had rollover funds from another plan you can always access these funds, called “in-service rollover distribution.”

****Loan options available while working.*

****Plan does not honor hardship distribution requests.*



Retirement Plan Release

To be signed by an employee who has presented a retirement distribution or rollover request to the UAMS Office of Human Resources for approval, and who is separated from UAMS employment for less than 32 calendar days.

PRINT YOUR NAME: _____
(and sign below)

SOCIAL SECURITY NUMBER (or SAP #): _____

I am requesting that I receive a distribution from my UA retirement plan due to my separation of employment from UAMS. I have or will present TIAA and/or Fidelity distribution requests to the UAMS Office of Human Resources for approval.

I understand that by requesting that UAMS's retirement contributions (all or partial) to be paid to me, that I cannot return to UAMS employment for at least 31 calendar days, nor can I transfer to another University of Arkansas campus within 31 calendar days. This is in accordance with University and State policy that returning to work within 31 days is a "reinstatement" and not a true separation of employment.

If I return to University of Arkansas employment after 31 calendar days, I understand:

- That my sick leave balance will not be restored (unless the reason for my separation of employment was due to budgetary reasons or curtailment of work activity); and
- That my break in service will affect my eligibility for retiree insurance benefits. [In order to be eligible for retiree insurance benefits, an employee generally must have 10 years consecutive years of covered service, and their age and years of service must equal at least 70.]; and
- That I must complete the onboarding process and re-enroll in the benefit plans as any other new employee; and
- That my hire date and merit increase eligibility dates will be adjusted to reflect my break in service.

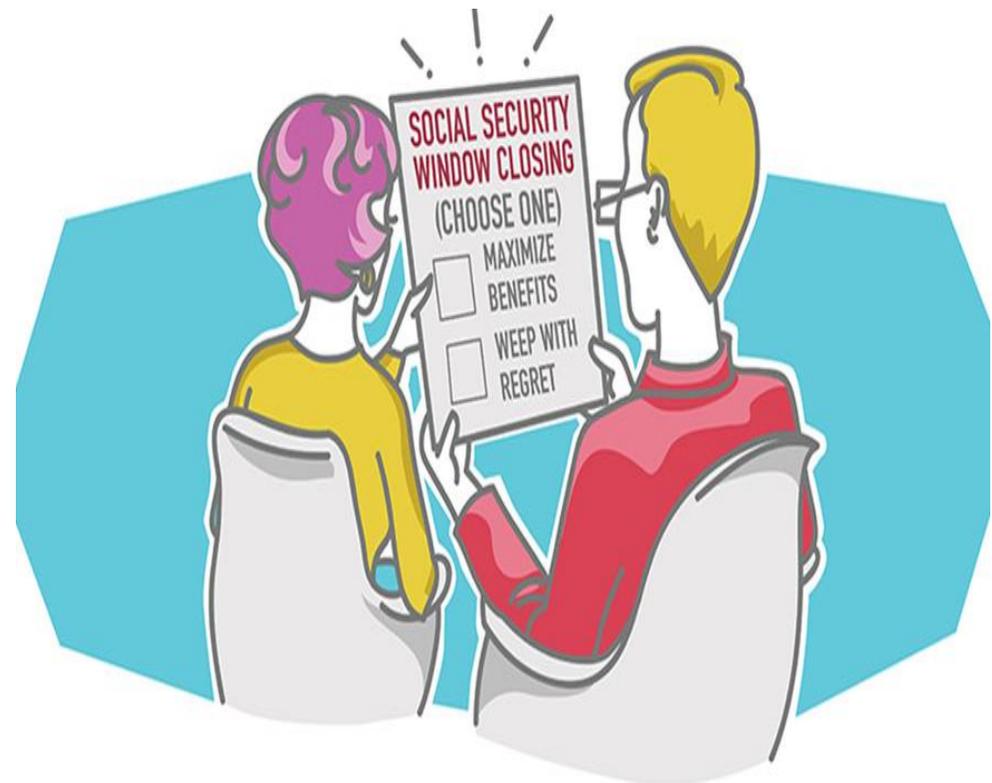
I also understand that UAMS remits retirement contributions once a month. Therefore the contributions from my last paycheck may not yet be posted in my TIAA and/or Fidelity account. If I am cashing out or otherwise receiving a distribution from my UA retirement plan now, I may not be receiving all contributions and may have to reinstate the distribution process. If I am not vested, I will only be eligible to receive a distribution on my personal contributions.

SIGNATURE: _____ DATE: _____

- “32 day form” required if you’re wanting to access your TIAA and/or Fidelity funds immediately and you haven’t been gone at least a month.
- But after your start receiving your TIAA or Fidelity benefits, ok to be rehired as part-time.

Get Social Security early or later?

- 65 used to be the full retirement age/eligibility age for both Medicare and Social Security. Not any more.
- Medicare eligibility remains age 65
- But you may not be eligible for “full” Social Security benefits until age 67. Depends on year you were born.
- Visit www.ssa.gov for details
- Little Rock office: 1-866-593-0933 (federal building)



Social Security (cont'd)

- Apply 3 months before you want benefits to start
- Either start benefits at your “full retirement age” or later (see next slide)
 - You’ll receive a bigger benefit, but for a shorter period of time the longer you put off receiving Social Security
- Or apply for early benefits at age 62
 - Benefits permanently reduced about 30% and there’s a limit on how much you can earn each year if you continue to work
 - You’ll receive a smaller benefit for a longer period of time



Age To Receive Full Social Security Benefits
(Called "full retirement age" or "normal retirement age.")

Year of Birth *	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

**If you were born on January 1st of any year you should refer to the previous year. (If you were born on the 1st of the month, we figure your benefit (and your full retirement age) as if your birthday was in the previous month.)*



Medicare

- **Eligible for original Medicare the month you turn 65**
 - **Part A** helps pay for hospital admission
 - **Part B** helps pay for doctor visits and outpatient care
- **If you're still working when you turn 65**
 - Just sign up for Part A. It's free. Your UA medical coverage is primary.
- **If you retire after age 65**
 - Sign up for Part B the month before, so it's in effect by the first day you no longer have UA medical insurance as an active employee
 - No penalty if sign up within 8 months, "SEP" (special enrollment period)
 - You pay \$\$\$\$ @ month (more if income over \$85,001, up to \$428 @ month). Deducted from your Social Security benefit or billed to you.

Other parts of Medicare

- **Part C is a Medicare Advantage plan**
 - Medicare contracts with individual insurance companies to administer Medicare benefits along with supplemental benefits
 - “all in one” plan, often with rx benefits
 - UA Medicare Advantage Plan through UnitedHealthcare is a Part C plan
- **Part D is prescription drug coverage**
 - Get ready for full mailbox of offers
 - About 50 plans in AR
 - Most have “donut hole” coverage gaps
 - Meant for those who don’t have drug coverage elsewhere, or who have a Medicare supplemental/gap plan that doesn’t cover rx

My Retirement Plan

UAMS offers all employees a valuable opportunity to build financial security--a retirement benefit designed to meet the diverse and changing needs of our faculty and staff.

Start Saving Today!

Life Events Checklist

- [Documentation verifying dependent status required to add a spouse \(marriage license\) or child \(birth certificate\).](#)
- [Birth of a Child \(or Adoption\)](#)
- [Divorce](#)
- [Leave of Absence](#)
- [Marriage](#)
- [Military Leave](#)
- [Going Part-time](#)
- [Leaving UAMS](#)
- [Turning 65, Eligible for Medicare](#)
- [Insurance for Retirees](#)
- [Death of an Employee](#)
- [Travel Tips \(Including International Travel\)](#)

How to find details of retiree insurance on our website



Questions later?

Drop by our office on 4C, Central Building.
7:30-4:30, Monday-Friday.

Call us at (501) 686-5650.

Email us at AskHR@uams.edu.

Visit our website, www.hr.uams.edu.