

# I'M THINKING ABOUT RETIREMENT NOW WHAT?

Your Complete Guide to Retirement from UTHSC



Presented by UTHSC Benefits Office

# TOPICS OF DISCUSSION

- Selecting a retirement date-things to consider
- Money matters!
- Retiree Benefits
- Working after retirement
- UTHSC Retirement Perks
- When to Begin the Retirement Process





# SELECTING YOUR DATE

What should you  
consider?



# THINGS TO CONSIDER BEFORE SELECTING A DATE

- All employees should consider the following when selecting their retirement date:
  - Longevity
  - Leave Balances
  - Understand your years of service. Years of service may not equal your years in the retirement plan
  - The difference in early/full retirement
  - Qualification for the annual cost of living adjustment
- In addition, employees should also consider the following:
  - Health & other Insurance continuation for you and your dependent



# THINGS TO CONSIDER: LONGEVITY

- **Longevity**-You must be in active pay status the day before the last day of the month directly prior to the month of your longevity eligibility in order to receive the payment. If you are NOT in active pay status on this date you forfeit your entire longevity payment.
  - *Example: You were hired June 17<sup>th</sup>. Your longevity date is June 1<sup>st</sup>. You must be in active pay status as of May 30<sup>th</sup> in order to qualify for your longevity in July.*
- Faculty retiring June 30 will receive longevity pay if their longevity anniversary month is July, August or September (October for part-time faculty).



# THINGS TO CONSIDER: LEAVE ACCRUALS

## ▪ Annual Leave

- Retirees will be paid for unused annual leave not to exceed the maximum allowable accumulation. The maximum amount for any retiree is 336 hours. Any amount in excess of the 336 will be rolled into your sick leave balance.
- If December retiree; can request A/L payout in January to avoid additional tax penalties

## ▪ Sick Leave

- Is creditable for retirement service for TCRS members.
- ORP members sick leave is only applicable toward total years of service for retiree insurance eligibility and may lower insurance premium.

## ▪ Personal day

- Non-exempt retirees should take personal day prior retirement.



# THINGS TO CONSIDER RETIREMENT ELIGIBILITY

- **Early Retirement:TCRS (Legacy)**
  - Any age with 25 years of creditable service
  - Age 55 with at least 10 years of service
  - Early Retirees will have a permanent .04% reduction.
- **Full Retirement**
  - Any age with 30 years of creditable service
  - Age 60 with at least 5 years of service
- **Cost of Living Adjustments**
  - Employee's must retire by June 30<sup>th</sup> of any given year in order to qualify for any cost of living adjustment (1-3%) that may be given in July of the following year.
- **Early Retirement: ORP (Legacy)**
  - Early Retirement: Prior to age 59 ½
  - Early withdrawal penalties: generally 10%
  - Cost of living increase is based on market performance





# MONEY MATTERS

Understanding your  
income in retirement



# MONEY MATTERS- ORP

## Optional Retirement Program (ORP)

- ORP is a market driven defined contribution plan. The amount of your income at retirement is based on the value of your account and your age.
- Employees in the ORP plan will work with their individual provider to begin distribution of their funds.
- TIAA or VOYA will provide payout options to the member at the time of retirement. Options may include:
  - Interest only-Fixed options only
  - Monthly benefits
  - Quarterly or yearly benefits
- Employees in the ORP are not required to begin drawing a benefit until age 72. But may do so at anytime after separation from employment.



# MONEY MATTERS-ORP

## Who to Contact?

TIAA: 800-842-2252

- Local Rep: Brian Nanney

VOYA: 800-525-4225

- Local Rep: Calvin Reid

## What happens next?

- Will receive counseling on payout options
- Will complete paperwork to start annuity payouts
- Process takes approximately 30 days.
- Deposits are based on payout selection
- May use checking or savings account



# MONEY MATTERS- TCRS

## Tennessee Consolidated Retirement System (TCRS)

TCRS is a defined benefit plan. Employees will receive a monthly benefit after retirement for the remainder of their life.

- TCRS provides the following payment plan selections
  - Regular Maximum
  - Social Security Leveling (if under age 62)
  - Survivor Options I-IV
- Go to: [mytcrs.tn.gov](http://mytcrs.tn.gov) and register to view your statements, estimates and complete your TCRS retirement application.
- Disability retirement is not completed online
- Application must be completed 3-4 months prior to last day on payroll.



# MONEY MATTERS- TCRS

## TCRS Retirement Options

- **Regular Maximum**-monthly benefit payable to you for a lifetime. Beneficiary receives last monthly benefits at retiree's death.
- **Option I**-monthly benefit to beneficiary the same as your benefit, should they pre-decease you, your benefit remains the same.
- **Option II**- monthly benefit to beneficiary equal to 50% of your benefit, should they pre-decease you, your benefit remains the same.
- **Option III**-monthly benefit to beneficiary the same as your benefit, should they pre-decease you, your benefit reverts to the regular maximum.
- **Option IV**- monthly benefit to beneficiary equal to 50% of your benefit, should they pre-decease you, your benefit reverts to the regular maximum

**UT Retiree has 29 years of service and beneficiary is 60 years old**

**TCRS Retirement Estimate**

Your Name	UT Retiree	Service at Retirement	355.45	Run Date	Feb 27, 2017
Personnel No	000000	Unused Sick Time Included	7.45	Projected Retirement Date	Jul 1, 2017
Projected AFC	\$ 84,973.30	Age 62 Social Security Benefit	\$ 0.00	Projected Termination Date	Jun 30, 2017
Your Date of Birth	Oct 15, 0000	Beneficiary Date of Birth	Jan 1957	Projected Salary Increase	0.00
Benefit Formula Type	Early Service				

Monthly Benefit: Benefit Option	Amount Payable to You	Amount Payable to Beneficiary	Continued Payment to You if Beneficiary Predeceases You	What This Means To You
Regular/Maximum Benefit	\$ 3,296.61	\$ 0.00	\$ 3,296.61	No Survivor Benefit Payable
SSL/Pre 62 Benefit	\$ 0.00	\$ 0.00	\$ 0.00	No Survivor Benefit Payable
Option 1	\$ 2,942.88	\$ 2,942.88	\$ 2,942.88	Benefit to beneficiary is 100 %
Option 2	\$ 3,109.69	\$ 1,554.85	\$ 3,109.69	Benefit to beneficiary is 50 %
Option 3	\$ 2,892.78	\$ 2,892.78	\$ 3,296.61	Benefit to beneficiary is 100 % - PopUp
Option 4	\$ 3,081.34	\$ 1,540.67	\$ 3,296.61	Benefit to beneficiary is 50 % - PopUp

This is only an estimate. These figures are gross. Insurance and taxes will be deducted from the gross amount. Eligibility and calculation of benefits are governed by the laws in effect at the time benefits become payable. This estimate is subject to change and represent your Tennessee Consolidated Retirement System (TCRS) benefit only. All final calculations will be provided by the Tennessee Consolidated Retirement System office.

In an effort to better serve you, the Office of Retirement Services is in the process of computerizing all benefit estimates. The program that generated the above estimate is in the test/debugging stage. If all data is complete and has been posted accurately and if your printout has been carefully reviewed by one of our staff members, then your estimate should be very close to what you can expect to receive as benefits upon retirement.



# MONEY MATTERS-TCRS

## TCRS: Social Security Leveling

### Social Security Leveling

- An increased in TCRS benefit until you reach age 62.
- At age 62 the TCRS benefit will reduce, and you will be eligible to begin receiving your Social Security benefit.
- Must provide the most recent Social Security Statement.



Prevent identity theft—protect your Social Security number  
**Your Social Security Statement** [www.socialsecurity.gov](http://www.socialsecurity.gov)  
 Prepared especially for Wanda Worker

January 2, 2014  
 See inside for your personal information

WANDA WORKER  
 456 ANYWHERE AVENUE  
 MAINTOWN, USA 11111-1111

<b>What's inside...</b>	
Your Estimated Benefits	2
Your Earnings Record	3
Some Facts About Social Security	4
If You Need More Information	4

#### What Social Security Means To You

This *Social Security Statement* can help you plan for your financial future. It provides estimates of your Social Security benefits under current law and updates your latest reported earnings.

Please read this *Statement* carefully. If you see a mistake, please let us know. That's important because your benefits will be based on our record of your lifetime earnings. We recommend you keep a copy of your *Statement* with your financial records.

**Social Security is for people of all ages...**  
 We're more than a retirement program. Social Security also can provide benefits if you become disabled and help support your family after you die.

**Work to build a secure future...**  
 Social Security is the largest source of income for most elderly Americans today, but Social Security was never intended to be your only source of income when you retire. You also will need other savings, investments, pensions or retirement accounts to make sure you have enough money to live comfortably when you retire.

Saving and investing wisely are important not only for you and your family, but for the entire country. If you want to learn more about how and why to save, you should visit [www.mymoney.gov](http://www.mymoney.gov), a federal government website dedicated to teaching all Americans the basics of financial management.

**About Social Security's future...**  
 Social Security is a compact between generations. Since 1935, America has kept the promise of

security for its workers and their families. Now, however, the Social Security system is facing serious financial problems, and action is needed soon to make sure the system will be sound when today's younger workers are ready for retirement.

Without changes, in 2033 the Social Security Trust Fund will be able to pay only about 77 cents for each dollar of scheduled benefits.\* We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations.

**Social Security on the Net...**  
 Visit [www.socialsecurity.gov](http://www.socialsecurity.gov) on the Internet to learn more about Social Security. You can read publications, including *When To Start Receiving Retirement Benefits*, use our Retirement Estimator to obtain immediate and personalized estimates of future benefits, and when you're ready to apply for benefits, use our improved online application—It's so easy!

*Carolyn W. Colvin*  
 Carolyn W. Colvin  
 Acting Commissioner

\* These estimates are based on the intermediate assumptions from the Social Security Trustees' Annual Report to the Congress.

#### Your Estimated Benefits

**\*Retirement** You have earned enough credits to qualify for benefits. At your current earnings rate, if you stop working and start receiving benefits...

At age 62, your payment would be about.....	\$ 975 a month
If you continue working until.....	
your full retirement age (67 years), your payment would be about.....	\$ 1,412 a month
age 70, your payment would be about.....	\$ 1,761 a month

**\*Disability** You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about..... \$ 1,293 a month

**\*Family Survivors** You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:

Your child.....	\$ 1,008 a month
Your spouse who is caring for your child.....	\$ 1,008 a month
Your spouse, if benefits start at full retirement age.....	\$ 1,244 a month
Total family benefits cannot be more than.....	\$ 2,473 a month

**Medicare** Your spouse or minor child may be eligible for a special one-time death benefit of \$255. You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.

\* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2041, the payroll taxes collected will be enough to pay only about 75 percent of scheduled benefits.

We based your benefit estimates on these facts:

Your date of birth.....	December 5, 1966
Your estimated taxable earnings per year after 2006.....	\$38,626
Your Social Security number (only the last four digits are shown to help prevent identity theft).....	XXXXXX-1234

#### How Your Benefits Are Estimated

To qualify for benefits, you earn "credits" through your work—up to four each year. This year, for example, you earn one credit for each \$1,000 of wages or self-employment income. When you've earned \$4,000, you've earned your four credits for the year. Most people need 40 credits, earned over their working lifetime, to receive retirement benefits. For disability and survivors benefits, young people need fewer credits to be eligible.

We checked your records to see whether you have earned enough credits to qualify for benefits. If you haven't earned enough yet to qualify for any type of benefit, we can't give you a benefit estimate now. If you continue to work, we'll give you an estimate when you do qualify.

**What we assumed**—If you have enough work credits, we estimated your benefit amounts using your average earnings over your working lifetime. For 2007 and later (up to retirement age), we assumed you'll continue to work and make about the same as you did in 2005 or 2006. We also included credits we assumed you earned last year and this year.

Generally, estimates for older workers are more accurate than those for younger workers because they're based on a longer earnings history with fewer uncertainties such as earnings fluctuations and future law changes. These estimates are in today's dollars. After you start receiving benefits, they will be adjusted for cost-of-living increases.

We can't provide you actual benefit amount until you apply for benefits. And that amount may differ from the estimates stated above because:

- (1) Your earnings may increase or decrease in the future.
- (2) Your estimated benefits are based on current law.

(3) Your benefit amount may be affected by military service, railroad employment or pensions earned through work on which you did not pay Social Security tax. Following are two specific instances: You can also visit [www.socialsecurity.gov/mystatement](http://www.socialsecurity.gov/mystatement) to see whether your Social Security benefit amount will be affected.

**Windfall Elimination Provision (WEP)**—In the future, if you receive a pension from employment in which you do not pay Social Security taxes, such as some federal, state or local government work, some nonprofit organizations or foreign employment, and you also qualify for your own Social Security retirement or disability benefit, your Social Security benefit may be reduced, but not eliminated, by WEP. The amount of the reduction, if any, depends on your earnings and number of years in jobs in which you paid Social Security taxes, and the year you are age 62 or become disabled. For more information, please see *Windfall Elimination Provision* (Publication No. 05-10045) at [www.socialsecurity.gov/WEP](http://www.socialsecurity.gov/WEP).

**Government Pension Offset (GPO)**—If you receive a pension based on federal, state or local government work in which you did not pay Social Security taxes and you qualify now or in the future, for Social Security benefits as a current or former spouse, widow or widower, you are likely to be affected by GPO. If GPO applies, your Social Security benefit will be reduced by an amount equal to two-thirds of your government pension, and could be reduced to zero. Even if your benefit is reduced to zero, you will be eligible for Medicare at age 65 on your spouse's record. To learn more, please see *Government Pension Offset* (Publication No. 05-10007) at [www.socialsecurity.gov/GPO](http://www.socialsecurity.gov/GPO).



# MONEY MATTERS-TCRS

## TCRS Beneficiary Selection at Retirement

### Regular Maximum

- Beneficiary can only be changed if the option is selected.
  - Beneficiary is eligible for one TCRS payment in the event of your death.

### Options I-IV New! Multiples Beneficiaries

- Beneficiary can be changed due to death or divorce.
  - Allowed 60 days after TCRS Notice of Retirement has been received to change beneficiary.
  - If changed due to divorce a copy of the final divorce decree is required.
  - Benefits will not be recalculated
  - Beneficiary will not be entitled to a lifetime benefit.

### Social Security Leveling

- All benefits cease at death



# MONEY MATTERS-TCRS



- TCRS benefits are paid on the last working day of the month.
- You will be given the option to provide checking or savings account information for direct deposit of your benefit.
- TCRS will issue debit card if no account is available
- Your benefit is subject to Federal income tax.
- Please consult your tax preparer or financial advisor for advice regarding taxes.





# ADDITIONAL RETIREMENT SAVINGS

## Contributory Plans

Employees making contributions to any of the following contributory plans will be provided with the contact information for their provider. Employees must work directly with the provider to begin any form of distribution or rollover of the funds in these plans. Please be aware that there are tax implications involved based on the employees age at retirement.

- 401k
- 401k Roth
- 457
- 403b





# Social Security Benefits

- Employees interested in drawing their social security benefits should contact Social Security directly or go online to [www.ssa.gov](http://www.ssa.gov)
- Application for Social Security can be processed online or at the local social security office.
- Social Security recommends that you make an appointment if you wish to visit the local office.
- Contact information is found at the end of this presentation.

*my* Social Security



Log In

Create an account





# **RETIREE MEDICAL BENEFITS**

# WHEN DOES ACTIVE COVERAGE END?

Health and Dental insurance are paid for a month in advance. Coverage will continue through the end of the month following retirement.

- This coverage must be payroll deducted. Employee's working partial months must consider if their hours worked will yield compensation that will cover their health premium.
- Example 1-Date of Retirement is June 30<sup>th</sup> then group coverage ends July 31<sup>st</sup>.
- Example 2-Date of Retirement- June 4<sup>th</sup> -if compensation is not enough to take the health premium then group coverage will end June 30<sup>th</sup>. If compensation is enough to take the health premium then group coverage will end July 31<sup>st</sup>.



# GROUP HEALTH INSURANCE

- The requirements to retain your group insurance for yourself and/or your dependents are:
  - be under age 65
  - Must have at least 10 years of creditable service and three years of continuous insurance coverage immediately prior to retirement.
  - 20 or more years of creditable service with at least one year of continuous insurance coverage immediately prior to retirement.
  - **Retiree insurance not available if hired for the first time on or after July 1, 2015.**



# CONTINUING GROUP HEALTH INSURANCE

## *RETIREE AND DEPENDENTS UNDER AGE 65*

- Retiree's must continue in the current health plan
- Dependents must be covered on plan prior to retirement and must continue to meet eligibility requirements:
  - Spouse-age 65 and under
  - Dependent children until age 26
- After retirement employee's contact The Benefit's Administration for changes and admin/coverage issues
- Retiree's are subject to state rules for insurance changes
- If retiree does not elect coverage at retirement. There is a five year window for enrollment (subject to health questions).

**Rates are based on creditable service.**

- Less than 20 years-retiree pays 40% of total premium
- 20-29 years-retiree pays 30% of total premium
- 30 or more years-retiree pays 20% of premium





# INSURANCE FOR RETIREES AND DEPENDENTS OVER AGE 65



- You will need to sign up for Medicare
  - **Part A**-Hospital coverage: (Free)
  - **Part B**- Medical coverage: \$170.10/month and up based on income.
  - **Part D**- Prescription coverage: cost vary based on plan and income.
  - For coverage information download the [Medicare & You Handbook](#) from the Medicare website or visit: [www.medicare.gov](http://www.medicare.gov)
  - UT offers a supplement to Medicare through the Tennessee Plan -POMCO Group. The premium ranges from \$96.59-\$146.59 depending on creditable service at retirement.
  - Both employee and spouse must be age 65 at the time of retirement for spouse to qualify for the State supplement
    - Spouse will enroll in other supplemental plan until employee reaches age 65
    - Spouse premium is \$146.59
  - *\*Retirees 65 and over cannot continue HSA account*



Welcome to  
The Tennessee Plan



# CONTINUING DENTAL COVERAGE

## *ALL RETIREES*

### Dental Insurance

- Employee's participating in the Dental coverage may continue the coverage.
- Premiums are not based on your years of service and are very close to the current premiums for active employees.
- Retirees are still able to use the dental school for services
- Only Delta Dental is accepted at UT Dental School (out of network benefit)



# CONTINUING VISION COVERAGE

## Vision Insurance

- Retirees or dependents under the age of 65 who are enrolled in the group insurance are eligible to continue vision coverage.
  - Retirees over 65 may elect the COBRA vision after retirement.
- Premiums will not change (excludes COBRA)
- Retirees who do not currently carry vision may elect vision at the time of retirement if continuing group medical insurance.





# RETIREE INSURANCE PREMIUMS

## TCRS members

- Premium payments for medical, dental, and vision will be deducted from your TCRS monthly benefit prior to deposit. Life insurance must be paid directly to vendor.

## ORP members

- Must set up automatic bank drafts for insurance premium payments or use direct billing via the Benefits Administration.



# CONTINUING OPTIONAL INSURANCE

## Flexible Spending

- Employee's must incur the expenses on or prior to the date of retirement.
  - You will have 90 days to submit documentation for reimbursement-if no card has been used.
  - Medical Expense debit card is disabled after retirement.
  - Any unused funds will be forfeited.
- **HSA**
  - If you have a HSA you can continue using the account after retirement.
  - You will be charged a maintenance fee from the vendor each month
  - Cannot use the HSA if you are receiving services from the VA



# CONTINUING OPTIONAL INSURANCE

## Basic Term Life Insurance

- You coverage ends on the last day of the month following your separation of employment.
- You will be entitled to enroll in an individual policy of life insurance offered by Minnesota Life.
  - Can port a portion of the insurance
  - No evidence of insurability will be required.
  - The basic term life insurance will be changed to a universal policy
  - The premium will be affected by the amount of the policy and your age.
  - Payment of premium will be made directly to Minnesota Life.

## Optional Term Life

- Your coverage(s) end on the last day of the month in which you separate employment.
- When you retire you may have the option to continue your life insurance coverage by paying your premiums directly to Unum or Minnesota Life. Either company will contact you at your last known address to let you know what options you may have to continue coverage.



# DISCONTINUED OPTIONAL INSURANCE

- **Long Term Disability-discontinues**
- **Optional Special Accidental Death and Dismemberment**
- **Short Term Disability**





**CAN I  
WORK  
AFTER I  
RETIRE?**

**YES!**



# RETURNING TO WORK POST RETIREMENT

## State of Tennessee Covered Employer

Employees in both TCRS and ORP may work for a State of Tennessee covered Employer by completing a Temporary Employment Report; Post Retirement Contract (faculty only) annually. Must observe restrictions regarding hours worked, and income.

## Restrictions

- 60 day waiting period( may be waived under certain circumstances)
- No more than 960 hours (120 days) in a rolling 12-month period
- Salary limitations of the Final Year's Salary
  - Year 1-63.00%
  - Year 2-66.15%
  - Year 3-69.46%
  - Year 4-72.93%
  - Year 5-76.58%
  - Year 6-80.41%



# RETURNING TO WORK POST RETIREMENT

## Non-State of Tennessee Employer

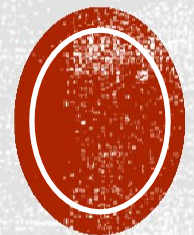
Employees in both TCRS and the ORP may work for a non-State of Tennessee employer with no restrictions. If you are drawing your Social Security benefit you should speak with their office to determine if there are hour or income restrictions.







# UTHSC RETIREE PERKS





# UT RETIREE PERKS

## Retiree's are eligible for the following benefits

Additional details provided at the time of retirement consultation.

- Education Assistance for retiree's and their dependents\*\*
  - Retiree- lifetime
  - Dependents- 5 years after retirement or for dependent children age 27
- Use of UHS- *for retirees under age 65 who continued the State group insurance plan.*
- Use of the Fitness Center\*
- State Park discount\*
- Employee Appreciation
- Join the Retiree Association

\*With retiree ID badge

\*\*With 10 years of creditable service





**WHAT NOW?**



# BEGINNING THE PROCESS

It is advisable to begin your retirement process 12 months prior to your expected retirement date.

- Begin to prepare by lowering debt
- Make large purchases while you are still employed (car, appliances, home renovations).
- Consider impact on income and taxes
- Decide what you would like to do after retirement (volunteer, part-time work, second career)
- Do you have hobbies or leisure activities?
- Review wills, trusts, and insurance needs



# SCHEDULE A PERSONAL APPOINTMENT

It is recommended to complete retirement paperwork 3-4 months prior to your retirement date.

To set up an appointment please call

901-448-8547 or

email: [djacks24@uthsc.edu](mailto:djacks24@uthsc.edu).







# **IF YOU PLAN AHEAD . . .**

**This could be YOU!!**

# QUESTIONS?



# PROVIDERS

## TCRS and Empower

## ORP

### TCRS website

- <http://www.treasury.state.tn.us/tcrs/index.html>
- Forms
- You may contact TCRS/Empower directly
- 1-800-770-8277
- <https://retirereadytn.gwr.com/login.do>

- 403b providers

- A complete list can be found on the Benefit website at:  
[http://www.uthsc.edu/hr/benefits/retirement\\_plan/tax-deferred-annuities.php](http://www.uthsc.edu/hr/benefits/retirement_plan/tax-deferred-annuities.php)

- TIAA-CREF

Brian Nanney  
901-801-6206

Email: [brian.nanney@tiaa.org](mailto:brian.nanney@tiaa.org)

- VOYA

Calvin Reid  
901-496-2741

Email: [calvin.reid@voyafa.com](mailto:calvin.reid@voyafa.com)





# OTHER IMPORTANT CONTACTS

- **Social Security Administration**
  - <https://www.ssa.gov/>
  - National Telephone # 1-800-772-1213

## SOCIAL SECURITY

1330 Monroe

MEMPHIS, TN 38104

Local Telephone#: 1-866-336-2212

- **Medicare**
  - <http://www.medicare.gov/>
  - Medicare and You Handbook is available to download in PDF format at <http://www.medicare.gov/Publications/Pubs/pdf/10050.pdf>

