

UT DALLAS

A Guide to Retirement Basics



This publication is intended to provide you with general information about retirement benefits. The information has been reviewed for accuracy, but policies and laws change. If any of this information conflicts with any policy or law, the policy or law will govern. Contact HRM for more information at 972-883-2221 or benefits@utdallas.edu.

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INSURANCE

Eligibility for Retiree Status & Retiree Insurance

Two bills passed during 2003 by the 78th Legislative Session changed the number of years of creditable service an employee must have with the University of Texas System in order to receive retiree insurance coverage after August 31, 2003, and also added new requirements. Taken together, these bills create two categories of employees for purposes of retiree insurance eligibility.

Category One: Employees hired before September 1, 2003

- Age 55 with at least 5 years of creditable state service under the Teacher Retirement System, Optional Retirement Program, Employees Retirement System or any combination of the three retirement plans; or
- Any age with 30 years creditable service (no less than 5 years of State service); or
- A combination of age and years of creditable service equal to 80 (no less than 5 years of State service), or
- Totally and permanently disabled; and
- At least three years of creditable service must be with The UT System; and
- A component of The University of Texas must be the last State employer

Category Two: Employees hired on or after September 1, 2003

Employees hired on or after 9/1/03 can retire with health insurance when they satisfy these criteria:

- Age 65 with at least 10 years of creditable State service under the Teacher Retirement System, Optional Retirement Program, Employees Retirement System or any combination of the three retirement plans; or
- A combination of age and years of creditable State service equal to 80 with at least 10 years of creditable State service, and
- Ten years of creditable State service must be with The UT System, and
- A component of The University of Texas must be the last State employer.

A memo stating your intent to retire should be given to your supervisor, with a copy to Human Resources, approximately 30 days prior to retirement. Employees enrolled in ORP must complete a Declaration of Retirement Form with Human Resources.

Enrollment in Retiree Insurance

Retirees currently receive the same medical, dental & vision coverage options as active employees and are also eligible for reduced Group Term Life insurance (see section Group Term Life). However, insurance does not automatically continue upon retirement. You must complete a UT Dallas Insurance Enrollment/Change Authorization form with your Benefit Rep, in the month in which you retire or no later than 31 days after the last day of employment. You may also waive your insurance coverage or drop dependent coverage at the time of retirement.

Employees retiring with the Teacher Retirement System must provide documentation of your retirement, such as a copy of your TRS30 form. Employees retiring with the Optional Retirement Program must complete a Declaration of Retirement form, available from your Benefit Rep.

Cost of Retiree Insurance Coverage

Retirees receive the full State Premium Sharing (the amount the State contributes toward the cost of your insurance premium). The amount currently deducted from your monthly paycheck for medical, dental and vision insurance is typically the amount you pay as a retiree. Remember, insurance rates and Premium Sharing allocations are subject to change each fiscal year due to contract changes

and Legislative decisions. Fiscal year billing statements are mailed to your home each July and detail your cost for the coming fiscal year.

If you are required to pay a portion of your insurance, you may enroll in our monthly bank draft program. Bank drafting is easy and removes manual monthly check payments. Without bank drafting, you must submit the monthly premium to Financial Services, MC15 and on the check memo line, indicate the month(s) you are paying.

Annual Enrollment (AE)

Retired employees may make changes to their insurance coverage(s) each annual enrollment period, July of each year. It is important to read the information you receive and determine what changes can be made and how to make the changes. Retirees receive AE information electronically when an e-mail address is on file with HR.

Surviving Dependents

At the time of a retiree's or employee's death, a dependent may retain the benefits in which they are enrolled. Surviving dependents do not receive Premium Sharing and are responsible for paying the full price of the insurance coverage. The dependent may remain on the plan until one of the following occurs:

- The dependent no longer meets the definition of a dependent.
- The dependent becomes eligible for similar benefits offered elsewhere.
- The dependent coverage is discontinued.
- The dependent does not pay for coverage.

Once a surviving dependent drops any coverage, that coverage ceases permanently.

Group Term Life Insurance

Retiree medical coverage includes \$3,000 Group Term Life insurance. You may elect additional Voluntary Group Term Life in amounts of \$7,000, \$10,000, \$25,000, or \$50,000. Your coverage as an employee must equal or exceed the amount you elect as a retiree. For example, you must have at least \$50,000 active employee coverage in order to elect \$50,000 retiree coverage. The monthly rate for this Voluntary Group Term Life coverage is based on your age.

Employees, who at the time of retirement have coverage above \$50,000, have the flexibility to keep a higher amount of life insurance coverage. At the time of retirement, contact HR for an enrollment form and conversion rates. Dependent life insurance may also be converted. Fort Dearborn Life receives conversion payments and questions about your policy should be directed to Fort Dearborn Life – 1-866-628-2606.

Group Accidental Death & Dismemberment Insurance (AD&D)

Employee and dependent Group AD&D insurance ceases at retirement.

Group Disability Insurance

Short Term (STD) and Long Term Disability (LTD) coverage ceases upon retirement. Pre-retirement is a good time to review your LTD benefits and determine if the coverage is beneficial. LTD provides 60% of your monthly salary if you become disabled and unable to work. You should consider the current cost and use the chart below to determine the maximum years of coverage you would receive.

Age at Disability

Maximum Period of Payment

Below age 60	To age 65
60 – 64	5 years
65 – 69	To age 70, but not less than 1 year
70 and over	1 year

Long Term Care Coverage

A retiree who is enrolled in Long Term Care insurance while employed may continue coverage after retirement. CNA bills you directly and premiums are submitted to CNA. Contact CNA at 888-825-0353 to set up retirement billing.

Retirees who did not enroll in Long Term Care while employed still have the option to enroll at anytime by contacting CNA; however, Evidence of Insurability (good health) is required and must be approved by CNA before you receive the insurance coverage.

Keep your address current

If you move or change your e-mail address, promptly notify the Office of Human Resources. This ensures that you receive important information and also ensures that you are enrolled in the correct medical and dental plans. Enrollment in medical and dental plans is based on your address. When moving out of the DFW area, verify with HR your continued plan eligibility. UT Select with BCBS and Delta Dental offer national coverage.

UTD Reemployment

If you return to UTD employment you will not receive credit for prior State service. You begin vacation and longevity/hazardous duty pay as a new employee. The 79th Legislative session enacted this change.

MEDICARE

Medicare Part A and Part B - Primary and Secondary Coverage

As a retiree it is important that you enroll in Medicare Part A and Part B. Medicare becomes your primary insurance coverage at age 65 and your UT coverage is secondary. For this reason, it is important that Medicare coverage is effective on your 65th birthday or, if you are retiring after age 65, on your first day of retirement. It is important to note, that should you choose to waive or delay enrollment in Part B coverage, your UT secondary insurance will be processed as if you were enrolled in Part B.

If you are enrolled in UT Select/Blue Cross Blue Shield, claims for Medicare approved charges with a provider that accepts Medicare assignment will be covered in full, including deductibles and co-payments that Medicare did not cover. If the provider does not accept Medicare assignment, or if the service is not a Medicare approved charge, co-payments, deductibles and coinsurance will apply.

Enroll 3 Months in Advance

Medicare becomes available at age 65 and has two parts. Part A is hospital insurance and is free of charge for most people. Part B is medical insurance. You must apply for Medicare Part B at least 3 months before age 65 or at least 3 months prior to retirement if retirement is after age 65. If you have Medicare enrollment questions, contact the Social Security Administration office. If you retire at age 65 and wait until that month or later to apply for Medicare, there will be one or more months in which

you do not have Part B coverage. More information about Medicare is available online @ www.medicare.gov or 1-800-772-1213.

Medicare Part D Prescription Coverage

UT is committed to providing your prescription drug coverage and helping you make informed choices. Because the Medicare Part D program is not a financially viable option for most of our employees, UT strongly urges you NOT to enroll in the Medicare Part D program. You cannot use your UT prescription benefit and the Medicare Part D benefit for the same prescription. Additionally, you would be responsible for Part D monthly premiums in addition to your UT medical premium.

For a relatively small number of very low income employees, there is the possibility the Medicare prescription plan may save you money if you also qualify for the low income subsidy provided in conjunction with Medicare Part D. You can find additional information about the subsidy at www.socialsecurity.gov or by calling 1-800-772-1213.

Returning to Part-Time UTD Employment

After retirement, if you return to work at least 20 hours per week, your UT Dallas insurance is your primary coverage and Medicare is secondary. If you work less than 20 hours per week, Medicare is your primary coverage.

SOCIAL SECURITY

You may begin receiving a reduced Social Security benefit as early as age 62 or full benefits as indicated in the chart below. Be sure to check the SSA website for any changes to chart below.

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

You may apply by telephone or in person at any Social Security office three months prior to eligibility. You need the following information to apply:

- Social Security number
- Birth Certificate
- Your most recent W-2 form
- Information on your pension plans
- Bank account information if electing direct deposit of payment

For additional information on Social Security benefits you can visit their web site at <http://www.ssa.gov>.

PRIMARY RETIREMENT PLANS

Teacher Retirement System

It is best to review your Teacher Retirement System (TRS) file at least two or three years before retirement to ensure all service has been verified and credited. The purchase of service such as

withdrawn, military, delinquent, waiver, or out-of-state can involve extensive research. Members should contact TRS four to six months prior to the date of retirement and request the following forms:

- "Request for Estimate of Retirement Benefits"
- "Application for Service Retirement"

Members may receive an **unreduced standard annuity** when either of the following requirements have been met:

- Age 65 with five or more years of membership credit
- Any combination of age and service totaling 80, with at least 5 years of membership service credit.

Members may receive a **reduced standard annuity** when any of the following requirements have been met:

- Age and years of service less than 80 with at least 5 years service and
- At least age 55 with 5 or more years of service or
- Below age 50 with 30 or more years of service

Note – depending on when you were hired, you may be eligible for a retirement annuity but not eligible for retiree insurance. Retiree insurance eligibility criteria are listed on page 3 of this handout. For more information concerning TRS, you may visit their web site at <http://www.trs.state.tx.us>

Optional Retirement Program

If you are a member of the Optional Retirement Program (ORP) instead of the Teacher Retirement System, you should contact your ORP carrier or agent at least three months prior to retirement and have the following reviewed:

- All procedures necessary to begin a retirement annuity
- All available payout options
- Possibility of transferring to alternative plan
- Beneficiary designations

Note – depending on when you were hired, you may be eligible for a retirement annuity but not eligible for retiree insurance. Retiree insurance eligibility criteria are listed on page 3 of this handout. Prior to retirement, your carrier must have a termination/vesting letter on file. Contact your Benefit Rep if your carrier does not have your letter.

VOLUNTARY TAX DEFFERRED PLANS

Optional TSA 403(b) plan or Deferred Comp 457(b)

You must contact your carrier or agent at least three months before retirement. Employees should ask their agent to review the following:

- All procedures necessary to begin a retirement annuity
- All available payout options
- Possibility of transferring to alternative plan
- Beneficiary designation