

*University of Texas at Arlington
Faculty and Staff Retirement Information Guide*

STEPS TO RETIREMENT

For retirements through August 31, 2011



UNIVERSITY OF
TEXAS
ARLINGTON

This publication is intended to provide you with general information about retirement benefits available to you as a UT Arlington retiree. 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. You may contact UT Arlington Employee Benefits Services by email at benefits@uta.edu or (817) 272-5558 if you have any questions or need additional information.

This package is intended to provide you with information about retirement benefits.

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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 the Office of 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, and 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 Arlington Insurance Enrollment Application with your benefit representative, in the month in which you retire or no later than 31 days after the last date of employment. Enrollment 31 days after your retirement requires a 90-day waiting period before health insurance is effective. You may also waive your insurance coverage or drop dependent coverage at the time of retirement.

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 September and detail your cost for the upcoming fiscal year.

If you are required to pay a portion of your insurance, you may enroll in one of three options; monthly check payable to UT Arlington, credit card billing, or monthly bank draft. Bank drafting is easy and replaces the writing of monthly check payments. Without bank drafting, you must submit

the monthly premium payments to UT Arlington Payroll Services. You may contact Payroll Services at (817) 272-5426 with any questions you may have regarding these payment methods.

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 and understand the information you receive and determine what changes can be made and how to make the changes you want. Retirees receive AE information electronically when an email address is on file with the Office of Human Resources.

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 \$6,000 Group Term Life Insurance if you are enrolled in the UT medical plan. Additionally, you may purchase Voluntary Group Term Life in amounts of \$7,000, \$10,000, \$25,000, or \$50,000, including an option for a \$3,000 term life policy for your spouse. 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 without completing an Evidence of Insurability form. 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 a benefits representative for an enrollment form and conversion rates. Dependent life insurance may also be converted. Fort Dearborn Life receives conversion payments and any questions about your policy should be directed to Fort Dearborn Life at (866) 628-2606.

Group Accidental Death and 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 are unable to work. You should consider the current cost and use the chart below to determine the maximum years of coverage you would receive.

<u>Age at Disability</u>	<u>Maximum Period of Payment</u>
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 (LTC) insurance while employed may continue coverage after retirement. CNA bills and premiums are submitted directly to CNA. Contact CNA at (888) 825-0353 to set up retirement billing.

Retirees who did not enroll in LTC while employed still have the option to enroll at anytime by contacting CNA; however, Evidence of Insurability (EOI) is required and must be approved by CNA before coverage will become effective.

Keep your address current

If you move or change your mailing or email 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 the medical and dental plans is based on your address. When moving out of the DFW area, verify with the Office of Human Resources your continued plan eligibility. UT Select and Delta Dental offer national coverage.

UT ARLINGTON RE-EMPLOYMENT

As a result of rules passed during the 79th Legislative session, if you return to UT Arlington employment you will not receive credit for prior State service. You must begin vacation and longevity/hazardous duty pay as a new employee. In addition, if you are a TRS retiree, you should review the TRS publication, [Employment After Retirement](#), as it contain important information on the effect re-employment may have on your TRS benefits.

MEDICARE

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 and requires enrollment. You must apply for Medicare Part B at least 3 months before the age 65 or at least 3 months prior to retirement if retirement is after age 65. If you have Medicare enrollment questions, please 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 Medicare Part B coverage. More information about Medicare is available online at www.medicare.gov or 1-800-772-1213.

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 UT insurance 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.

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.ssa.gov or by calling 1-800-772-1213.

Returning to Work After Retirement

After retirement, if you return to work at least 20 hours per week, your UT insurance is 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.

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 3 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 the Social Security Administration website at www.ssa.gov.

PRIMARY RETIREMENT PLANS

Teacher Retirement System

It is best to review your Teachers Retirement System (TRS) records 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”

If you became a member of TRS prior to September 1, 2007 and maintained your membership until retirement, you may receive an **unreduced standard annuity** when either of the following requirements has been met:

- Age 65 with five or more years of membership credit; or
- 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 either of the following requirements has been met:

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

If you became a member of TRS or returned to membership on or after September 1, 2007, you will meet the age and service requirements for an **unreduced standard annuity** at:

- Age 65 with five or more years of membership credit; or
- Age 60* and your age and years of service credit total 80, with at least 5 years of membership service credit.

*Grandfathered members who terminated their TRS membership and later returned to membership on or after September 1, 2007 may retire under the following requirements:

- Age 55 when age and years of service equal 80;
- If retiring before Age 55 but meeting the Rule of 80, the annuity is subject to a five percent reduction for each year under age 60.

Grandfathered Status is determined if on or before August 31, 2005, the member met one of the following requirements:

- Attained age 50,
- Had at least 25 years of service credit, or
- Age and years of service credit totaled at least 70

NOTE - Depending on your hire date, you may be eligible for a retirement annuity but not eligible for retiree insurance. Retiree eligibility criteria are listed page 3 of this guide. For more information concerning TRS, you may contact them at (800) 223-8778 or online at www.trs.state.tx.us.

Optional Retirement Program

If you are a participant of the Optional Retirement Program (ORP) instead of the Teacher Retirement System, you should contact your ORP vendor 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 your hire date, you may be eligible for a retirement annuity but not eligible for retiree insurance. Retiree eligibility criteria are listed page 3 of this guide. Prior to retirement, your carrier must have a termination/vesting letter on file. Contact a benefits representative if your vendor does not have your letter on file.

VOLUNTARY TAX DEFERRED SAVINGS PLANS **Optional TSA 403(b) and Deferred Compensation (457) Plans**

You must contact your vendor 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 an alternative plan
- Beneficiary designations

ADDITIONAL UT ARLINGTON RETIREE PRIVILEGES

- ❖ Free non-expiring Retiree Parking permit. Permits are available for the UT Arlington Parking Office.

- ❖ Discounted tickets to UT Arlington Athletics home events.
- ❖ Discounts on most Continuing Education classes.
- ❖ A Retiree MavExpress Card. This card is needed to access the Faculty/Staff Parking Lots.
- ❖ Retirees are eligible to receive a free guest borrower's Library Card. Access to electronic materials is available to retirees in all Library locations.
- ❖ Access to the Maverick Activity Center and Quest Wellness Programs.
- ❖ Access to the Employee Assistance Program.
- ❖ University (UTA.edu) email address.
- ❖ UT Arlington Retiree Club membership.
- ❖ Access to the University Club located in Davis Hall.
- ❖ UT Arlington Retiree Club membership.