Retiring From The University of Texas at Austin

Benefit Services
Human Resource Service Center (HRSC)
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- E-mail: HRSC@austin.utexas.edu
- Phone: 512-471-HRSC (4772)
- Fax: 512-232-3524
- Location: North Office Building A, 2nd floor, directly in front of elevator
- U.S. Mail Address: P.O. Box V, Austin, TX 78713
Topics:

- Eligibility A or B
- Insurance Benefits
- Retirement Service Credit
  - Teacher Retirement System (TRS)
  - Optional Retirement Program (ORP)
  - Employees Retirement System (ERS)
- Social Security
- Medicare
- Working after retirement
Eligibility A

- UT benefits eligible on or before **August 31, 2003**
- Meet one of the following:
  - Age 55 with at least 5 years of ★ service credit
  - Any age with 30 years service credit
  - Age and years of service credit totaling 80 (“rule of 80")
- 3 years of service credit with UT
- UT is the last state (Texas) employer in which you qualify for insurance benefits
- Retire from TRS, ORP or ERS
  - ★ Service credit is membership years in TRS, ORP or ERS
Eligibility B

- UT benefits eligible on or after **September 1, 2003**
- Meet **one** of the following:
  - Age 65 with at least 10 years of service credit,
  - Age and years of service credit totals 80 ("rule of 80")
- Minimum of 10 years of service credit with UT
- UT is the last state (Texas) employer in which you **qualify** for insurance benefits
- Retire from TRS, ORP or ERS
Basic Coverage Package (retiree only)

- UT Select Medical-BCBS of Texas
- Medco Prescription Coverage
- $6,000 Basic Group Term Life

100% basic package premiums paid by UT & State of Texas. It’s free!
Eligible Dependents

- If adding dependent not previously covered--proof of relationship document required (i.e., marriage license, birth certificate)

  - Legally married spouse
  - Children can remain **on medical plan** through age 26
  - Your spouse as defined by the Texas Family Code
  - Unmarried children can remain on optional coverage through age 25 only
  - Adopted children
  - Stepchildren*
  - Children for whom you have legal custody
  - Grandchildren who are your tax dependents
  - Incapacitated children over age 25, with proof of prior coverage from previous employer

  *50% of the medical premium is paid by UT & State of Texas*
Optional Coverage for Retiree and Dependents

100% premium paid by you

- Dental Insurance p. 18
  - UT Dental Select
  - Assurant Dental

- Vision Insurance p.19

- Long Term Care p.21
  - Contact CNA directly the month you are retiring to:
    - set-up direct billing to avoid possible cancellation
      - 888-825-0353
      - Group no. 0010025TQ
Basic Coverage

$6,000 (no cost) when enrolled in retiree medical plan

Voluntary Group Term Life Options:

$7,000, $10,000, $25,000, $50,000 (see rate chart p.41)

- EOI required if current coverage level is not equal to or greater than retiree coverage level.

Spouse: $3,000 @ $1.83 fixed rate

- EOI required if not currently enrolled

Voluntary Group Life Insurance Plan Features:

- Online beneficiary management (see checklist)
- Online Will Preparation Program-basic Will at no cost
- Support services available to the family at no cost
What happens to remaining Group Term Life?

- Discontinues, or
- You may convert coverage greater than $50,000 to an Individual Whole Life policy.
  
  Information and conversion premiums online at http://www.dearbornnational.com/ut/index.html

- Deadline: Contact HRSC for application no later than 31 days after retirement date

  Examples of monthly premiums per $10,000:
  
  Age 62......$46.11
  Age 67......$61.57
  Age 73......$88.21
Other Discontinued Coverage

- Accidental Death & Dismemberment
- Short Term Disability
- Long Term Disability

**UT Flex Accounts:**

- Deadline to incur eligible medical expenses: Last day of employment month.

- Claim filing deadline: November 30th
“No Forms, No Insurance” (refer to checklist)

- Insurance Enrollment/Change for Retirees
- Dependent Information & copy of proof of relationship document (if adding dependent not previously covered)
- Automatic Payment Request Authorization (optional)
- Copy of TRS 30 from TRS’ blue folder (if retiring from TRS)
  or
- ORP Declaration of Retirement (if retiring from ORP)

✔ Submit to HRSC before your retirement date
➢ Fax, hand deliver, or email forms to HRSC
Making Changes in Future

- Annual Enrollment
  - July each year
  - Information sent via e-mail in June and July
  - Changes effective on September 1 or EOI approval date

- Mid-Year Change of Status
  - Common examples: loss or gain of other insurance coverage, marriage, divorce, child marries, child turns age 25 or 26
  - Submit enrollment forms to HRSC no later than 31 days from status change date.
Spouse and/or eligible children (dependents) may continue same coverage.

- Must enroll within 31 calendar days after date of death
- No premium sharing
- Quarterly billing under dependent’s name
- AutoPay option available
Unused Annual Leave

Annual leave (vacation) and floating holiday balance is paid to you after retirement. Your department initiates payment.

- May defer all or part of payment to UTsaver DCP 457(b)

Why do that?... No Federal Income Tax deducted, only Social Security and Medicare.

- Must enroll before last date employed by...
  - Submitting Purchase/Change Agreement form to (HRSC)
  - Set-up UTsaver DCP account with provider

Sick Leave balance is not paid to you. May donate to Sick Leave Pool. Sick Leave Pool Donation Form: [http://www.utexas.edu/hr/forms/sick_leave_pool_transfer.pdf](http://www.utexas.edu/hr/forms/sick_leave_pool_transfer.pdf).
Premium Billing

- UT Payroll Services bills for premiums owed.
- Quarterly statements mailed (postal)
  - September, November, February, May
- Payments due by 10th day of each month

- Expect delay for the initial billing & September statements.

- Note: Long Term Care premium is billed separately by CNA, not UT.
Sample of Billing Statement
Retirement Programs

Teacher Retirement System and Optional Retirement Program
Call TRS (6) months prior to retirement date.

Go to TRS web site www.trs.state.tx.us
- View streaming video, “Steps to Retirement”
- Consult checklist, “Things to do Before Retirement”
- Submit, “Request for Estimate of Retirement”

Deliver Form TRS 7, Notice of Final Deposit, to Payroll Services (tower) prior to final employment date.
- Office Hours: 9 a.m. - 4 p.m., MAI 134 (471-5271)
Contact provider (3) months prior to retirement date to review:
- Distribution options
- Beneficiary designation

Approved provider representatives listed online
- [www.utretirement.utsystem.edu/Providers.html](http://www.utretirement.utsystem.edu/Providers.html)

Email HRSC to request Vesting/Termination Status Form be sent to you or your provider after retirement.
UTSaver Program Participants  p. 23

UTSaver TSA, 403(b) and DCP, 457(b)

- Contact provider (3) months prior to retirement date to review:
  - Distribution options
  - Beneficiary designation

- Approved provider representatives listed online
  - [www.utretirement.utsystem.edu/Providers.html](http://www.utretirement.utsystem.edu/Providers.html)
Social Security Benefits

- You may start receiving income benefits as early as age 62.

  “What is the best age to start receiving retirement benefits?”
  There is no one “best age” for everyone.
  It’s your choice.

- Apply (3) months before you want benefits to start:
  online: www.socialsecurity.gov
  phone: 1-800-772-1213
  In person: Any Social Security Office

- May use the online “Retirement Estimator” if you have enough SS credits.
Medicare Basics

Federal health insurance program for people **age 65** or older, or under age 65 with certain disabilities.

**Medicare Part A** (Hospital Insurance)
Helps cover inpatient care in hospitals, skilled nursing facility (not custodial or long-term care), hospice, and home health care services.
- No cost for most people

**Medicare Part B** (Medical Insurance)
Helps cover doctor services and outpatient care, preventive services.
Generally pays 80% of the Medicare-approved amount for covered services
- Standard monthly premium
Medicare & UT Medical Insurance  p.14

- Enroll in Medicare Part A and Medicare Part B when you or your covered dependent(s) first become eligible

**Why?**
- Medicare pays healthcare claims as primary (pays first)
- UT insurance pays secondary (pays after Medicare)

- If you decline Medicare when initially eligible, you will be required to pay what Medicare would have paid on claims.

- Permanent penalty applied to premium for late enrollment.
Medicare & UT Medical Insurance  p.14-15

What if I or my dependents are eligible for Medicare, but I am still working at UT?

If you are active or retired UT employee working 50% time or more for 4.5 months or longer, then...

- UT insurance pays primary
- Medicare pays secondary

- May want to postpone enrollment in Medicare Part B while UT insurance is primary. You will not be penalized.

- Medicare A: No cost, no harm to enroll when 1st eligible
Medicare Part D

- Federal Prescription Drug Coverage with monthly premiums
- UT System urges you **NOT** to enroll in Part D
  - If you qualify for financial assistance, you may benefit from Part D and should contact Social Security for assistance

**Why not enroll?** UT provides your prescription drug coverage with the medical plan.

- If you enroll in a Medicare Part D plan, you **cannot** use both plans for the same prescription.
- UT System sends Notice of Creditable Coverage each fall
  - [www.utsystem.edu/benefits/pubs/NoticeCreditableCoverage.pdf](http://www.utsystem.edu/benefits/pubs/NoticeCreditableCoverage.pdf) Explains UT plan will provide comparable or better benefits at lower cost for most people.
Medicare Enrollment

- Apply (3) months before you need benefits to start:
  
  online: www.medicare.gov
  phone: 1-800-772-1213
  In person: any Social Security Office

- If you postponed enrollment, request these forms from Medicare so late enrollment penalty is waived:
  - CMS-40B
  - CMS-L564 (deliver or fax to Human Resource Services to complete and return to you)
Returning to Work

- “Once retired, always retired”.
  - If you are a retiree with UT retiree insurance package and return to UT employment, you will still be designated as a “retiree”. (also applies to faculty under a phased retirement contract)
- The way you pay retiree insurance does not change.
- Not eligible to contribute to TRS or ORP, but may contribute to UTSaver Programs
- TRS Retirees:
  - Carefully review requirements if you plan to work in Texas public education after retirement
  - TRS Employment After Retirement publication
    www.trs.state.tx.us/benefits/documents/employment_after_retirement.pdf
- ORP Retirees:
  - No restrictions on returning to work
UTSaver Participation Post-Retirement

- Returning to work within the same tax year?

  - Cancel current UTSaver participation as of 1st of month following employment separation. *Otherwise*, your first paycheck will have a deduction for those “missing contributions”.

  - Make change online via UTRetirement Manager system: [www.myretirementmanger.com](http://www.myretirementmanger.com)
    or
  - Submit paper Purchase/Change Agreement Form to HRSC 

Personal Info & Beneficiary  (refer to checklist)

☑ Keep up-to-date with UT
  - U.S. mail address, E-mail, Phone number

☑ Please share emergency contact information by completing the online Personal Information

☑ Keep beneficiary information up-to-date
  - TRS or ORP providers
  - UTSaver providers
  - Any accounts you have outside of the university
Resources

- UT Austin Retired Employees Web Site
  - [http://www.utexas.edu/hr/retiree/](http://www.utexas.edu/hr/retiree/)

- **Retiree Privileges**
  - [http://www.utexas.edu/hr/retiree/services/](http://www.utexas.edu/hr/retiree/services/)

- Teacher Retirement System
  - [www.trs.state.tx.us](http://www.trs.state.tx.us)
  - 512-542-6400

- UT System Benefits for Retired Employees Web Site
  - [http://www.utsystem.edu/benefits/retirees/](http://www.utsystem.edu/benefits/retirees/)

- Area Agency on Aging of The Capital Area
  - [www.aaacap.org](http://www.aaacap.org)
  - 512-916-6062 or 888-622-9111
Thank you