

# NEO A&M COLLEGE Retirement Planning Guide



		PHONE	ADDRESS
<b>HEALTH CARE INSURANCE</b>			<b>WHERE TO FILE CLAIMS</b>
<b>BlueCross BlueShield of Oklahoma</b>	<a href="http://www.bcbsok.com">www.bcbsok.com</a>	<b>1-877-BLU-OSU1</b>	PO Box 3283 Tulsa, OK 74102-3283
BlueOptions	Benefits, Claims, and Providers	<b>(258-6781)</b> 1-877-BLU-OSU1	PO Box 3283 Tulsa, OK 74102-3283
BlueChoice PPO	Benefits, Claims, and Providers	(258-6781) 1-877-BLU-OSU1	PO Box 3283 Tulsa, OK 74102-3283
		(258-6781)	
<b>DENTAL INSURANCE</b>			
<b>HealthChoice (State Dental)</b> <a href="http://www.healthchoiceok.com">www.healthchoiceok.com</a>	Benefits and Claim Information Electronic Data Systems (EDS)	1-800-782-5218	PO Box 24870 Oklahoma City, OK 73124
<b>Cigna Dental (Prepaid)</b> <a href="http://www.cigna.com">www.cigna.com</a>	Benefits, Claims, and Providers	1-800-367-1037	Show ID/Network Dentist Files Claim
<b>Delta Dental</b> <a href="http://www.deltadentalok.org">www.deltadentalok.org</a>	Benefits, Claims, and Providers	1-800-522-0188	PO Box 548809 Oklahoma City, OK 73154
<b>Assurant Dental (Prepaid)</b>	Benefits, Claims, and Providers	1-800-443-2995	PO Box 2940
<b>Assurant Dental (Preferred)</b> <a href="http://www.assurantemployeebenefits.com">www.assurantemployeebenefits.com</a>	Benefits, Claims, and Providers	1-800-442-7742	Clinton, IA 52733-2940
<b>VISION INSURANCE</b>			Consult Benefit Materials
<b>Vision Service Plan (VSP)</b> <a href="http://www.vsp.com">www.vsp.com</a>	Customer Service Support Line	1-800-877-7195	3333 Quality Drive Rancho Cordova, CA 95670
<b>Humana/Comp Benefits</b> <a href="http://www.compbenefits.com/custom/stateofoklahoma">www.compbenefits.com/custom/stateofoklahoma</a>	Customer Service Support Line	1-800-865-3676	
<b>Primary Vision Care Services</b> <a href="http://www.pvcs-usa.com">www.pvcs-usa.com</a>	Customer Service Support Line	1-888-357-6912	
<b>Superior Vision Plan</b> <a href="http://www.superiorvision.com">www.superiorvision.com</a>	Customer Service Support Line	1-800-507-3800	
<b>United Healthcare Vision</b> <a href="http://www.myuhcvision.com">www.myuhcvision.com</a>	Customer Service Support Line	1-800-638-3120	
<b>CANCER CARE</b>			
<b>American Fidelity</b> <a href="http://www.afadvantage.com">www.afadvantage.com</a>	General Information (Ext 8810) Claims & Procedures	1-800-933-1853 1-800-662-1113	AFES Benefits PO Box 25160, OKC 73125-0510
<b>LIFE INSURANCE</b>			
<b>ING/ReliaStar</b>	General Information Claims & Procedures	1-800-955-6965 1-888-238-4840	Contact NEO Personnel Department Library Admin Building – LA 005
<b>LONG-TERM DISABILITY (LTD)</b>			
<b>American Fidelity</b> <a href="http://www.afadvantage.com">www.afadvantage.com</a>	Information and Claims	1-800-662-1113	AFES Benefits PO Box 25160, OKC 73125-0510
<b>SHORT TERM DISABILITY (STD)</b>			
<b>CRITICAL CHOICE</b>			
<b>ACCIDENT</b>			
<b>TERM LIFE</b>			
<b>American Fidelity</b> <a href="http://www.afadvantage.com">www.afadvantage.com</a>	General Information	1-800-662-1113	AFES Benefits PO Box 25160, OKC 73125-0510
<b>FLEXIBLE BENEFITS</b>			
<b>American Fidelity</b> <a href="http://www.afadvantage.com">www.afadvantage.com</a>	Account Balances/Claim Status	1-800-325-0654	AFES Benefits PO Box 25160, OKC 73125-0510
<b>RETIREMENT</b>			
<b>Oklahoma Teachers' Retirement</b> <a href="http://www.trs.state.ok.us">www.trs.state.ok.us</a>	General Information	1-877-738-6365	PO Box 53524 Oklahoma City, OK 73152-3524
<b>TIAA-CREF</b> <a href="http://www.tiaa-cref.org">www.tiaa-cref.org</a>	General Retirement and Planning Allocation Changes/Transfer	1-800-842-2776	
<b>Social Security Administration</b>	Miami, OK	1-888-878-0013	
	Nationwide	1-800-772-1213	
<b>WORKERS' COMPENSATION</b>			
<b>CompSource</b> <a href="http://www.compsourceok.com">www.compsourceok.com</a>	Claims Status	1-800-347-3863	
<b>NEO HUMAN RESOURCES</b>			
<b>Personnel Department</b>	General Benefits Information	1-918-540-6216 1-918-540-6230 1-918-540-6378	Library Admin Building – LA005 Miami, OK 74354

## Introduction

Many of us look forward to the time when we can retire. As the day draws nearer, we are faced with important decisions about pending retirement. This guide will help you understand the procedures and the decisions about your retirement and other benefits.

The purpose of the *NEO Retirement Guide* is to simplify and condense information relating to retirement, including health care and life insurance benefits and to aid you in completing the paperwork. The retirement checklist can be used as an organizer to help make the retirement process a positive experience.

Human Resources Office will be glad to assist you in your retirement. If you have any questions, please do not hesitate to contact the Human Resources Office.

When you retire, you will make very important financial decisions. Although the Human Resources Office does not administer benefits for OTRS, TIAA-CREF, Social Security and Medicare, we have included information about these programs in this guide for your convenience. When acting on this information, you will want to contact the respective agency since they are the authoritative source. You will find a telephone and address directory for the various agencies in the front of this guide to aid you in making your contacts.

We recommend that you evaluate the options carefully, especially the tax consequences of the various options. You may wish to consult with your tax accountant or financial planner to advise you concerning these decisions.

The Human Resources Office considers retirement inquiries confidential until you advise our office that you have notified your department of your retirement.

The Human Resources Office developed this information for the convenience of NEO A&M Faculty and Staff. It is a brief interpretation of more detailed and complex materials. If further clarification is needed, the actual law, policy and contract should be consulted as the authoritative source.

## Thinking About Retirement?

Wonder what your retirement income might be? Check out the Social Security, TIAA-CREF and OTRS websites for estimates of retirement income.

**TIAA-CREF Website -[www.tiaa-cref.org](http://www.tiaa-cref.org)** -log-in and select *Generate a Retirement Illustration* under *Manage My Portfolio*.

**OTRS Website -[www.ok.gov/TRS](http://www.ok.gov/TRS)** -select *Retirement Benefits* and use the calculator to estimate your monthly retirement benefit for selected dates based on service and salary information you enter. You may also request a calculation from OTRS by completing the Pre-retirement Information Verification form (PIV).

**Social Security Administration -[www.ssa.gov/estimator](http://www.ssa.gov/estimator)** -find out how to plan your retirement, calculate benefits and apply for retirement benefits. Calculations are based on your actual Social Security earnings record.

## NEO Retirement Requirements

If you meet the criteria below as of the last day of your continuous regular employment with NEO, you will be considered an NEO retiree.

1. You are at least age 62 or 65 depending if you fall under Rule of 90 or 90/65 based on your hire date (Rule of 90/65 – applies to those hired after 11/1/11) and have at least ten continuous regular years of service at NEO, or;
2. You worked at NEO in a continuous regular appointment, and meet the guidelines for an Early Retirement Option if offered by NEO or;
3. You meet the OTRS guidelines for the “Rule of 80”, “Rule of 90”, or “Rule of 90/65 (age plus years of OTRS membership)”. “Rule of 80” applies to employees joining OTRS prior to July 1, 1992. For those joining OTRS after June 30, 1992, the “Rule of 90” applies. And for those joining OTRS after November 1, 2011, the “Rule of 90/65” applies.

If you are faculty, an academic year represents an entire year of service. Most staff positions have a 12-month appointment. In this case, you complete a year of service 12 months from the first day of work. You can determine your continuous regular years of service using the above guidelines that apply to your work history. Breaks in service, except for approved leaves, may establish a new continuous regular employment date.

It is possible to be an OTRS retiree, but not meet the NEO retiree criteria listed above. In such a case, the employee is considered a terminated employee and is not eligible for NEO retiree benefits. The *Employment Action* (EA) - Payroll Change Notice should show “separation” from NEO not “retirement.”

Retirement from NEO makes you eligible for certain benefits, including continuation options for life insurance, as well as a retiree identification card. These benefits are provided at the discretion of the offering organization and may be changed without prior notice.

## NEO Notification of Retirement

### ***Resignation and Employment Action (EA) Form***

At least 90 days prior to your retirement date, submit a letter of resignation to your supervisor and the Personnel Office. Make sure your department prepares an EA (Payroll Change Notice) form that includes the following information:

- Date of your last active workday;
- All outstanding monthly sick leave reports
- Estimated number of accrued annual leave hours, not to exceed maximum balance, per NEO annual leave policy. Maximum accrual levels may be obtained by contacting the Personnel Office.
- Any other pay that is due (comp time, salary deferrals).

Please tell your department it is very important for your EA form (Payroll Change Notice) to be completed and processed 90 days in advance of your retirement date. A delay could cause you to lose benefits. If your department has questions about how to complete the form, especially if it is several months in advance, have them call the Human Resources Office at (918) 540-6230.

## **Annual and Sick Leave**

Depending on your job classification and years of service, your maximum accrued annual leave can be accumulated and paid out on the next available payroll following your last day. This amount is usually paid on the next special payroll processed after separation. Any accrued annual leave in excess of the policy maximum is forfeited. You may wish to monitor your payroll advice for several months prior to retirement to avoid forfeiting annual leave. If you have annual leave in excess of the policy maximum, you will want to discuss your plans to use excess annual leave with your department head, prior to your last day worked.

Faculty sick leave, when applicable is maintained by the department, and then sent to the Human Resources Office. If you think you have accrued sick leave, you will want to discuss your recorded leave balance with your department head to ensure that all applicable monthly reports have been turned in.

NEO does not pay employees for unused sick leave. However, if you are an OTRS member, unused sick leave and/or extended sick leave reported on the EA form will be reported to OTRS by Human Resources Office. Most retirees who have accrued 960 hours (120 days) by the last day of work will receive one year of credit toward their OTRS retirement. NEO cannot guarantee that OTRS will grant a year of credit for sick leave.

If OTRS does not allow a full year of credit for sick leave, unused leave may be used toward partial years or a partial year of OTRS service.

Your past and current check stubs, available on *Web for Employees*, can be excellent records. Always monitor your sick and annual leave records carefully. Discuss any possible errors with your department head and/or the Human Resources office. If your department agrees that an error has been made, the department should submit a *Leave Correction* form.

## **Health Care Coverage Options**

NEO retirees may continue health care with BlueCross BlueShield (BCBS), dental, and vision insurance with the Oklahoma State and Education Employees Group Insurance Board: EGID (also known as the State Plan). You must have BCBS coverage as an active employee the month of your retirement date if you wish to enroll as a retiree; health, dental and vision coverage must also be continuous. Therefore, if you do not elect to continue coverage at the time of your retirement, you will *not* have the option to begin retiree coverage at a later date. If after you are retired, you want to drop your spouse and/or dependent(s) coverage, you will need to contact the Human Resources Office and complete a BCBS drop form.

With BlueCross BlueShield, age determines which plans are available to you and your spouse. If both of you are under 65, you will both continue with the same plan you had as an active employee (BlueChoice or BlueOptions). If both of you are over 65, each of you will have an opportunity to enroll in one of several Medicare supplement plans (Plan65) that meet your health needs and one of two Medicare Part D Plans (Blue Medicare Rx) that meet your pharmacy needs. As a retiree, BlueCross enrollment will require anyone under 65 to stay with the same plans as active employees, and anyone over 65 will move to an individual Medicare supplement policy through the NEO group plan. This means you and your spouse may have completely different policies with different premiums.

***Remember, if you choose to drop retiree health, dental or vision, you will not be able to enroll again at a later date. You will also lose the premium supplement from OTRS, if applicable.***

### **Enrollment Process for Health Coverage**

You should request health insurance information regarding the BlueCross health plans from the Human Resources Office when you are within ***three months*** of retiring. We will be glad to discuss the options with you. You will need to use the applicable BCBS forms to enroll for continuing health coverage through the NEO A&M/OSU system. You should copy all forms for your records and send the original form to Human Resources Office. Human Resources Office will then forward the form to OSU for

processing and then it will be forwarded to BCBS. Remember, you must enroll within 30 days of your retirement. Enrollment is not automatic.

### ***Under Age 65 Health Care Coverage***

If you and your spouse are under age 65, you will continue to be eligible for your current health plan through BCBS. Benefits of the plan will not change for you as a retiree or your dependents, and BCBS will continue to be your primary coverage. Your current BCBS health care ID card will still be valid as a retiree. You will not be issued new cards.

### ***Turning Age 65 Changes Health Care Coverage***

When you or your spouse approach age 65, OSU on behalf of NEO will send a Medicare Supplement Packet to the appropriate person with forms to be filled out and returned directly to OSU Employee Services to switch to the over age 65 plans (Plan65 and Blue Medicare Rx). With submission of these enrollment forms, the new coverage will become effective the 1st of the month of your birthday.

### ***Age 65 or Older Health Care Coverage***

At age 65 you become eligible for Medicare even though you may not have reached Social Security's full retirement age. You should receive information from Social Security (Medicare) about three months before you reach age 65 regarding enrollment in Medicare Parts A and B. There is no premium charged for Part A. However, the premium charge for Part B will be deducted from your social security monthly benefit check when you begin drawing Social Security.

The BCBS Plan65 options are a supplement to Medicare Parts A & B, and there will be a coordination of benefits when you enroll in Plan65 which means Medicare will be primary and Plan65 will be secondary. As an NEO retiree, you and/or your spouse must also enroll in Part D (Blue Medicare Rx) for your pharmacy plan. Medicare Parts A & B do not have a pharmacy benefit.

### ***Medicare Part D Accretion (Approval) Process***

When an application for coverage is received by Blue Medicare Rx, it is reviewed by BCBS and entered in their system. BCBS Blue Medicare Rx then sends an electronic file to Medicare who completes the accretion process of verification of members' eligibility. It is during this process that Medicare checks to see whether you have duplicate Part D coverage and if not approves you. This can take 4-6 weeks depending on the time of the year and how quickly Medicare is able to obtain needed information.

During this process, BCBSOK cannot send out an identification card or bill for your new pharmacy coverage, but Blue Medicare Rx will send out a letter of verification to you that you can give to your pharmacy as proof of coverage. The letter will have your identification number, effective date, group number and information for the pharmacy to submit your prescription through their system. If the process is not complete by your insurance effective date, your premium charges will not show on your OSU Bursar account. Once you are approved, you will be billed for the premiums due from the effective date.

You should submit your application to NEO Human Resources Office about 90 days before your retirement date in order for the accretion process to be complete by your insurance effective date.

If Medicare requests information and does not receive a response within the specified time in the letter, you will be un-enrolled and may have to wait until the next Annual Enrollment Period to enroll. Then you would be subject to a late enrollment penalty of 1% of the national average premium for each month that the retiree was without coverage. So make every effort to respond to Medicare in a timely manner.

## ***Spouse and Dependent Coverage***

You and your dependents must be enrolled in BCBS prior to your retirement to cover a spouse or eligible dependents upon your retirement. If you and your spouse are under age 65 when you retire, the spouse and dependent coverage does not change when you enroll as a retiree. If you and/or your spouse is age 65 or older at the time of your retirement, the over 65 participants will need to enroll in the Medicare supplement Plan65 and Blue Medicare Rx.

- Dependents may be added after retirement only:
  - Within 30 days of marriage.
  - When adding new dependents due to birth, adoption or guardianship.

## ***OTRS Premium Health Insurance Supplement***

If you will receive monthly retirement lifetime annuity benefits from OTRS, OTRS will provide a monthly insurance premium credit to partially offset your BCBS premiums. If you do not continue with BCBS (your employer sponsored plan), the credit is not available. The premium credit can range from \$100 to \$105 depending on your length of service and the final average salary of the retired member (see attached table). OTRS makes this determination. If your spouse is a member of Oklahoma Teachers Retirement System, you may want to check with OTRS and your spouse's employer about other possible options.

## ***Billing for Premiums***

Premiums are paid during the month for that month's coverage. In order to ensure that our retirees with OTRS receive their health insurance premium supplement, NEO must serve as the recipient of the premium supplement and apply it as a credit to the appropriate Bursar retiree account. This means that the premium due to BlueCross is not remitted until the first of the month following the coverage. NEO has an agreement with BlueCross that allows us to submit premiums to them up to 60 days after the coverage begins, so the retiree is not in default.

**If you are an OTRS retiree**, NEO will apply your monthly OTRS health insurance premium credit to your Bursar account as mentioned above. BCBS will bill NEO for all premiums for you and any covered dependents, but your Bursar bill will be minus the credit. **If you are not an OTRS retiree**, your Bursar account will reflect the full amount of your insurance premiums.

All retirees will receive a bill around the first of the month, and it will be due by the 15 if you have not authorized a bank draft. You are encouraged to submit a bank draft authorization to ensure all premiums are paid in a timely manner. The automatic withdrawal will occur on the 10<sup>th</sup> of each month. If you are signed up for automatic withdrawal, your checking account will be deducted by the amount due on your Bursar account.

If there is a change in monthly premiums, the Bursar's office will automatically update the automatic withdrawal to match the balance due; there is no need to submit a new automatic withdrawal form. If there is a delay in billing of premiums due to late enrollment or change of health insurance plans, the Bursar will continue to only pull the amount charged on the account through automatic withdrawal. Once the delayed premiums have been billed, the Bursar's office will bill for those premiums and the automatic withdrawal will pull the new amount charged on your account.

The entire process, although necessary to protect the insurance supplement for retirees, is cumbersome and occasionally creates some misunderstanding. If you have questions at any time regarding your payment, please call the Human Resources Office at 918 540-6378.

## ***Rate Increases and Annual Enrollment***

Retiree insurance rates for all plans (Under age 65 regular health plans, Medicare Supplement Plans, Part D Blue Medicare Rx pharmacy plans, dental and vision plans) are subject to possible increases generally effective each January 1. You will need to watch for communication materials from OSU, NEO and/or

BCBS as well as the State Insurance Board: EGID during the fall identifying the increase for the next year. This material will also explain your opportunity to change plans for the coming year. The Blue Medicare Rx plans can only be changed at Medicare's annual enrollment, generally between November 15 and December 31. The Plan65 can be changed at anytime.

### **Cancellations**

While you and/or your spouse are under age 65 and enrolled in a BCBS health plan as a retiree, written notification to Human Resources Office is required to cancel insurance or to change coverage. If you and/or your spouse are enrolled in Plan65 and Blue Medicare Rx, you must cancel with BCBS. Cancellation requests will be effective the first of the month following the request. If a retiree and/or spouse cancel due to death, the coverage is cancelled on date of death and premiums will be prorated for all plans except the Blue Medicare Rx which is not prorated due to Medicare rules.

### **State Dental and Vision Plans**

NEO retirees may continue dental or vision coverage, or both, with the State Plan. You must have the coverage as an active employee prior to your retirement date if you wish to enroll as a retiree. You will pay the monthly premium directly to the State Plan, or you may go to the public website [www.healthchoiceok.com](http://www.healthchoiceok.com) and then to Site Map, under Forms and print *Premium Auto-draft Letter and Form*. Dental and vision premium rates for retirees and dependents are the same as the rates for employees and dependents. (Exhibit II) Dental and vision changes and/or cancellations are made with the State Plan rather than through NEO. You also have the option to have the monthly premiums withheld from your monthly OTRS retirement check.

## **Other Benefit Options**

### **NEO/A&M Life Coverage**

If you qualify for NEO retirement and are enrolled in the NEO/A&M life program prior to retirement, you will receive retiree life coverage. No enrollment form is necessary. NEO currently provides a \$10,000 term life policy at no cost to the retiree through ING/Relia-Star.

If you are enrolled in voluntary employee supplemental life, you have the option to continue coverage at NEO group rates (portability) if you are less than 70 years of age. Any supplemental life coverage that you are carrying for your dependents can also be continued into retirement if you wish.

If you are interested in continuing life coverage, contact ING Employee Benefits, (888) 238-4840 for rates and other information. If you cancel the life insurance coverage, you may not be able to enroll at a later date.

Retirement is a good time to check and possibly update your beneficiary information. To do so, you may get the change form from the web, <http://hr.okstate.edu/benefits/lifebeneficiary.pdf>, or contact NEO Human Resources Office, (918) 540-6378, for the *Beneficiary Change Form*. After you complete the form and make a copy for your file, return the form to the Human Resources Office in the Library Administration Room 005. You may have beneficiaries listed for your retirement plan, for 403(b) and/or 457(b) accounts, and possibly other voluntary plans (i.e.: Cancer, Long Term Care) that you may need to review at this time.

### **Flexible Benefits**

Upon retirement, you have no method of continuing the tax advantage of a flexible benefits account because you are no longer receiving a paycheck.

When your contributions cease the first of the month following your retirement, your eligibility for incurred expenses also ends. At the last option period prior to your retirement, you need to remember that access to your flex account will close for any expenses after your retirement date. If you had an unreimbursed medical flexible benefits account, you may request a COBRA continuation of benefits letter from NEO offering continuation of flexible benefits. You may want to ignore this option unless you have not incurred enough expenses to use all of the deposits you have already made into your uninsured medical

flexible benefits account. In this case, you could continue benefits by continuing payments until the end of the plan year or until you have incurred sufficient expenses to recover the contributions you have already made. However, the amount is 102% of your normal monthly uninsured medical flexible benefits account payment. If you wish to receive information regarding this COBRA option, please contact Human Resources Office.

## **Special Retiree Opportunities**

### ***Retiree Identification Card***

After the Human Resources Office has processed your Retirement EA form, you may bring your photo ID to the Police Department in the Library Administration Building to get a new identification card that shows you are a retiree. The retiree photo ID is useful if you wish to participate in opportunities listed below.

### ***Opportunities***

The following opportunities are currently provided to NEO retirees:

- With your Retiree identification card it allows you to participate in all college functions such as sporting events, plays, use of the pool, and library services.
- Money can be put on the card for use in the vending machines on campus and meal in the cafeteria.

**These are currently available but are subject to change at any time.**

If you have questions regarding these opportunities, please contact the Human Resources Office and they can provide specific information. If you know of other opportunities that are not included, your feedback is important to improve this guide on future editions.

## **Oklahoma Teachers' Retirement System**

### ***OTRS Notification Process***

Members can request a confidential audited *Retirement Estimate* from OTRS any time prior to retirement without obligation by calling 877-738-6365. (You may want to use the OTR website calculator, [www.tr.s.state.ok.us](http://www.tr.s.state.ok.us), to get an “unaudited” estimate.) You must, however, be eligible for retirement on or before the date of retirement that you indicate for the estimate. At your stated retirement date, you should be at least 55 years old, and vested (five years of OTRS membership), or meet the “Rule of 80”, “Rule of 90”, or “Rule of 90/65.”

It is important that you notify OTRS by completing the PIV (Pre-retirement Information Verification) form. The PIV form may be obtained by contacting OTRS directly or on-line by accessing their website at [www.ok.gov/TRS](http://www.ok.gov/TRS). You may also wish to contact OTRS directly at 1-877-738-6365. OTRS would like at least 90 days notice to be given. You may complete a PIV form to receive a retirement estimate. By completing this form and returning to OTRS, this will initiate your retirement process.

You will need to supply your social security number, birth date, beneficiary's birth date, estimated number of sick leave days, and retirement date.

OTRS will send the *Retirement Allowance Estimate* (Form 40.04) to your home address. The estimate reflects your gross retirement benefit amount (before taxes are deducted) and options that are available. If you have a spouse or beneficiaries for whom you would like to provide benefits, you will want to review these options carefully. The *Retirement Allowance Estimate* reflects your years of OTRS service. You should review and determine that the years of service are correct. If a year of service is listed within the “OTHER” category, it will usually indicate you have been credited with a year of service for your unused sick leave accumulation.

The *Retirement Allowance Estimate* is not your final contract. Returning the form gives OTRS actual notice of your intention to retire and your choice of payment options. To complete the form, indicate the retirement option you are selecting, then sign, date, and return the *Retirement Allowance Estimate* form

directly to OTRS, P O Box 53524, Oklahoma City, OK 73152 or visit the OTRS office at 2500 North Lincoln Boulevard, Oklahoma City, OK 73105. Enclose a legible copy of your birth certificate or another legal document indicating your birth date. If you select an option that provides a monthly benefit for your beneficiary (Option 2 or Option 3), you must also forward a legible copy of your beneficiary's birth certificate or other proof of birth date. These copies do not need to be notarized, but they should be sent certified mail. Make copies of all forms before you send them.

### **OTRS Contract and Other Forms**

After completing and returning the PIV OTRS form to OTRS, you will receive your signed *Retirement Allowance Estimate*, OTRS will send you a packet containing the following forms and detailed instructions on how to complete them:

1. Checklist;
2. Retirement Contract for Option you selected;
3. Form 82: Employer Verification of Unused Accumulated Sick Leave;
4. Form 80: Request for Retirement and Notice of Final Payment(employer verification of termination date and final salary);
5. Tax Information and Tax Allowance Form;
6. Direct Deposit Form;
7. Spousal Consent Form.

Please type or write legibly when you complete your forms. The contract and the optional direct deposit form must be notarized. Only the *Form 80* and *Form 82* are sent to Human Resources Office. These are employer verification forms and the College must complete them and forward them to OTRS. The employer verification *Form 80* and *Form 82* should be on file with OTRS prior to your retirement date. Please forward these forms as quickly as possible to allow Human Resources Office adequate time to process them. Send all other forms directly to OTRS.

Your Retirement Contract is required in the OTRS office on or before the first of the month prior to your actual OTRS retirement date. Your retirement will be delayed if you do not meet the deadline. To assure timely delivery, return the OTRS contract and other forms by certified mail or personally deliver to OTRS by the first of the month prior to your OTRS retirement date. Always make copies for your personal file.

### **Effective OTRS Retirement Date**

For OTRS purposes, your effective retirement date is the first day of a month. This is determined by your last day worked or NEO retirement date. The cut-off date is the tenth day of the month. For example, if your last day of work is between July 1 and July 10, your OTRS retirement will begin July 1 and you will receive your first retirement check on or about August 1, provided OTRS receives your executed contract by June 1. If your last day of work or retirement date from NEO is between July 11 through August 10, your OTRS retirement date will be August 1 and OTRS will mail your first check on September 1, provided OTRS receives your executed contract by July 1.

Your retirement date for NEO purposes is based upon your last day of worked, which probably will not coincide with your OTRS retirement date.

### **Taxation of Benefit**

Oklahoma state and federal income taxes can be withheld from your OTRS retirement check. You are allowed a state exemption each year. OTRS will send you an explanation of your tax liability when they send your packet of retirement forms.

### **Additional Questions**

You may wish to schedule an appointment with OTRS to discuss your options and receive assistance in completing the forms. Many retirees find a personal visit in Oklahoma City helpful.

You may call OTRS at (877) 738-6365.

## **TIAA-CREF**

If you are a member of TIAA-CREF and wish to withdraw funds or receive income from part or all of your contracts at the time of your retirement, TIAA-CREF has experienced Retirement Consultants ready to answer your questions. When you call, (800) 842-2776, you should have your social security number and spouse's birth date (if applicable). We suggest you call at least 90 days before you retire to ensure that you have a good understanding of your options with your TIAA-CREF accounts. As an example, if you have money in a Traditional Account, there withdrawal limitations you need to be aware of.

You may request either a retirement illustration or a retirement packet from TIAA-CREF (address is in the front of this guide). The illustration is an estimate of your retirement benefits. You can request illustrations for several projected retirement dates at any time without obligation. However, if you definitely plan to retire, you should request the retirement packet. The packet includes paperwork to withdraw funds or receive income upon your retirement. In either case, you need to inform the TIAA-CREF service representatives of your proposed retirement date. The illustration/packet should arrive at your home address in 10-14 working days. There is no obligation to withdraw funds or receive income unless you complete and return the applications and other forms. However, TIAA-CREF appreciates notification if you request the packet and then decide not to withdraw funds or receive income.

The retirement packet provides detailed instructions so you may complete the paperwork yourself. Contact TIAA-CREF at the toll free number listed within your forms if you have any questions about the paperwork. The forms should be fairly easy to understand, but if you have an unusual situation or are still concerned about how best to maximize your retirement, there is a TIAA-CREF Representative available at OSU in Stillwater by available by appointment by calling (800) 732-8353. The representative can bring information regarding your accounts and discuss retirement income options as well as ensuring your paperwork is completed properly. When completed, return the paperwork to TIAA-CREF at the address indicated.

Please remember that you have the option to retire with OSU and OTRS and leave all of your TIAA-CREF accumulations on deposit or receive only a portion of your TIAA-CREF. If you leave your contributions with TIAA-CREF, your funds may continue to accrue interest and/or dividends and capital gains. However, federal tax regulations may require severe tax penalties if you do not begin receiving minimum distributions from your retirement account(s) by April 1 of the year following the calendar year you turn age 70 1/2 or terminate employment, whichever is later. TIAA-CREF can provide you with more information regarding minimum distribution requirements.

### ***Taxation of Benefits***

See the Benefits & You handout, *TIAA-CREF Funds upon Termination of Employment*. TIAA-CREF will withhold federal and state taxes from your retirement checks. Tax information is included in your TIAA-CREF retirement packet available by request through TIAA-CREF.

### **Statement of Final Contribution**

Your completed Personnel Change Notice (EA Form) from your department supervisor must be processed through Personnel in order for TIAA-CREF to be aware that your final retirement contribution has been sent by the University. Your TIAA-CREF monthly retirement income can possibly begin on the first of the month following your final contribution and the receipt of your retirement packet by TIAA-CREF.

## **Social Security and Medicare**

### **Social Security**

At least 90 days before you retire, you should contact your local Social Security Office for an appointment. You can go to [www.socialsecurity.gov/regions](http://www.socialsecurity.gov/regions) to locate the office nearest to you. The Miami office number is 888-878-0013. If you are approaching your 65th birthday, it is to your advantage to contact the Social Security office before January 1 of the year you turn 65. You will be eligible for full benefits when you turn age 65-67, depending on your date of birth. Most people have an option to begin receiving reduced benefits as early as age 62.

The Social Security Administration requires proof of your birth before you can receive Social Security benefits. If you do not have a birth certificate, you should ask the Social Security Administration what documents are acceptable.

### **Medicare**

By January of the calendar year you turn age 65 you should contact your local Social Security Office and request information about enrolling in Medicare. If your birthday falls early in the calendar year you should contact the Social Security Office at least three months in advance.

There are three parts to Medicare: Part A is the hospital coverage, Part B is the medical coverage, and Part D is the prescription coverage. Medicare Part A, hospital coverage, is funded by taxes you paid into Medicare. Medicare Part B, medical coverage, has a monthly premium which you pay. The Medicare Part B premium is based on income, and typically increases every January. The Social Security Administration can tell you more about your cost per month for the Medicare Part B. Medicare Part D is the prescription drug plan.

If you are eligible to continue insurance through the College, you will have a choice of one of the Plan65 options and one of the Blue Medicare Rx Part D options.

If you are still working when you reach age 65, you will likely elect to enroll in Medicare Part A only. Medicare Part B has a monthly premium cost to you and the coverage is usually not used because the Medicare deductible is high and the plan acts only as a supplement to your group insurance coverage until you stop working. You will very likely want to enroll in Part B effective the date your employer-paid primary insurance ends (after retirement from the College), because Medicare will then become your primary insurance. Your BlueCross BlueShield plans will then pay claims as a supplemental coverage to Medicare and will not cover the portion of the claim for which Medicare would be responsible. Medicare Part B premiums will be deducted from your Social Security check. You should contact the Social Security office at least 90 days before your retirement date to discuss Medicare enrollment.

## **Returning to Work**

Salary limitations may be imposed by Social Security and OTRS. Before returning to work, you will want to check with each agency. Federal law requires NEO to obtain an *Employment Eligibility Verification Form* (I-9) upon your return to work (assuming you have not completed one in the past three years). Also, you may wish to complete a new withholding (*W4*) form and check distribution form.

### **OTRS Post-Retirement Employment**

There must be a 60-calendar-day break in service between an OTRS retiree's last day of pre-retirement

employment and post-retirement employment status in any organization currently participating in the OTRS system. *Even volunteering is not permitted during this 60-day period.* All OTRS retirees at NEO or in any organization currently participating in the OTRS system in Oklahoma should notify OTRS when returning to work.

We encourage you to refer to the *Teachers' Retirement System of Oklahoma, Rules and Laws*, has a full explanation for returning to work in public education. Please contact OTRS to obtain a copy and read the information carefully before returning to work. You may experience serious repercussions if you ignore OTRS guidelines. OTRS audits the State Finance payroll periodically and will eventually catch violators. If you have questions, call OTRS before starting back to work.

For retirees under age 62, who have been retired less than three years, annual post-retirement earnings from the public schools may not exceed one-half (1/2) of the member's average salary used in computing retirement benefits, or \$15,000, whichever is less.

For retirees age 62 or older, annual post-retirement earnings from the public schools may be \$30,000 or may not exceed one-half (1/2) of the member's average salary used in computing retirement benefits.

NEO Faculty, administrative/professional, and classified retirees, age 62 or older, who have been retired at least 36 months, may earn up to \$30,000.

### **Social Security Earnings Limits**

If your salary earned in any given fiscal year exceeds the Social Security limits (which are on a calendar year), certain reductions in benefits or changes in calculations may apply if you retiree prior to your full retirement age (FRA). You should check with Social Security if you have questions regarding whether you may have an earnings limit.

Age 65 has been considered "Full Retirement Age". However, beginning with persons born in 1938, the Full Retirement Age will gradually increase from age 65, eventually reaching age 67 for persons born in 1960 and later. If you are subject to the earnings limit, Social Security reduces your benefits by \$1 for every \$2 earned over the limit. In addition, the limit may be pro-rated your first year of retirement.

\*NOTE: Applies only to earnings for calendar months prior to attaining Full Retirement Age. There is no limit on earnings beginning the month an individual attains Full Retirement Age.

For additional information regarding social security earnings limits, you may call the local social security office or go to their website, [www.ssa.gov](http://www.ssa.gov).

### **Helpful Hints to Remember**

If you had any miscellaneous deductions, such as Credit Union, NEO Foundation, United Way, or a personal tax deferred annuity taken from your payroll check immediately preceding your retirement, these deductions may have been terminated and you would need to reestablish them if desired by contacting the company directly.

## Retirement Checklist

### **Thinking About Retirement (one year prior to retirement)**

- \_\_\_\_\_ Read Retirement Planning Guide & Review Retirement PowerPoint Presentation.
- \_\_\_\_\_ Compute estimates of retirement income from each retirement income source.
- \_\_\_\_\_ Request retirement estimate from OTRS, by completing the OTRS PIV (Pre-Retirement Verification) form.
- \_\_\_\_\_ Request retirement illustration or retirement packet from TIAA-CREF.
- \_\_\_\_\_ Request TIAA-CREF personal counseling on campus from TIAA-CREF. Call 1-800-732-8353 or on the web at <http://hr.okstate.edu/benefits/retire> to schedule an appointment.
- \_\_\_\_\_ Contact Social Security. [www.socialsecurity.gov/regions](http://www.socialsecurity.gov/regions) or call the Miami Office at 888-878-0013.

### **The Retirement Process (at least 90 days in advance)**

- \_\_\_\_\_ Determine your retirement date. Allow at least 90 days for notification of OTRS, TIAA-CREF, and Social Security before you cease work.
- \_\_\_\_\_ Notify your department to send a letter of resignation and request that your department complete a retirement Employment Action (EA) form aka "Payroll Change Notice."
- \_\_\_\_\_ Contact Human Resources Office regarding health, dental, vision. A Life Insurance Beneficiary form will also need included. Request the appropriate BCBS forms and the State dental and vision forms to turn into HR. An appointment with the HR Director is necessary in most cases.
- \_\_\_\_\_ Complete the OTRS estimate and return to OTRS. Contact OTRS for a new estimate if your estimate is more than six months old or does not reflect your chosen retirement date. Enclose a legible copy of your birth certificate and, if applicable, a copy of your spouse's birth certificate.
- \_\_\_\_\_ Complete the OTRS retirement contract packet. Follow detailed instructions as provided to complete each form. Verify that the correct contract was sent for the option you chose. Send copy of birth certificate(s) if these were not sent to OTRS with your estimate.
- \_\_\_\_\_ Deliver Form 80 and Form 82 from the OTRS packet to Personnel Office for completion.
- \_\_\_\_\_ Return completed forms to OTRS by certified mail or personally deliver. Contract must be on file at OTRS no later than the 1st day of the month prior to the month you want to retire.
- \_\_\_\_\_ Complete an "Exit Checklist" & have your Department Chair or Director complete the necessary supervisor items as listed on the form. This form can be found by visiting the HR section of the NEO webpage.
- \_\_\_\_\_ Have a new photo identification card made in the Police Department of the Library Administration Building.

\*When entire insured family unit is under age 65, unit is insured at same premiums as active employees.

\*When one individual becomes age 65, the family unit is split and each spouse is insured as an employee under 65 or individually insured in Plan65 and Blue Medicare Rx. If the spouse is the one who is still under 65, she/he will pay the pre-Medicare member premium rather than the spouse premium. If both the retiree and the spouse turn 65, and there are still covered dependent children, the youngest child will pay the member rate and the other child/children will pay the children rate.

\*Medicare reviews all enrollments in Blue Medicare Rx to verify eligibility for Medicare Part D coverage. This is called the “accretion process” and it may slow your initial enrollment.

NOTE: Depending on your age and your spouse’s age, each will be on the appropriate plan as indicated above. For example, if your spouse is under 65, the premium will be the Under65 member rate while your premium will be for Plan65 and Blue Medicare Rx.

**PLEASE CONTACT THE PERSONNEL OFFICE FOR CURRENT HEALTH, DENTAL, VISION, PLAN 65 & BLUE RX D PREMIUMS.**

## OTRS Premium Credit

The maximum benefit payable by the Teachers' Retirement System of Oklahoma on behalf of a retiree toward the monthly premium for employer-sponsored health insurance shall be determined in accordance with the following schedule:

<b>Average Salary Used For Determining Retirement Allowance:</b>	<b>Less than 15 Years of Creditable Service:</b>	<b>15-24.99 Years Creditable Service:</b>	<b>25 or Greater Years Creditable Service:</b>
<b>Less than \$20,000</b>	\$103.00	\$104.00	\$105.00
<b>Less than \$30,000 but greater than \$19,999.99</b>	\$102.00	\$103.00	\$104.00
<b>Less than \$40,000.00 but greater than \$29,999.99</b>	\$101.00	\$102.00	\$103.00
<b>\$40,000.00 or greater</b>	\$100.00	\$101.00	\$102.00

If you are an OTRS retiree, OTRS will send your monthly insurance premium credit to NEO. NEO will apply the premium credit to your Bursar account. BCBS will bill NEO for the premium for you and any covered dependents. These charges will be billed to your Bursar account. You are encouraged to submit a bank draft authorization to ensure all premiums are paid in a timely manner.

If you are not an OTRS retiree, your Bursar account will reflect the full amount of your insurance premium. OTRS service credit amounts may change, please visit [www.ok.gov/TRS](http://www.ok.gov/TRS) for updated amounts.

*The Personnel Office developed this information for the convenience of NEO A&M Faculty and Staff. It is a brief interpretation of more detailed and complex materials. If further clarification is needed, the actual law, policy and contract should be consulted as the authoritative source.*