



UNIVERSITY HUMAN RESOURCES

EMPLOYEE BENEFITS

1100 Chesapeake Building
College Park, MD 20742-3121
☎301.405.7575 📠 301.405.8243
uhr.umd.edu

Information for Retirees in the Employees' & Teachers' Pension & Retirement System

uhr.umd.edu/benefits

Introduction

The University of Maryland College Park's Office of Employee Benefits has created this booklet specifically for Staff participating in the Employee's Retirement and Alternative Contributory Pension System who are considering retirement in the near future. You will find the following information helpful in preparing for retirement.

When you are ready to meet with your Benefits Services Counselor, please contact the appropriate counselor listed on the next page. If you have any general questions, please contact the Office of Employee Benefits at (301) 405-7575 or visit us online at www.uhr.umd.edu/benefits



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Employee Benefits Team

Orna Garnett

Assistant Director, Benefits
ogarnett@umd.edu

Shara Edmonds

Benefits Services Counselor
sedmond5@umd.edu
(301) 405-5686

ARCH

BMGT

EDUC

UGST

VPSA - except Res Facilities

Mercedes Lindsay

Benefits Services Counselor
lindsaym@umd.edu
301-405-5658

ARHU

EXST

INFO

LIBR

Stacy Sims

Benefits Services Counselor
ssims@umd.edu
301-405-5657

AGNR PRES

BSOS SPHL

CMNS SVPAAP

ENGR USG

GRAD VPR

JOUR VPA

Vennita Harris

Health Programs
vharris1@umd.edu
(301) 405-8643

Health Insurance Questions

AskHR.umd.edu

Andrea Phimphanh

Benefits Program Specialist
aphimpha@umd.edu
(301) 405-4573

Gigi Ndiaye

Benefits Services Counselor
nndiaye2@umd.edu
(301) 405-5510

DIT

PLCY

VPUR

VPSA - Res
Facilities

Topics Covered

Table of Contents

- Planning for Retirement** 4
 - One to three years prior to retirement..... 4
 - One year prior to your Retirement 4
 - Six months prior to retirement..... 4
 - Two months prior to retirement 4
 - One month prior to retirement..... 4
- Medical Coverage for Retirees** 5
 - Eligibility (Hire Date Prior to July 1, 2011)** 5
 - Subsidy Amount..... 5
 - Dependent Eligibility..... 5
 - Cost 6
 - Eligibility (Hire Date On or After July 1, 2011)** 6
 - Subsidy Amount..... 6
 - Dependent Eligibility..... 6
 - Cost 7
 - Medicare Eligibility (All Retirees)**..... 7
 - Life Insurance for Retirees and Dependents..... 8
- Other Benefits at Retirement**..... 8
 - Long Term Disability 8
 - Tuition Remission 8
- Other Campus Privileges in Retirement**..... 8
 - Campus Parking 8
 - Re-employment 9

Planning for Retirement

There are many things to consider when planning for retirement. We urge you to meet with your Benefits Services Counselor to discuss your situation when you are within one year of your intended retirement date. Additionally, the Office of Employee Benefits offers pre-retirement seminars for members who are interested in retirement. The following schedule shows the best time to begin filing some of the required forms and making the necessary contacts with the State Retirement Agency.

Recommended Time Line:

One to three years prior to retirement

- Make an appointment with your Benefits Services Counselor to discuss the retirement process, options and retiree benefits.
- **Faculty Only** - Obtain "Confirmation of Meeting with the Office of Employee Benefits" letter.
- Attend a pre-retirement seminar

One year prior to your Retirement

- File for an estimate one year, but no less than six months, before **your targeted retirement date**. You should complete an Application for an Estimate of Service Retirement Allowances (Form 9). Select all of the option choices to obtain information on each of the various payment plans. This form is not a retirement application. It is designed for planning purposes only.
- Apply to purchase any previous service for which you may be eligible by submitting a Request to Purchase Previous Service (Form 26) along with your request for an estimate.
- Apply for any eligible military credit using a Claim of Retirement Credit for Active Duty Military Service (Form 43).

Six months prior to retirement

- If desired, schedule an appointment with your Benefits Services Counselor to discuss any questions you may have.
- Discuss your estimated benefits with your family and financial advisor.
- Prepare a retirement budget, estimating your retirement expenses against your State Retirement, Social Security and other income.
- Update or prepare a will.

Two months prior to retirement

- Contact your UHR Benefit Services Counselor and file your actual retirement application; either the Application for Service or Disability Retirement (Form 13-23).
- Provide proof of birth for designated beneficiary (for allowance Option 2,3,5 or 6).
- If eligible, complete authorization forms to continue your health coverage.
- Complete a Direct Deposit Electronic Fund Transfer Sign-Up (Form-85) for the electronic transmission of your payment to your bank, savings institution or credit union. Direct deposit is mandatory.
- Complete a Federal and Maryland State Tax Withholding Request (Form 766).

One month prior to retirement

- Submit a formal letter of retirement to your department.

Medical Coverage for Retirees

If you meet the age and service requirements when you retire, you and your eligible dependents may continue to receive health benefits under the State's health plan. As a retiree, you are eligible for either partial or full subsidy of your State health benefits if you meet the following Eligibility Criteria.

Eligibility (Hire Date Prior to July 1, 2011)

- You have at least 16 years of State creditable service.
- You retired directly from State service with a State retirement allowance and with at least five years of State creditable service.
- You left State service (deferring your retirement allowance) with at least 10 years of State creditable service and within five years of normal retirement (age 60 for the members of the Retirement system, old system) and (age 62 for the members of the Pension System)
- You retired directly from the State service with a disability retirement allowance.

A State employee or faculty member who retires with less than five years of creditable service is not eligible for participation in the State health plan unless retiring directly from State service with a disability retirement benefit.

A retiree is not eligible for the Flexible Spending Account and the Personal Accidental Death and Dismemberment insurance.

After retirement, you are subject to the same open enrollment date as regular employees/faculty or within 60 days of a qualifying event.

Plans offered for State retirees are:

- Medical Plan
- Prescription Drug Plan
- Dental Plan
- Term Life insurance (only available if you had life insurance at time of retirement)

Subsidy Amount

Maximum State Subsidy if any of the following apply:

- Retire with 16 or more years of creditable service
- You receive a disability retirement; or
- You retired from State service before July 1, 1984.

Partial State Subsidy if you:

- Have at least five years of State creditable service, but less than 16. For example, if you have 10 years of State creditable service, you would receive 10/16 of the maximum State subsidy.

Dependent Eligibility

The surviving spouse of a deceased retiree with health benefits is eligible to receive continuing State health coverage provided the surviving spouse is receiving a monthly allowance under options 2,3,5,6. A surviving spouse can only cover dependents that would also be eligible dependents of the original State retiree.

Cost

The State subsidizes health premium costs for retired State employees/faculty. The amount is determined according to each retiree's State credibility service. If you have 16 years or more of State creditable service you receive the same subsidy provided to an active employee. If you have at least five years, but less than 16 years of State creditable service, the subsidy will be prorated. You will be paying the uncovered portion of the prorated subsidy in addition to the normal retiree's portion of the premium. The cost is deducted from your monthly pension check.

Eligibility (Hire Date On or After July 1, 2011)

- You have at least 25 years of State creditable service.
- You retired directly from State service with a State retirement allowance and with at least ten years of State creditable service.
- You left State service (deferring your retirement allowance) with at least 10 years of State creditable service and within five years of normal retirement (age 65 for the members of the Reformed Contributory Pension Benefit, new system).
- You retired directly from the State service with a disability retirement allowance.

A State employee or faculty member who retires with less than ten years of creditable service is not eligible for participation in the State health plan unless retiring directly from State service with a disability retirement benefit.

A retiree is not eligible for the Flexible Spending Account and the Personal Accidental Death and Dismemberment insurance.

After retirement, you are subject to the same open enrollment date as regular employees/faculty or within 60 days of a qualifying event.

Plans offered for State retirees are:

- Medical Plan
- Prescription Drug Plan
- Dental Plan
- Term Life insurance (only available if you had life insurance at time of retirement)

Subsidy Amount**Maximum State Subsidy if any of the following apply:**

- Retire with 25 or more years of creditable service
- You receive a disability retirement; or

Partial State Subsidy if you:

- Have at least 10 years of State creditable service, but less than 25. For example, if you have 10 years of State creditable service, you would receive 10/25 of the maximum State subsidy.

Dependent Eligibility

The surviving spouse of a deceased retiree with health benefits is eligible to receive continuing State health coverage provided the surviving spouse is receiving a monthly allowance under options 2,3,5,6. A surviving spouse can only cover dependents that would also be eligible dependents of the original State retiree.

Cost

The State subsidizes health premium costs for retired State employees/faculty. The amount is determined according to each retiree's State credibility service. If you have 25 years or more of State creditable service you receive the same subsidy provided to an active employee. If you have at least 10 years, but less than 25 years of State creditable service, the subsidy will be prorated. You will be paying the uncovered portion of the prorated subsidy in addition to the normal retiree's portion of the premium. The cost is deducted from your monthly pension check.

Medicare Eligibility (All Retirees)

If you are 65 or older, or you have a disability entitling you to Medicare benefits, then you are eligible for Medicare. A retired State employee or a covered spouse who is 65 or older at retirement must enroll in Medicare parts A and B by applying to the local Social Security office within three months prior to retiring. The State health plan is, thereafter, supplemental to Medicare. Anyone covered under the State retiree's health benefits plan that doesn't have Medicare Parts A and B when eligible will become responsible for approximately 80% of claims amounts that would have been paid by Medicare.

Prescription Drug Medicare Part D - SB 946 Retiree Prescription Drug Coverage DBM Update

The Maryland General Assembly passed Senate Bill 946 in the 2019 Session. This bill provides the following in the event the outcome of Fitch v. State of Maryland is found in favor of the State. If the court rules in favor of the plaintiffs, retirees keep their current benefits. **PLEASE NOTE THAT THE EARLIEST THESE PLANS COULD BE IMPLEMENTED IS JANUARY 1, 2021.**

Maryland State Retiree Prescription Drug Coverage Program

- Retired on or before 01/01/2020
- Must enroll in Medicare Part D
- Reimbursement for out of pocket expenses over \$1,500 for retiree only/\$2,000 for retiree and family

Maryland State Retiree Catastrophic Prescription Drug Assistance Plan

- Retirees who began State service on or before 6/30/11 and retired after 1/1/2020
- Must enroll in Medicare Part D
- Reimbursement for out of pocket expenses once the individual reaches the catastrophic phase of Medicare Part D

Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program

- Applies automatically when the retiree is enrolled in either of the plans above
- Certain prescriptions covered by State's employee prescription drug plan and not covered by Medicare

Retiring on or before January 1st, 2020 will only impact what new program you qualify for; if the State prevails in Fitch v State of Maryland you will still have to enroll in Medicare Part D in order to have prescription coverage. Retiring on or before January 1st, 2020 does NOT mean you get to keep the current retiree prescription plan.

Life Insurance for Retirees and Dependents

If you were covered as an employee by Metlife or UNUM, then you can continue your life insurance coverage after you retire. If you have Metlife, you must enroll as a retiree on the health insurance worksheet. If you have UNUM, you must call them at 1-866-762-8705 and convert your plan to portable coverage. Your dependents can keep the same coverage, as long as, you are covered.

Other Benefits at Retirement

Long Term Disability

Long Term Disability with UNUM is not available to retirees.

Tuition Remission

Retirees of the University of Maryland are also eligible for tuition remission. For the purposes of acceptance of the tuition remission requests, a University System of Maryland retiree must be receiving a monthly retirement payment, and have earned at least five years of University System of Maryland service credit inclusive of the former University of Maryland and Board of Trustees of State Universities and Colleges institutions. Retirees are eligible for tuition remission benefits equivalent to that of an active employee based on the retiree's FTE when they retire. Meaning, if a retiree retired from full time status, they will be eligible for tuition remission benefits equivalent to that of a full time regular employee. If an employee retires from a part time permanent position, they are eligible for tuition remission benefits equivalent to that of a part time regular employee. Spouse and dependents children of retirees are eligible for tuition remission benefits in accordance with the guidelines for that of spouse and dependents of regular active employees.

Upon retirement, tuition remission is not available for St. Mary's College.

Other Campus Privileges in Retirement

Campus Parking

Retirees that wish to obtain a campus parking permit should go directly to Campus Parking's Faculty/Staff Parking Office. Retirees are eligible for free parking in Lots K, P and Z or any of the overflow lots.

Retiree ID Card

Within one to two weeks of your retirement, the UHR-Benefits Office will create an Affiliate appointment in PHR for non-emeriti faculty/staff retirees. After your Affiliate appointment is created you may obtain a retiree ID card at the Office of the Registrar on the first floor of the Mitchell Building.

The ID card allows you to:

- Join the Campus Recreation Center for a fee.
- Receive discounts at the campus bookstore.
- Use library privileges.
- Receive discounts to Clarice Smith School for Performing Arts if over age of 62.
- Use of the Wellness Center.
- Use of the shuttle.

Retiree Email

Active emeriti faculty is automatically set up to keep/activate an OIT email account.

For all other faculty/staff the UHR – Benefits Office will sponsor the retiree for a DIT Email account via the Affiliates module of PHR. If the retiree is approved for DIT email, questions about email activation should be directed to The DIT Help Desk at (301) 405-1500.

Re-employment

State law requires a minimum of 45 days break in service before you may be re-employed with any institution in the USM or a state agency. Please contact your Benefits Services Counselor if you have questions regarding re-employment.