Benefit Checklist for Retiring ISU Employees

TWO TO THREE YEARS BEFORE RETIREMENT:

- ☐ Visit with a personal financial planner/advisor. The Ames TIAA office provides free consulting even when your investments are not with TIAA.
- ☐ Attend the "Ready, Set, Retire" presentations sponsored by ISU. Register in Workday Learning. Or view past presentations available in Workday (Ready, Set, Retire! (Recorded Version)).
- ☐ Utilize online tools to plan for retirement income:
  - https://www.tiaa.org/public/support/contact-us/consultations-seminars
  - https://ipers.org/members/nearing-retirement
  - https://www.corebridgefinancial.com/rs/home/financial-education

SIX MONTHS TO ONE YEAR BEFORE RETIREMENT:

- ☐ Contact past employers (including the military, if applicable) to deteremine all retirement benefits.
- ☐ Contact any financial institution where you have other retirement savings such as TSAs, IRAs, Roth plans, or CDs to request retirement income details from those institutions.
- ☐ Contact appropriate office(s) regarding ISU retirement income to understand the application process. If you have IPERS through ISU or another employer, the ISU Payroll office may be required to sign off on your IPERS application even if there was no IPERS participation while at ISU.

TIAA

Phone: 1-800-842-2252

Website: www.tiaa.org/iastate

IPERS

Phone: 1-800-622-3849

Website: https://ipers.org/

Corebridge

Phone: 1-800-448-2542

Website: https://www.corebridgefinancial.com/rs

Federal Employees Retirement (FERS)

Contact the University Human Resources office at 515-294-4800. Indicate that you are needing to talk about **FERS**.

Social Security Income (SSI)

Contact your local Social Security Administration office or use the online link to check on your eligibility for Social Security income benefits.
http://www.ssa.gov/onlineservices/

THREE MONTHS BEFORE RETIREMENT:

- ☐ Inform your supervisor or department head of your intention to retire. You, your supervisor, or your Human Resource Coordinator will need to enter your retirement date into Workday.
- ☐ Contact your ISU Benefits Consultant to discuss options and timing and to obtain necessary paperwork. ***All retirees need to complete paperwork*** to continue OR drop ISU insurance. **It is very important that prospective retirees are proactive in understanding and preparing for Medicare enrollment.**
- ☐ Discuss with your department the use of vacation, vacation credit, or earned compensatory leave time prior to retirement. Submit your request to shelter unpaid leave, if desired.

AFTER RETIREMENT:

- ☐ Complete any remaining retirement income applications. The ISU Fringe Benefits Accounting and Compliance office handles notices to your ISU retirement plan.
- ☐ Keep the ISU Benefits Office informed of address changes and phone number updates.

Impact of Retirement on your ISU Benefits

** All active employee benefits end on the last day of the month in which you retire. **

ELIGIBILITY TO CONTINUE INSURANCE BENEFITS AT RETIREMENT

To be eligible to continue retiree health and dental coverage through ISU, you must:

- Be 55 years of age or older
- Have been enrolled in the ISU medical and/or dental plan for **5 continuous years immediately preceding retirement**

If eligible, you can elect coverage for yourself and any eligible dependents. If ineligible to continue on ISU insurance, a retiring employee will be offered COBRA coverage for up to 18 months. If Medicare eligible, other options may be more beneficial than COBRA.

CONTINUING HEALTH AND DENTAL INSURANCE BENEFITS

If you meet the requirements above when you retire, you can elect:

- Medical/prescription insurance only
- Dental insurance only
- Medical/prescription and dental insurance

The ISU Benefits Office will notify the insurance companies of your status change. Premiums for retirees are paid directly to Wellmark and/or Delta Dental each month. Once you have received your first bill, you are able to establish an automatic payment arrangement with each company. **Setting up automatic payment with the vendors is strongly recommended by the ISU Benefits Team.**

PRESCRIPTION DRUG COVERAGE DURING RETIREMENT

The ISU medical insurance plan through Wellmark includes (and requires) coverage through the ISU group prescription plan. **You should not enroll in a separate prescription drug plan while enrolled in the ISU medical insurance plan**. A retiree and any eligible dependents will be covered under one of two prescription plans:

- For those not yet eligible for Medicare and prior to the Medicare Part B effective date: the *Express Scripts* prescription drug plan coverage you had as an active employee continues.
- For those eligible for Medicare Part B: *Humana* is our **custom** Part D plan. The ISU Benefits Office staff will assist with enrolling any Medicare eligible retirees and dependents in this plan. The ISU Humana plan is a group specific Medicare Part D prescription drug plan (PDP). Medicare eligible individuals must be enrolled in the ISU group Humana PDP to continue with ISU medical coverage through Wellmark.

OPEN ENROLLMENT FOR RETIREES

The annual open enrollment period for retirees is **October 15 through December 7**. During open enrollment you are able to change your medical (HMO vs PPO) or dental (basic vs comprehensive) plan options. You can also add or remove eligible dependents. Open enrollment changes are effective **January 1** of the following year.

SURVIVING SPOUSE BENEFITS

If your spouse is covered under the ISU medical and/or dental plans at the time of your death, he/she can continue the same coverage as a surviving spouse.

CANCELLING RETIREE HEALTH AND DENTAL INSURANCE BENEFITS

A drop form should be filled out and returned to your Benefits Consultant if you no longer want to have coverage through the ISU plan. Additionally, Wellmark and Delta Dental may term coverage for non-payment.

Once the ISU Plan insurance is **dropped**, a retiree is **not** allowed to re-enroll at a later date unless they are a qualified dependent of another eligible ISU employee/retiree.

YOUR OTHER BENEFITS AFTER RETIREMENT

Accrued Leave Payout: Eligible employees will have vacation hours paid out automatically when they retire along with up to $2,000 of unused sick leave. The payout typically occurs with your final paycheck but could be delayed due to processing. Contract employees will need to verify eligibility in their contract or with their department.

Options for accrued leave payout:

a) Have the payout paid directly to you (no additional action required) OR

b) Shelter the payout funds into a voluntary retirement account established through TIAA. **This must be completed by the 15th of the month in which you retire.** Email fbac@iastate.edu with questions on your payout amount/options.
Instructions on how to complete & submit your Accrued Leave Payout Request:
https://iastate.service-now.com/esc?id=kb_article&sysparm_article=KB0025544

Avesis vision eyewear plan: Coverage ends at the end of the month of retirement. You may extend your coverage through COBRA. If you have already used the Avesis benefit for the year, COBRA does not gain you additional benefits for the calendar year.

Flexible Spending Accounts: Eligible claims must be incurred by the last day of the month in which your contributions from ISU pay deductions end. You may extend your coverage through COBRA. COBRA is not pre-tax and includes an administration fee. COBRA continuation ends on December 31st of the year you retire.

Life Insurance : Coverage ends at the end of the month you retire. Continuation of ISU life insurance can be considered with conversion or portability. Continuation/portability are completed directly with Principal Financial. https://www.hr.iastate.edu/life-insurance-portabilityconversion

Long Term Disability Insurance: The policy ends the day you retire. If you are considering retirement due to a medical condition, contact your ISU Benefits Consultant to discuss.

Voluntary benefits: Coverage ends at the end of the month of retirement. If enrolled in the Voya plans, you'll be mailed a packet from Voya regarding continuation options. If enrolled in other voluntary benefits, you'll contact the provider in which you're enrolled with.

ADDITIONAL RESOURCES FOR RETIREES

ISU HR Benefits Office: Call 515-294-4800 or visit their website: https://hr.iastate.edu/retiree-benefits

ISU Retiree Association: ISU retirees, spouses/partners, and friends are invited to join with no membership dues. https://olli.iastate.edu/isu-retirees-association/

Osher Lifelong Learning Institute (OLLI) at ISU: Individuals aged 50 or older may attend classes with no tests or grades. https://olli.iastate.edu/

Senior Health Insurance Information Program (SHIIP): A free, confidential service of the State of Iowa that helps Iowans make informed decisions about Medicare and other health coverage. https://shiip.iowa.gov/

Medicare: The official U.S. Government site for Medicare. https://www.medicare.gov/

Social Security: The official Social Security Administration site. https://www.ssa.gov/prepare/plan-retirement

Medicare Information

You are eligible for Medicare at age 65 (or earlier with certain disabilities).

Medicare Part A is coverage for inpatient hospital care, skilled nursing facilities, hospice, lab tests, surgery, home health care. Medicare Part A **does not have** a premium.

Medicare Part B is coverage for clinic services, out-patient hospital care, durable medical equipment, home health care, some preventative services, and on a rare occasion, prescription drugs. Medicare Part B **does have** a monthly premium that is determined by your modified adjusted gross income as reported on your IRS tax return from two years prior. This Medicare Part B premium is separate from the ISU Wellmark insurance premium. https://www.medicare.gov/basics/costs/medicare-costs

Medicare Part D is prescription drug coverage via pharmacy or mail-order. Medicare eligible retirees electing to continue ISU medical insurance must have the ISU group Medicare Part D prescription drug coverage through Humana. You should not enroll in a separate Part D plan while enrolled in the ISU medical insurance plan.

Income-Related Monthly Adjustment Amount (IRMAA): Social Security will determine if you will pay a higher premium due to your income meeting certain requirements. The higher premium can apply to Part B and Part D (even if part D coverage is through the ISU Humana plan). The IRMAA is determined by your modified adjusted gross income from two years prior. You must pay the IRMAA fee through your Social Security Income each month. If you decline IRMAA payments, the Center for Medicare (CMS) will instruct Humana to drop you from the ISU Part D prescription plan. This can cause difficulties in reinstatement.

Low Income Subsidy (LIS): Medicare/Social Security determines if a participant is eligible for the LIS for Medicare Part D. The ISU Benefits Office is notified by Humana. ISU then notifies Wellmark to reduce your premium by the determined subsidy amount. The LIS is subject to change each year, as determined by Medicare.

Primary/Secondary Coverage

For Medicare eligible retirees that continue on the ISU insurance, Medicare must be the primary insurance. Your ISU Wellmark plan becomes your secondary coverage. Medicare will process your claim first. The Medicare settlement is then electronically pulled by Wellmark to continue the secondary coverage settlement. You will receive an EOB from both Medicare and Wellmark.

In certain circumstances, you may need to file your own claim to Medicare. Common situations that may require this: a provider is not accepting/participating with Medicare; the expense was incurred while traveling out of the USA; or the provider does not normally file as Medicare does not cover the services. For Wellmark to settle any claim as secondary insurance, the Medicare settlement is required even if it is a denial. The ISU plan can be applied to the remaining claim as secondary.

Avoid Costly Medicare Penalties

All active and retired employees are encouraged to enroll in Part A as soon as they are eligible. Employees are able to defer enrollment in Part B and Part D while still actively employed. If you are over age 65 at retirement, Medicare has an 8-month Special Enrollment Period (SEP) that allows you to enroll without penalty. **Delaying enrollment in Medicare Parts B and D after retirement can result in a lifelong penalty from Medicare.** In addition, if a member of the ISU retiree plan declines to enroll in Medicare, the ISU insurance (Wellmark) requires the participant to pay the portion of claims that Medicare would have paid. This ISU Plan penalty continues until Medicare enrollment becomes effective.