

Retirement Benefit Checklist for ISU Employees & Important Information

- Employees, age 55 or older, who designate their resignation reason as “retirement” may be eligible for retiree benefits. Eligibility for retiree benefits will be discussed later in the document.
- The designated retirement date must be a scheduled work day and you must be present on the last day.
- 9 month appointed Faculty usually retire mid-May or December 31st of any year. Check with your department about the ability to retire during the summer months - June 30th, or July 31st or August 15th.

Two to Three Years before Retirement

- Visit with your personal financial planner and/or use the services provided by your chosen ISU retirement plan. The local TIAA office provides free consulting even when your investments are not with TIAA. The IPERS office is in Des Moines. For those with AIG, see below.
- Attend the “Ready, Set, Retire” presentations sponsored by ISU or view past presentations on the ISU WellBeing website: <https://www.wellbeing.iastate.edu/financial-wellbeing>
- Use on-line tools to plan for retirement income.
 - <https://www.tiaa.org/public/support/contact-us/consultations-seminars>
 - <https://www.ipers.org/retirees>
 - <https://www.lifeandretirement.aig.com/annuities>
 - <https://www.ameriprise.com/retirement/>

Six Months to One Year before Retirement

- Contact any past employers, including the military if applicable, to determine eligibility for other retirement income benefits.
- Contact the appropriate office(s) regarding retirement income and know the application process.

If you have TIAA

- Contact TIAA National Customer Service at 1-800-842-2252 for an estimate of your retirement income.
Or,
- Contact the TIAA national scheduling center at 1-800-732-8353 to schedule a meeting at the local TIAA Ames Office or use the Schedule Now feature in your ISU TIAA portal.

If you have IPERS

- Contact IPERS 1-800-622-3849 or use the on-line site to calculate your retirement income.
<https://ipers.org/members/calculators>

If you have AIG

- Contact an AIG agent at 1-800-448-2542 <https://www.lifeandretirement.aig.com/annuities>

If you have Federal Employees Retirement (FERS)

- Contact the University Human Resources at 515-294-4800, identify yourself as needing to talk about **FERS**.

Consider Social Security Income (SSI)

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

Three Months before Retirement

- Contact the ISU Benefits Consultant regarding eligibility to continue ISU insurance when retired, **completing necessary paperwork** for your choice of continuing **or** if dropping ISU insurance. This is especially important for those eligible for Medicare or approaching Medicare eligibility. **We can't stress enough that it is very important that prospective retirees be very proactive with learning about and preparing for Medicare enrollment.**
- Inform your supervisor or department head of your intention to retire. You, your supervisor or Human Resource Coordinator will need to enter your retirement date into Workday.
- Discuss with your department regarding use of vacation, vacation credit or earned compensatory leave time prior to retirement. Some employees may be required to forfeit unused vacation and vacation credit leave. For the rest, those hours will be paid out to you automatically when you retire along with up to \$2,000 of unused sick leave. The payout occurs on the last business day of the month after your retirement month.

Options:

- a) Have the payout paid directly to you (no form required) **OR**
- b) Consider sheltering the payout funds to a supplemental retirement account. This includes TIAA, Ameriprise and AIG. There needs to be a contract set up with the vendor you choose for the funds to be deposited when the payout arrives. The election does not avoid 100% of taxes. Contact the Fringe Benefit Accounting and Compliance Office, fbac@iastate.edu, with questions on your payout amount/options. **This must be completed by the 15th of the month in which you retire.**

Instructions on how to complete & submit Accrued Leave Payout Request:

https://iastate.service-now.com/uhr?id=kb_article_view&sys_kb_id=0eefaf41b38e510ba1d64e8bc4bcb39

- Contact any other financial institution where you have retirement savings such as TSAs, IRAs, Roth plans, or CDs to request retirement income details from those institutions.

After Retirement

- If not already completed, complete retirement income applications. The ISU Fringe Benefits Accounting and Compliance office handles notices to your retirement plan. If you have IPERS from 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. IPERS will advise you on their process.
- Keep ISU informed of address changes and phone number updates.

Impact of Retirement on your ISU Benefits

ISU Plan Medical/Prescription and Dental Insurance

If you have had ISU Medical/Prescription and/or Dental plan for **5 continuous years, immediately preceding retirement**, you may elect to continue the applicable ISU Plan insurance in retirement. A surviving spouse/partner, enrolled in the ISU retiree's plan at the time of the retiree's death, is allowed to continue on the insurance as a survivor.

With **under 5 years of ISU Plan participation**, a retiring employee would be offered COBRA to continue the ISU Plan for up to 18 months. However, if Medicare eligible, you may want to seek other coverage. Medicare has an 8-month Special Enrollment Period (SEP). You have 8 months or less after leaving active employer coverage to elect Medicare Part B (and D) without a penalty.

The ISU Benefits Office notifies the insurance companies of your status change from active to retiree or if dropping. Those that are continuing the ISU Plan after retirement pay premiums directly to Wellmark and/or Delta Dental to

continue coverage. Once you have received your first bill, consider setting up automatic payment with Wellmark and/or Delta Dental. The payment to Wellmark includes the portion for the required prescription drug plan. There is not a choice of prescription plans. It is either Express Scripts or Humana Medicare Part D PDP, dependent on the Medicare eligibility of those on the plan.

If you do not qualify to continue the ISU insurance in retirement or plan to enroll with other insurance, you should still contact the ISU Benefits Consultants to discuss your options, timing and paperwork for obtaining other coverage and to request a drop form.

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

Prescription Drug Coverage during Retirement: Express Scripts or Humana

If you are planning on continuing the ISU medical plan, you should not enroll in any individual prescription drug plan elsewhere. The ISU medical plan includes and requires the ISU group prescription benefit.

For those not yet eligible for Medicare and prior to the Medicare Part B effective date: The Express Scripts prescription drug coverage continues for those non-Medicare eligible, insured participants.

For those eligible for Medicare Part B: ISU Benefits Office staff assists with enrolling the eligible people in the ISU Group Medicare Part D. This Part D **custom** plan is through Humana. 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 Wellmark coverage.

Your Other Benefits after Retirement

Life Insurance : Coverage ends at the end of the month you retire. Continuation of the 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, it may be in your best interest to investigate the disability option prior to electing to retire. But, if your retirement date has not yet arrived and you become disabled prior to your last day, you may still apply for long term disability. Schedule an appointment with an ISU Benefits Consultant to discuss.

Flexible Spending Accounts: Eligible claims must be incurred by the last day of the month in which your contributions from ISU pay ends. You may extend the date to incur and claim expenses by choosing to continue contributions through COBRA. COBRA extends your eligibility to incur claims for each month you make a contribution. COBRA is not pre-tax and includes an administration fee. COBRA continuation ends on December 31st of the year you retire. You have until April 30th to claim the previous year's eligible expenses, dependent on the incurred date.

Avesis vision eyewear plan: Coverage ends at the end of the month of retirement. COBRA is the only continuation option available to retirees. If you have already used the Avesis benefit for the year, COBRA does not gain you additional benefits for the calendar year.

Medicare Information

Medicare Part A is coverage for hospital in-patient services. If you have in-patient services at a hospital, Medicare Part A processes your claim. The Medicare settlement is then electronically pulled by the Iowa Blue Cross Blue Shield Association, Wellmark, to continue the secondary coverage settlement. You will receive an explanation of benefits from Medicare and then from Wellmark.

Medicare Part B is medical coverage for clinic, out-patient hospital services and durable medical equipment. Also, rarely, some prescriptions are Medicare Part B eligible. The Medicare Part B premium 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. The medical or pharmacy provider would submit claims to Medicare first. The Medicare settlement is electronically pulled by the Iowa Blue Cross and Blue Shield Association, in most cases, to continue the secondary coverage settlement. You will receive an explanation of benefits from Medicare and then from Wellmark. <https://www.medicare.gov/your-medicare-costs>

Medicare Part D is for prescriptions from a pharmacy or by mail-order. Retirees electing to continue ISU medical insurance that are Medicare eligible must have the group Medicare Part D prescription drug coverage, this is our custom plan with Humana. No one continuing on our medical plan should enroll in any other prescription drug coverage. Read the next section carefully.

Income-Related Monthly Adjustment Amount (IRMAA): Medicare determines if those with higher income must pay an additional amount for Medicare B and D (even 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 in the year you are assessed IRMAA. 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): If Medicare/Social Security determines if a participant is eligible for the LIS for Medicare Part D, the ISU Benefits Office is notified by the Part D provider (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

After retirement and when eligible for Medicare, Medicare must be the primary insurance for those continuing on the ISU insurance. Your ISU Wellmark plan becomes your secondary coverage to Medicare.

For some services, you may need to insist on the filing to Medicare or file your own claim to Medicare. Some situations that may require this: a provider is not accepting or 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. Then the ISU plan can be applied to the remaining claim.

Avoid Costly Medicare Penalties

Delaying enrollment in Medicare can result in a lifelong penalty from Medicare for Part B and Medicare Part D Prescription Drug Plan. In addition, if a member of the 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 a late Medicare enrollment becomes effective.