

## **Retirement Benefit Checklist for ISU employees:**

- Employees, age 55 or older, who designate their resignation reason as “retirement” may be eligible for retiree benefits. (See years of participation rules for insurance on later pages)
- 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 on either mid-May, or December 31<sup>st</sup> of any year. Check with your department about the ability to retire during the summer months, June 30<sup>th</sup>, or July 31<sup>st</sup> or August 15<sup>th</sup>. Insurance ending dates are based on last month of earning, not necessarily pay.
- Have a confidential discussion about your possible retirement date plans with an ISU Benefits Consultant. Your last day of work has consequences related to insurance, taxes, and possibly Medicare. A discussion in advance can assist you in deciding on a date to retire and become familiar with the options for insurance after retirement, including, if eligible, the ISU medical/pharmacy and dental plans. See later pages for more specific benefits information. Call 515-294-4800 to schedule an appointment with your ISU Benefits Consultant.

### **Early - 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, formerly VALIC, see below.
- Attend a Retirement preparation session sponsored by ISU
- Use on-line tools to plan for retirement income.  
<https://www.tiaa.org/public/support/contact-us/consultations-seminars>  
<https://www.ipers.org/retirees/faqs>  
<https://www.lifeandretirement.aig.com/annuities>
- For those with other supplemental plans offered through ISU payroll deduction:  
<https://www.metlife.com/individual/investment-products/annuities/index.html#types>  
<https://www.ameriprise.com/retirement/>

### **One Year-Six Months before Retirement**

Contact the appropriate office(s) listed above for the type of retirement income you may have and when to begin the process for applying for obtaining funds.

#### **If you have TIAA**

- Contact the 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 your personal portal user ID and password in the TIAA system to schedule a meeting via the on-line reservations system:  
<https://www.tiaa.org/public/support/contact-us/consultations-seminars>

#### **If you have IPERS**

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

### **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)**

- If you are a FERS participant, 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/>

\_\_\_ Contact any past employers, including the military, if applicable, to determine eligibility for other retirement income benefits.

### **Four - Five Months before Retirement**

\_\_\_ Have a confidential discussion about your retirement date plans with an ISU Benefits Consultant. Your last day of work has consequences related to insurance, taxes, and Medicare now or in the future. See later pages for important specific benefits information. Call 515-294-4800 to schedule an appointment with an ISU Benefits Consultant.

\_\_\_ Optional: Consider discussing your plans to retire with your supervisor or department head.

### **One to Three Months before Retirement**

\_\_\_ Contact the appropriate office(s) regarding retirement income and know the application process.

\_\_\_ 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.

\_\_\_ 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 encourage everyone to be proactive in applying for Medicare.

- Discuss Medicare eligibility and the timing of retirement when you or a family member is Medicare eligible or is becoming Medicare eligible close to your retirement date.
- Obtain the Medicare Employment Information form for those on the ISU insurance eligible for Medicare.
- Obtain the ISU continue/drop and change forms
- Obtain the ISU Prescription Drug Plan application for those eligible for Medicare.

\_\_\_ If you haven't already, consider when to inform your department of your intent to retire. Once you are ready to inform your department, you may indicate you are retiring in your Workday portal. Retirees may indicate retirement in Workday, click on the cloud or your picture (if you added it) in the upper right corner of the home page. Click on "View Profile" directly under your name. The blue banner is now on the left border, click on the actions oval under your name and title. From the Actions menu, go to "Job Change" and click on "Resign". Enter your last day of work. The Primary Reason is Voluntary. Scroll to

the last choice listed on the drop down menu: “Worker Resignation>Voluntary>Retirement. You may attach a letter of resignation or make a comment and submit. This will immediately route to your supervisor.

\_\_\_ Talk to your department regarding use of vacation, converted or earned compensatory leave time, prior to retirement. Some employees may be required, by a previous letter of intent, to forfeit unused vacation time. For the majority, unused vacation/vacation credit time (formerly converted vacation) and up to \$2,000.00 of unused sick leave will be paid automatically when you resign with retirement as your reason. The payout is on the last business day of the month after your retirement month. For example, July retirees would get the payout at the end of August.

\_\_\_ Consider the possible option to shelter the payout funds to a supplemental retirement account (SRA). This would defer paying taxes on the payout. Anyone separating from employment (not just Retirees) can have their accrued leave sent to their retirement vendor of choice from the ISU approved vendor list. This includes TIAA, Ameriprise and AIG (Valic). There needs to be a contract set up with the vendor you choose, for the funds to be deposited when the payout arrives. The form should be completed and submitted before the 15<sup>th</sup> of the month of retirement. Contact [fbac@iastate.edu](mailto:fbac@iastate.edu) for the latest form and any questions.

You may choose to shelter a dollar amount or a percentage up to the maximum allowed by the IRS. If you elect 100% to an SRA, the election does not avoid 100% of taxes. The Medicare and FICA or OASDI taxes will be deducted.

### **After Retirement**

\_\_\_ Complete retirement income applications so income can begin, if not already completed. 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.

### **Important Benefits Specific Information Prior to Retirement & After Retirement**

**Please note: The years of continuous participation in ISU insurance required to qualify for the ISU Medical/Rx and Dental it is 5 years or longer.**

Life Insurance after Retirement: Active coverage ends at the end of the month you retire. Continuation of the ISU life insurance can be considered with conversion or portability. Make the call within 31 days of coverage termination. Continuation/portability are completed directly with Principal Financial. Call 800-986-3343. Select the “Person or Extension” option, then select the “Extension” option, then enter 44335# and finally, re-enter the extension 44335 again. Refer to account # 1116190.

Long Term Disability Insurance: the policy ends the day you retire. If you are considering retirement due to a medical condition, it is 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 a COBRA option. COBRA extends your eligibility to incur claims for each

month you make a contribution. But the COBRA option is not pre-tax and includes an administration fee. COBRA continuation ends on December 31<sup>st</sup> of the year you retire. You have until April 30<sup>th</sup> to claim the previous year's eligible expenses, dependent on the incurred date.

Avesis vision eyewear plan: Avesis 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.

### ***ISU Plan Medical / Prescription and/or Dental Continuing Coverage for Retirees***

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. Your spouse/partner may be insured on your plans, or may be added to your plan in retirement. The spouse/partner does not have the 5 year participation requirement. **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. If the ISU retiree would divorce or terminate a partnership, the ex-spouse or ex-partner will be offered COBRA coverage or must seek their own coverage elsewhere.

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 insurance change from active to retiree or if dropping. Those continuing the ISU Plan after retirement pay premiums directly to Wellmark and/or Delta Dental companies to continue coverage. 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. See "Paying for ISU Insurance Coverage" later in this document.

If you plan to drop the ISU Plan for other coverage, please see more details at the end of this document.

### ***IMPORTANT Medicare Part A, B and D Information for Retirees ~Avoid Costly Penalties ~***

\_\_\_After retirement and when eligible for Medicare, Medicare must be the primary insurance for those continuing on the ISU insurance. **Delaying enrollment in Medicare can result in a lifelong penalty** from Medicare. 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.

\_\_\_As mentioned previously, anyone on the ISU insurance, already Medicare eligible or soon to be, should discuss retirement timing with an ISU Benefits Consultant about enrolling in Medicare Part A (if not already enrolled) and also Part B. There is a special enrollment period (SEP) allowed by Social Security for upcoming retirees and dependents.

\_\_\_ Contact the ISU Benefits Office regarding the SEP Medicare Employer Information form. The ISU Benefits Office must complete the Medicare Information form. This is for any covered family member already eligible for Medicare while on the active employee's ISU insurance. The form lists:

the dates of active employment;  
if you or your Medicare eligible family members were insured;  
your last day of work and  
the date your ISU insurance changes from active to retiree coverage.

Medicare must be the primary insurance when you are Medicare eligible and not working or not covered by an active employee's insurance. Your ISU Plan becomes your secondary coverage to Medicare, if you elect to continue ISU coverage.

\_\_\_\_ Once you have applied for Medicare Part A & B, each Medicare participant should call the Medicare Coordination of Benefits department at 1-855-798-2627 a week or two before Medicare Part B is effective. The call verifies that Medicare is the primary coverage for the participant because of retirement. If you do not verify Medicare is the first insurance, Medicare may deny your initial claims, believing your ISU insurance is the primary insurance. The ISU insurance will deny because Medicare should be the first to pay. Allow 20 minutes or more for this call to be completed.

### ***More Medicare Part A, B and D Information***

Medicare Part A is Hospital 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. If you are enrolled in Part A before you retire, Part A becomes the primary hospital insurance on the first day you are a retiree.

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 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.

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.

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 it is a denial. Then the ISU plan can be applied to the remaining claim.

#### ***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). The ISU Benefits consultant provides the ISU Humana enrollment form. The form should be returned to the ISU Benefits Office early in the month prior to the member's Medicare Part B eligibility date. Medicare eligible people must be enrolled in the ISU group Humana PDP to continue with ISU Wellmark coverage.

### ***Paying for ISU insurance coverage***

- ✓ Once ISU reports your retiree insurance continuation in the insurance companies, the direct billing process will begin.
- ✓ If you continue dental insurance, Delta Dental will send you a bill for the coverage. Once the first bill arrives, you may contact Delta Dental about the payment options, paying by check each month or arranging for the automatic withdrawal using Delta's form.
- ✓ If you continue medical insurance, Wellmark will send you a bill for the coverage. Once the first bill arrives, you may contact Wellmark about the payment options, paying by check each month or arranging for the automatic withdrawal using Wellmark's form.
- ✓ You **will not** be billed by Express Scripts or Humana for the prescription portion of your ISU coverage. Wellmark collects the whole premium. The premiums you pay are deposited in the ISU "retiree pool". ISU uses the retiree pool to then pay Express Scripts and/or Humana and Wellmark for your combined prescription/medical plan premiums and claims.
- ✓ Paying the 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 adjusted gross income 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 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.

### ***Ending insurance coverage with ISU***

\_\_\_ 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. The ISU Benefits Consultants will contact the ISU insurance providers to end the active employee coverage once the paperwork is submitted. 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.

\_\_\_ **Delaying enrollment in Medicare can result in a lifelong penalty** from Medicare for Part B and Medicare Part D Prescription Drug Plan.