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 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. Insurance ending dates are based on last month of earning.

**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 the ISU
- Use on-line tools to plan for retirement income.
  - [https://www.tiaa.org/public/support/contact-us/consultations-seminars](https://www.tiaa.org/public/support/contact-us/consultations-seminars)
  - [https://www.ipers.org/retirees/faqs](https://www.ipers.org/retirees/faqs)
  - [https://www.valic.com/home](https://www.valic.com/home)
- For those with other supplemental plans offered through ISU payroll deduction:
  - [https://www.metlife.com/individual/investment-products/annuities/index.html#types](https://www.metlife.com/individual/investment-products/annuities/index.html#types)
  - [https://www.ameriprise.com/retirement/](https://www.ameriprise.com/retirement/)

**One Year before Retirement or When Your Retirement Date is a Couple of Months Away**

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](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.

**If you have AIG**

Contact an AIG agent at 1-800-448-2542 [https://www.valic.com/home](https://www.valic.com/home)
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/](http://www.ssa.gov/onlineservices/)

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

- 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 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 an ISU Benefits Consultant.

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

Three to Four Months before Retirement

- Contact the appropriate office from page 1 regarding retirement income to begin the application process. For TIAA, specify your retirement date and the income options.

- 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.

One to 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 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 will indicate you are retiring in your Workday portal. This should be completed before your last day. Click on the cloud or your picture (if you added it) on the upper right corner, and click on “View Profile” directly under your name. The blue banner 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 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 15th of the month of retirement. 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. See contact information listed on page 1. 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 the 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 Retiree Life Insurance is 10 years up to your retirement date. For ISU Medical/Rx and Dental it is 5 years.

**Life Insurance after Retirement:** Active coverage ends at the end of the month you retire. If you are age 55 or older and if you have been enrolled in the basic life insurance plan for 10 continuous years or more up to your retirement date; the University will continue a $4,000 term life policy for you. Beneficiary designations may be updated during retirement and should be reviewed periodically. Without 10 years, a continuation application is available. For additional life insurance you may have through ISU, portability papers are sent. Continuation/portability are completed directly with Principal Financial. Beneficiary forms should be updated prior to and during retirement, as needed.

**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 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: Avesis ends the month following 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. The ISU Plan penalty continues until a late Medicare enrollment is effective.

___As mentioned on page 3, anyone on the ISU insurance, already Medicare eligible or soon to be, it is good to discuss retirement timing with an ISU Benefits Consultant for 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 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.

Each Medicare participant should also call the Medicare Coordination of Benefits department at 1-855-798-2627 a week or two before the effective date for Medicare Part B. This call is to verify that Medicare is the primary coverage because of retirement. If you do not make the call, Medicare may deny initial claims, believing Wellmark is the primary insurance. 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. 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 that are not Medicare Part B eligible. 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.

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 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. 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. (See page 4)