

Thinking About Retirement

CONTINUATION OF BENEFITS INTO RETIREMENT

If having passed your sixtieth birthday as of retirement, and you have at least fifteen years of continuous participation in the medical plan immediately preceding retirement (for those hired prior to July 1, 1984, ten years of continuous participation is required), **or**

Your sixtieth birthday has not occurred as of retirement, and you have at least twenty-five years of regular full-time employment and ten years of continuous participation in the medical plan immediately preceding your date of retirement.

Having satisfied the preceding requirements, you may continue the following benefits:

Group Term Life Insurance

If you were employed on or before April 30, 1954, you may continue all of your insurance up to a maximum of \$10,000 provided you make the required contributions.

If you were employed on or after May 1, 1954, you may continue a maximum of \$5,000 at no cost to you.

You may convert the amount, by which your term life insurance is reduced at retirement, to an individual policy. Contact an agent of the Prudential Insurance Company.

Health Care

You may continue health care benefits (for dental and/or vision see below) or if over age 65, the University Medicare Supplement for yourself and your eligible dependents. You will be billed by the University on a semiannual basis when contributions are applicable. Healthcare costs are billed at the regular rate for the current medical plan.

Maintenance Prescription Drug Plan will continue for retirees if the retiree meets the requirements to continue benefits.

The following coverages terminate when an individual retires:

Dental (unless picked up under COBRA for maximum coverage period of 18 months,
for which full rates will be charged)

Vision (maybe carried under COBRA for a maximum coverage period of 18 months,
for which full rates will be charged)

VADD (Voluntary Accidental Death and Dismemberment Coverage)

During the last working month, make an appointment with Employee Benefits, to go over your health care benefits, beneficiaries, etc. Contact Employee Benefits Office, Box 30 Rider Building, University Park, 814/865-1473.

Responsibility of Individuals as They reach Age Sixty-Five

Federal requirements require that the University provide active employees and/or their spouses age 65 and over the opportunity to elect either University coverage or Medicare as primary insurer. It is your responsibility to notify the Employee Benefits Division when you or an eligible dependent reach age sixty-five so that you may make your election. This office will assist you in making an informed decision relative to your personal situation. To enroll in Medicare you should contact the local Social Security office three months before reaching your sixty-fifth birthday

When you retire and are eligible to continue benefits into retirement, Medicare will be the primary insurer with the University Medicare Supplement paying some of the bills not paid by Medicare.

RETIREMENT ANNUITY

A faculty or staff member who is leaving University employment should contact one of the following offices regarding possible retirement benefits or the withdrawal of contributions.

State Employees' Retirement System - Contact the SERS Counseling Center at 814-863-6505, or call toll free 800-633-5461 to receive the current location and local telephone number of your regional SERS Retirement Counseling Center.

Teachers Insurance and Annuity Association - Contact TIAA at 730 Third Avenue, New York, NY 10017, or call toll free 1-800-842-2776

Federal Civil Service Retirement System - Contact Kim Evancho, 307 Agricultural Administration Building, University Park, PA 814/863-3452 or mke2@psu.edu.

In certain instances, retirement credit is portable and may be transferred to the retirement system of the new employer. If the faculty or staff member who contributed to the State Employees' Retirement System (SERS) is accepting a job with an agency of the Commonwealth of Pennsylvania, contributions may not be withdrawn when leaving the University. Likewise, if the faculty or staff member has contributed to TIAA and is accepting a position with an institution which has TIAA retirement, contributions may not be withdrawn when leaving Penn State.

It generally takes from four to six weeks following the termination date for contributions to be refunded or for an annuity to begin.

The following is for individuals on Civil Service Retirement System (CSRS).

Your annuity for CSRS begins the next day if your last working day is the last day of the month or the first or second day of the month. If your last working day is any other day in the month, your annuity would not start until the first of the following month.

Your Spouse and a Notary Public must sign the retirement forms if you elect less than the maximum survivor benefit of 55%.

In order to assist you in planning for your retirement, annuity estimates will be calculated and sent to you at your request.

During the last working month, make an appointment with Kim Evancho to complete and sign the CSRS retirement annuity forms.