






## **A GUIDE TO RETIREMENT FOR SALARIED (FACULTY, PROFESSIONAL, ADMINISTRATOR) EMPLOYEES**

This guide has been prepared to provide salaried employees with some of the resources available for retirement planning and to provide salaried employees who have made the decision to retire with a timetable and guide to the paperwork involved. Please contact your Campus Benefits Office if you would like additional information. This guide describes policies, procedures, and services in effect as of the date of publication. All information and University policies stated are subject to change.

### **PLANNING FOR RETIREMENT**

The System Office of Human Resources conducts planning for retirement programs on several campuses each year. Various topics related to retirement are included in this half-day program. All employees age 45 and older and their spouses or partners are invited to attend. Where space permits, employees age 40 or older are invited.

You can request estimates of retirement benefits from TIAA-CREF, ING, Fidelity, or VALIC by contacting the vendor directly:

-  TIAA-CREF 1-800-842-2776
-  ING Retirement Services 1-800-262-3862
-  Fidelity Investments 1-800-343-0860
- VALIC 1-800-892-5558 (Ext. 89272)

Employees participating in the University of Maine System Retirement Plan for Faculty and Professional Employees, which includes TIAA-CREF, ING, Fidelity, and VALIC, are 100% vested for their own contributions regardless of their date of hire. All salaried employees hired December 31, 2009 or earlier are also 100% vested in University matching contributions. Represented and non-represented faculty (excluding Law Faculty) hired on or after January 1, 2010 continue to be 100% vested in their contributions as well as the matching University contributions. Represented and non-represented salaried employees (including Law Faculty) hired on or after January 1, 2010 continue to be 100% vested in their contributions, but must complete five (5) years of service in order to be vested in the University matching contributions.

The Social Security Administration no longer sends an annual summary of benefits to your home. You may contact your local Social Security office for further information about that plan. You may also obtain a retirement benefit estimate, complete applicable retirement forms, or simply review your personal information and credited earnings history by accessing Social Security services on line at [www.socialsecurity.gov](http://www.socialsecurity.gov)

## RETIREMENT POLICY

There is no mandatory retirement age at the University of Maine System. For employees who choose to work beyond their 65th birthday, basic and supplemental life insurance coverage continues, but at the reduced rate of 65% of the previous level of coverage. This reduction is in accordance with applicable law. Employees who reach age 65 and who continue in employment may also continue to participate in the University health, dental, vision, and disability plans. Spousal or eligible domestic partner and child life insurances are not reduced at age 65; however, spousal or eligible domestic partner coverage ceases when they reach age 70. Basic and supplemental accidental death and dismemberment (AD&D) coverage continue but are reduced at age 70 for employees who continue to work.

Employees are eligible to retire if they are at least age 55 with at least 10 years of continuous full-time regular equivalent service immediately preceding retirement from the University or meet the specific requirements of the retirement plan in which they participate. This includes:

- \* Participants in the Civil Service or Federal Employees retirement plan (CSRS or FERS) who retire when they meet age and service requirements to be eligible to receive pension benefits.
- \* Former employees who are receiving long-term disability benefits when the disability continues until the applicable retirement age.

## INCENTIVE RETIREMENT PLAN (IRP)

The **Incentive Retirement Plan (IRP)** is available to salaried employees who are participants in the University of Maine System Retirement Plan for Faculty and Professional Employees, who are at least age 55 years old with at least 10 years of continuous full-time regular equivalent service immediately preceding retirement from the University, and who were employed before July 1, 1996 (for represented and non-represented faculty, excluding Law Faculty), or July 1, 2006 (for represented and non-represented professional employees, including Law Faculty). The University makes a lump sum payment to TIAA-CREF, ING, Fidelity, or VALIC equaling 1.5% of final annual base salary for each completed year of continuous regular University service (up to a maximum of 27 years).

This program is available to eligible employees enrolled in the Civil Service Retirement System (CSRS) and TIAA-CREF or Alternate Approved Vendors. The lump sum payment will be calculated using final annual base salary as explained above.

For employees who have Benefits Regular (BR) status, Shared Appointments (SR), or participate in the University's Partial/Phased Retirement Program (PPRP), the actual annual base salary is converted to the full-time equivalent annual base salary for lump sum payment purposes.

Former hourly employees who become salaried employees are eligible for the Incentive Retirement Plan, provided the employee has at least 10 years of continuous full-time regular equivalent service immediately preceding retirement. The lump sum payment will be calculated at 1 ½% times years of continuous regular service immediately prior to retirement (up to a maximum of 27) times retiring annual base salary.

A more detailed summary of the IRP and the application form are available at the University website - <http://www.maine.edu/system/hr/retplan.php>

## **PARTIAL/PHASED RETIREMENT PROGRAM (PPRP)**

The **Partial/Phased Retirement Program (PPRP)** is available to full-time represented and non-represented faculty, professional, and administrative staff who are at least 55 years old with at least 10 years of continuous full-time regular equivalent service, or whose age plus length of service totals 73 or more. This program offers eligible employees the opportunity to reduce their workload prior to retirement while retaining the same health and retirement benefits as full-time employees. More information about the PPRP and the application form are available at <http://www.maine.edu/system/hr/retplan.php>

## **WHAT TO DO AFTER MAKING THE RETIREMENT DECISION**

1. At least 90 days prior to the date you expect to retire, advise your department chairperson or director in writing and request that the appropriate departmental paperwork be completed and submitted to the Campus HR/Benefits Office.
2. If you are retiring under the University's Incentive Retirement Plan (IRP), complete the application form and forward to the department chairperson or supervisor for review.
3. At least 45 days prior to when you wish to receive your first retirement check, contact TIAA-CREF, ING, Fidelity, or VALIC directly advising them of your anticipated retirement date and requesting that a retirement packet be sent to you.
4. Check on continuation of health and/or dental insurance at least one month prior to your retirement (see below).

Employees who will be 62 or older when they retire, and widowed employees at age 60, should also contact the local Social Security office to obtain forms for payment of Social Security benefits. An original copy of the birth certificate (photocopies are not acceptable), marriage certificate, military discharge papers, if applicable, and W-2 forms for the last year, are needed in order to apply for benefits. Social Security retirement benefits are not payable before age 62, except for widowed persons and children's allowances.

Social Security retirement benefits begun prior to age 65 are paid at a permanently reduced rate, except under certain conditions. Eligibility for full Social Security retirement benefits varies between ages 65 and 67, depending on your year of birth.

5. If you are a former hourly employee who became a salaried employee on or after July 1, 1998, you may have a retirement benefit available to you under the University of Maine System Retirement Plan for Classified Staff (formerly the Non-Contributory Retirement Plan). Please check with your Campus Benefits Office for that determination and application form.

## **CIVIL SERVICE RETIREMENT SYSTEM (CSRS) OR FEDERAL EMPLOYEES RETIREMENT SYSTEM (FERS)**

Contact Patti McPheters at the University of Maine Cooperative Extension, 105A Libby Hall, Orono, Maine 04469 (telephone 581-3189) for information regarding these plans.

## **UNIVERSITY HEALTH AND DENTAL INSURANCE**

At least four weeks before your retirement date, notify the Campus Benefits Office, in writing, about whether you wish to continue health and/or dental insurance coverage under the University's group plan for yourself and any eligible dependents. If you are over 65 years of age when you retire, you will pay 7%, 10%, or 15% of the individual health premium (based on your years of University service) and one-half (50%) of the premium for dependent health coverage. If you are under 65 years of age when you retire, you must pay the total monthly health premium until you attain age 65 and become Medicare eligible.

If you elect to retain dental insurance as a University retiree, you must pay the total monthly dental premium for individual as well as any dependent coverage.

You may elect to have the applicable health and/or dental premiums withheld from a checking or savings account.

## **GOVERNMENT MEDICARE**

Medicare A (hospitalization) and B (physician/out-patient) coverage is generally available upon attainment of age 65. If you wish to continue the University's health coverage as a retiree, the University **REQUIRES** that you and your spouse or eligible domestic partner enroll in **BOTH** parts A & B of the Government Medicare program when you are first eligible as a retiree.

## **RETIREE HEALTH COVERAGE OPT OUT & RE-ENROLLMENT PROVISION**

Effective April 1, 2008, retirees have a one-time option to cease coverage under the University retiree health plan with an opportunity to re-enroll in the plan, provided that the election to re-enroll occurs no later than ninety (90) days after the retiree becomes eligible for Government Medicare and the retiree can document that they had continuous health coverage for him/herself and any eligible dependents who will be enrolled during the entire opt out period.

For more detailed information on the University's retiree health coverage, premium policy, opt out and re-enrollment provision, and frequently asked questions, please visit <http://www.maine.edu/system/hr/hnwellretirees.php>

## **UNIVERSITY LIFE INSURANCE**

University group term life insurance terminates at the end of the month in which your retirement is effective. You have 31 days from that date to convert your basic life, supplemental life, spousal/domestic partner, and child life insurance from the University's group policy to an individual (personal) policy without needing to complete an Evidence of Insurability form. A notice will be sent to you providing contact information for the University's group life carrier.

## **WHOM TO CONTACT WITH PROBLEMS AFTER RETIREMENT**

Health insurance questions should be directed to Anthem Blue Cross and Blue Shield using the customer service number on your health ID card; dental insurance questions should be directed to CIGNA using the customer service on your dental ID card; and health and dental premium payment questions should be directed to EBPA at 1-800-278-7298. The System Office of Human Resources should be contacted for assistance if you are

unsuccessful in resolving problems with Anthem CIGNA, or EBPA after retirement.

### Non-Discrimination Notice

In complying with the letter and spirit of applicable laws and in pursuing its own goals of diversity, the University of Maine System shall not discriminate on the grounds of race, color, religion, sex, sexual orientation, including transgender status and gender expression, national origin, citizenship status, age, disability, genetic information or veterans status in employment, education, and all other areas of the University System. The University provides reasonable accommodations to qualified individuals with disabilities upon request.

Questions and complaints about discrimination in any area of the University should be directed to the Director of Equity and Diversity for the University of Maine System, who can be reached at (207) 973-3372 (voice) or (207) 973-3300 (TDD), 16 Central Street, Bangor, Maine 04401.

The University of Maine System is committed to providing access to people with disabilities. To request an accommodation to be able to participate in this program, contact the Campus Benefits Office.

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