

Important News for University Employees

Special Retirement Incentive & Retiree Health Insurance Policy Changes July 1, 2010

Special Retirement Incentive Available Until August 31, 2010¹ For Part-Time Faculty

The University of Maine System is pleased to offer a time-limited, \$5,000 retirement incentive program for Part-Time Faculty. Our records indicate you may be eligible to participate in the program should you wish to do so. Eligible employees are those who are age 60 or older and have earned 40 or more service units as of their date of retirement, on or before August 31, 2010¹ for Academic-Year Appointments. *A unit member who receives the retirement incentive is not eligible for rehire by the University of Maine System.*

Eligible employees may choose to take the incentive as a one-time lump sum payment of \$5,000 or a retiree health insurance** benefit. If you elect the \$5,000 payment, you may choose either to contribute this amount to a retirement account or receive the payment as taxable income. If you elect the retirement incentive in the form of a retiree health insurance** benefit, you may select one (1) of the following three (3) options:

1. Eighteen (18) months of single health coverage at active employee rate, OR
2. Nine (9) months of 2 person health coverage at active employee rate, OR
3. Seven (7) months of family coverage at active employee rate.

Part-time faculty are eligible for the University's Medicare supplement health insurance **only if they retire at age 65 or older. If you accept this incentive and retire prior to age 65, you will not be eligible for retiree health insurance beyond the period of the health insurance incentive (if you select that option) plus 18 months at your expense under the COBRA law. Consult with your campus HR benefits staff for information about eligibility and coverage periods for health insurance after you leave University employment.

If you are age 65 or older at the time you retire and elect the retiree health insurance benefit rather than the one-time lump sum payment, the subsidy extends only for the periods stated above. Coverage thereafter will be in accordance with University policy for retiree health insurance in effect at that time.

To receive the incentive, you must notify your supervisor and the university Human Resources office in writing by May 28, 2010 of your intent to retire between April 23, 2010 and August 31, 2010¹ for Academic-Year Appointments. You must then submit an Election Form to indicate how you would like to receive the incentive. **The [Election Form](#) must be submitted to the Office of Human Resources 30 days prior to your retirement date.** For your convenience, you may use the following template to submit your notice of intent to retire. Once your supervisor has signed the form, forward to your [Office of Human Resources](#).

See Other Side for Important Changes to Retiree Health Insurance Policy

Notice of Intent to Retire

Employee Name: _____ Employee ID: _____

Department: _____ Bargaining Unit: _____

I will be retiring on _____ [last day at work, no later than June 30, 2010 for Fiscal Year Appointments or August 31, 2010 for Academic Year Appointments]. Please consider this my official notice of intent to retire. This form must be received by the Human Resources office by May 28, 2010.

Employee Signature

Date

Supervisor Signature

Date

¹ Deadline for fiscal-year appointments is June 30, 2010

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Retiree Health Insurance Policy For Part-Time Faculty

Please note that if you are under age 65 at the time you retire and elect the retiree health insurance benefit rather than the one-time lump sum payment, there is no option to continue the retiree health insurance benefit beyond the stated periods above regardless of your age at that time. If you retire before 65, regardless of which incentive option you take, you will not be eligible for retiree health beyond the benefit period and COBRA.

If you are age 65 or older at the time you retire and elect the retiree health insurance benefit rather than the one-time lump sum payment, the subsidy extends only for the periods stated above. Thereafter, the retiree policy in effect at that time will be applicable.

Important changes to retiree health coverage for employees who retire on or after July 1, 2010 (August 31, 2010 for Academic Year Appointments) will affect premium amounts and eligibility to participate in the retiree health plan: Under the *current* UMS retirement health plan policy, the University pays 100% of the retirees' premium and 50% of any dependent premium when a retiree with 10 or more years of continuous, regular, full-time equivalent service reaches age 65. In 2007, the Board of Trustees approved a change in the retiree health plan for retirements that take effect on or after July 1, 2010. ***Eligible employees who retire on or after July 1, 2010 (August 31, 2010 for Academic Year Appointments) and who wish to participate in the retiree health plan*** will pay a portion of the individual premium. The percentage of the individual rate paid by employees who retire on or after this date will range from 7% - 15% depending on length of service. There will be no change in the premium for any eligible dependent(s).

Employees who participate in the special incentive program will not be affected by this policy change.

This notice includes information about current and future policy regarding retiree health insurance. Policies regarding retiree health insurance, including eligibility, coverage and premium contributions are subject to change in the future and could affect existing retirees.

If you are interested in learning more about the retirement incentive or retiree medical benefits, please contact your [Office of Human Resources](#).

