

## RETIREMENT PROCESS GUIDELINES

(Rev 6/2009)

### **Retirement Eligibility:**

1. Early Age Service Retirement resulting in reduced annuity = age 55 with 5 or more years of service or any age below 50 with 30 or more years of service.
2. Normal Age Service Retirement with full annuity = age 65 with 5 or more years **or** age + years of service = 80 (rule of 80) and have at least 5 years of service.
3. Rehire after retirement – Must have a full calendar month break before returning with any TRS or ORP employer. A TRS retiree can return to work 50% or 20 hours a week each month or 100% for no more than 6 months a school year. Phased retirement applies to tenured faculty only (see UPPS 04.04.51). If retired before 01/01/01, a retiree may return to work without restrictions. This applies to both ORP and TRS retirees.
4. Payments - Annuities are paid on the first of the month for the preceding month.

### **Retiree Insurance Eligibility:**

1. Eligible for interim insurance if 55+ with 10 years of creditable service with TRS, ORP or ERS or any combination of these three retirement programs. This insurance is purchased through the Group Benefit Plan (GBP). Retirees pay the total actuarial cost. It is recommended that these retirees purchase COBRA first, because it is much lower in cost. See [ERS](#) for more details.
2. Eligible for retiree insurance if meet the rule of 80 or is 65+ with 10 years of creditable service with TRS, ORP or ERS or any combination of these three retirement programs.
3. If hired in a school district prior to 09/01/01, the employee can have 7 years in TRS insurance program and 3 years in GBP insurance program to qualify for retiree insurance through GBP. Must retire under GBP employer.
4. If employee is at least 65, he/she should contact Social Security to inquire about Social Security and Medicare benefits at 1-800-772-1213. Retiree must apply for Medicare Part B. BCBS-Health Select will pay claims as if they have Part B. Medicare is primary unless the retiree returns to work at least 50% after retirement.
5. Employee must apply for retiree insurance benefits with their last employer.
6. If a retiree returns to work at least 50% FTE, (s)he may choose to enroll in insurance as an active employee.
7. Insurance options available to retirees –
  - a. Health insurance for retiree and dependents (either as interim or retiree insurance as stated in numbers 1 and 2 above) (out-of-area when they reach age 65 on HealthSelect only. HMOs stay the same.)
  - b. Dental insurance for retiree and dependents
  - c. Dependent Life of \$2,500
  - d. Basic Life of \$2,500
  - e. Optional life at 1 or 2 x annual salary. These premiums increase as the age increases and the coverage decreases after the retiree reaches age 70.
  - f. If letter “e” above is not chosen, can choose a \$10K policy for a premium of \$23.40/mo. This premium and the coverage do not change over the years.
8. Insurance enrollment for retirees meeting rule of 80 or are 65+ years of age with 10 years of creditable service with TRS, ORP or ERS.

- a. Open enrollment occurs for 30 days after the retirement date. No evidence of insurability (EOI) is required.
9. Insurance enrollment for retirees that retire before age 65 – directly from active employment, but do not meet the rule of 80.
    - a. Open enrollment choices are effective the first of the month following the retiree’s 65<sup>th</sup> birthday. No EOI required.
  10. Insurance enrollment for retirees that retire before age 65 – retired from a non-contributing status. For example, if Jane leaves employment at age 55 with 10 years of service then later retires at age 60 with a reduced annuity, at age 65 she would be eligible for the retiree insurance after a 90 day waiting period.
    - a. Open enrollment choices are effective the first of the month following 90 days after the retiree’s 65<sup>th</sup> birthday. No EOI required.
  11. For numbers 8, 9, and 10 above
    - a. Retirees will have an annual enrollment period each summer. EOI is required.
    - b. At either time, retirees can drop dependents or add dependents.
    - c. Retiree’s insurance will be handled directly by ERS once they are retired.

**Check-out Process:**

1. TRS Retiree:
  - a. Follow the retiree checklist on the [HR website](#).
  - b. Complete the [TRS 18](#) Form six months prior to retirement for an estimate of retirement benefits.
  - c. This will trigger TRS to mail a retirement packet to the employee’s home.
  - d. Submit the TRS 7 Notice of Final Deposit to Human Resources. The TRS 7 is in the retirement packet.
2. ORP Retiree:
  - a. Follow the retiree checklist on the [HR website](#).
  - b. Submit an ORP Termination Form to Human Resources.
  - c. Contact ORP carrier and/or ORP representative to receive distributions from the ORP account(s).
3. Prior to retirement (TRS & ORP retirees):
  - a. One Month Prior - Contact Human Resources Benefits office to complete appropriate forms
    - i. ERS Retiree Insurance Enrollment Form (if eligible)
    - ii. ERS GBP Supplemental Information Form (if the employee is 65 or over, they will report Medicare and other supplemental insurance information on this form)
    - iii. Automatic Withdrawal of GBP Insurance Premium Form (to have insurance premiums automatically withdrawn from their bank account)
    - iv. TexFlex Reimbursement Account Form – If enrolled, retiree can have the contributions for the remainder of the year deducted from the final paycheck and can continue to use the plan through 08/31 of that fiscal year.
    - v. Sick Leave Pool Request/Donation Form (voluntary) – The retiree can donate sick leave at retirement, but cannot get it back unless they come back to work within 12 months.
  - b. Two Weeks Prior –
    - i. Employee notifies supervisor of retirement date.
    - ii. The department completes the Separation Checklist forms and separation PCR.
    - iii. The department notifies HR and Payroll of the retirement via e-mail.

Note: Lump sum vacation payments do not have retirement deducted.