



Human
Resources

Oklahoma State University Retirement Planning Guide

January 2017

Helpful Contact Numbers

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<p>Emeriti Association Oklahoma State University Conoco Philips Bldg.201 Suite 102 Stillwater, OK 74078</p>	<p>(405) 744-5263</p>
<p>Health Care Information BlueCross BlueShield of Oklahoma Claims Mailing address: P.O. Box 3283 Tulsa, OK 74102</p>	<p>(877) 258-6781 <i>www.bcbsok.com/OSU</i></p>
<p>Life Insurance Liberty Mutual PO Box 7212 London, KY 40742</p>	<p>(800) 837-5254 <i>www.mylibertyconnection.com</i></p>
<p>Oklahoma Teachers' Retirement System 2500 North Lincoln Boulevard Oklahoma City, OK 73105 OTRS Mailing Address: P O Box 53524 Oklahoma City, OK 73152</p>	<p>(877) 738-6365 <i>www.trs.state.ok.us/</i></p>
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<p>TIAA Retirement Benefits 730 Third Avenue New York, NY 10017</p>	<p>(800) 842-2776 <i>www.tiaa.org/okstate</i></p>

Contents

Introduction.....	1
Thinking About Retirement?	2
OSU Retirement Requirements.....	3
OSU Notification of Retirement	4
Health Care Coverage Options	6
Other Benefit Options	9
Special Retiree Opportunities	11
Oklahoma Teachers' Retirement System.....	12
TIAA.....	14
Social Security and Medicare	15
Returning to Work	16
Appendix.....	18

Introduction

Many of us look forward to the time when we can retire. As the day draws near, we are faced with important decisions about pending retirement. This guide will help you understand the procedures and the decisions about your retirement and other benefits.

The purpose of the *OSU Retirement Guide* is to simplify and condense information relating to retirement, including health care and life insurance benefits and to aid you in completing the paperwork. The retirement checklist (Exhibit I) can be used as an organizer to help make the retirement process a positive experience.

OSU Benefits will be glad to assist you in your retirement. If you have any questions, please do not hesitate to contact us at osu-benefits@okstate.edu or (405) 744-5449.

In addition, OSU Benefits offers monthly small group retirement sessions. If you have questions or would like an overview of the retirement process, you may enroll in a session by calling (405) 744-5449 or e-mailing us at osu-benefits@okstate.edu.

When you retire, you will make very important financial decisions. Although OSU Benefits does not administer benefits for OTRS, TIAA, Social Security and Medicare, we have included information about these programs in this guide for your convenience. When acting on this information, please contact the respective agency as they are the authoritative source. A telephone and address directory for the various agencies is located in the front of this guide to aid you in making your contacts.

We recommend that you evaluate the options carefully, especially the tax consequences of the various options. You may wish to consult with your tax accountant or financial planner to advise you concerning these decisions.

OSU Benefits considers retirement inquiries confidential until you advise our office that you have notified your department of your retirement.

OSU Benefits developed this information for the convenience of OSU employees. It is a brief interpretation of more detailed and complex materials. If further clarification is needed, the actual law, policy and contract should be consulted as the authoritative source.

Thinking About Retirement?

Wonder what your retirement income might be? Check out the Social Security, TIAA and OTRS websites for estimates of retirement income.

TIAA Website - www.tiaa.org/okstate - log in to your account for a retirement projection.

OTRS Website – myotrs.trs.ok.gov – log in and select *Estimate from the OTRS Membership* menu option. Complete the information to estimate your monthly retirement benefit for selected dates. For an official calculation, complete and submit a Pre-Retirement Information Verification form to OTRS.

Social Security Administration - www.ssa.gov/estimator - ask how to plan your retirement, calculate benefits and apply for retirement benefits. Calculations are based on your actual Social Security earnings record.

How to Retire Seminars - held on the Stillwater campus, the *How to Retire* seminars give you important information regarding decisions you will have to make. Seminars are held each month in 106B Whitehurst from 3:00-4:00pm. To find the schedule of the monthly *How to Retire* Seminars and download the *OSU Retirement Guide*, check out <http://hr.okstate.edu/benefits/retire>.

OSU Retirement Requirements

If you meet the criteria below as of the last day of your continuous regular employment with OSU, you will be considered an OSU retiree.

1. You are at least age 62 and have at least ten continuous regular years of service at OSU, or;
2. You worked at OSU for at least 25 years in a continuous regular appointment, no matter what your age, or;
3. You meet the OTRS guidelines for the “Rule of 80” or “Rule of 90” (age plus years of OTRS membership). “Rule of 80” applies to employees joining OTRS prior to July 1, 1992. For those joining OTRS after June 30, 1992, the “Rule of 90” applies. For those hired after November 1, 2011 “Rule of 90” requires your age to be at least 60.

If you are faculty, an academic year represents an entire year of service. Most staff positions have a 12-month appointment. In this case, you complete a year of service 12 months from the first day of work. You can determine your continuous regular years of service using the above guidelines that apply to your work history. Breaks in service, except for approved leaves, may establish a new continuous regular employment date.

It is possible to be an OTRS retiree, but not meet the OSU retiree criteria listed above. In such a case, the employee is considered a separated employee and is not eligible for OSU retiree benefits, including the opportunity to continue health insurance through the University. The *Employment Personnel Action Form (EPAF)* should show “separation” from OSU not “retirement.” TIAA withdrawal options are dependent on separation of employment and do not require OSU or OTRS retirement.

Retirement from OSU makes you eligible for certain benefits, including \$6,000 term life insurance coverage, as well as continuation of OSU email. These and additional benefits (page 11) are provided at the discretion of the offering organization and may be changed without prior notice.

OSU Notification of Retirement

Resignation and Employment Personnel Action Form (EPAF)

At least 90 days prior to your retirement date, submit a letter of resignation to your supervisor. Make sure your department prepares an EPAF that includes the following information:

- Date of your last active workday;
- Estimated amount of accrued unused sick leave hours;
- Estimated number of accrued unused annual leave hours, not to exceed 176 hours (22 days);
- Any other pay that is due (comp time, salary deferrals).

Please tell your department it is very important for your EPAF to be completed and processed 90 days in advance of your retirement date. A delay could cause a delay or loss of benefits. If your department has questions about how to complete the form, especially if it is several months in advance, request that they contact OSU Benefits at (405) 744-5449.

Annual and Sick Leave

Remind your department to estimate annual and sick leave through your last day of work. Should you use more or less annual and/or sick leave than estimated, a correction EPAF can be completed closer to your last day of work. Leave is earned each month through being in paid-status for at least 50% of the month, if you are paid monthly. If you are paid biweekly, leave is earned if you have an active assignment and are in paid-status for at least 50% of the biweekly pay period. Whether you are an OSU retiree or just separating from the University, you have several options to consider concerning unused leave accumulations.

Up to two years of accrued annual leave can be accumulated by staff employees while employed at OSU. Only one year's accrual can be paid in a lump sum at separation. This amount is usually included in your last paycheck. Any leave in excess of one year's accumulation is forfeited. You may wish to monitor your leave on *Self Service Banner* for several months prior to retirement to avoid forfeiting annual leave. If you have annual leave in excess of one year's accrual, you need to discuss your plans to use excess annual leave with your department prior to your last day of work.

Faculty annual leave, when applicable, is maintained by the department, rather than by Human Resources. If you think you have accrued annual leave, please discuss your recorded leave with your department head.

OSU does not pay employees for unused sick leave. However, if you are an OTRS member, unused sick leave and/or extended sick leave reported on the EPAF will be reported to OTRS. Most retirees who have accrued 960 hours (120 days) by the last day of work will receive one year of credit toward their OTRS retirement. OSU cannot guarantee that OTRS will grant a year of credit for sick leave.

If OTRS does not allow a full year of credit for sick leave, unused sick leave may be used toward partial years or a partial year of OTRS service.

Your leave balances are available on *Self Service Banner*. Always monitor your sick and annual leave records carefully. Discuss any possible errors with your department. If your department agrees that an error has been made, the department should submit a *Leave Correction*. Payroll must have adequate time to correct the leave balances before the retirement EPAF is prepared.

December 31 Retirement

An employee whose last day of work is immediately prior to an OSU paid holiday does not receive pay for the holiday; however, there is one exception. An employee who chooses to retire December 31, will be paid for Christmas holidays through the end of the year without returning to work. If an employee wishes to also be paid for the New Year holiday, he/she will need to return to work for at least one day after the New Year holiday.

Health Care Coverage Options

OSU retirees may continue benefits with BlueCross BlueShield (BCBS), Cigna dental and EyeMed vision insurance by paying the full premiums. You must have BCBS coverage as an active employee the month of your retirement date if you wish to enroll as a retiree. Dental and vision coverage must also be continuous. Therefore, if you do not elect to continue coverage at the time of your retirement, you will not have the option to begin retiree coverage at a later date. If after you are retired, you want to drop your spouse and/or dependent(s) coverage, you must notify OSU Benefits in writing. Once dropped, there is no opportunity to re-enroll with any of these plans.

With BCBS, age determines which plans are available to you and your spouse. If both of you are under 65, you will both continue with the same plan you had as an active employee. If both of you are over 65, each of you will have an opportunity to enroll in one of several Medicare supplement plans (Plan65) that meet your health needs and one of two Medicare Part D Plans (Blue Medicare Rx) that meet your pharmacy needs. As a retiree, BCBS enrollment will require anyone under 65 to stay with the same plans as active employees, and anyone over 65 will move to an individual Medicare supplement policy through the OSU group plan. This means you and your spouse may have completely different policies with different premiums. For a list of Plan65 premiums, please refer to your BCBS Plan65 packet. (Exhibit III).

Remember, there is a difference in OSU and OTRS retirement criteria. The ability to continue health coverage through the University is dependent on being an OSU retiree regardless of your OTRS retiree status. If at any time you choose to drop retiree health, dental or vision, you will not be able to enroll again at a later date. You will also lose the premium supplement from OTRS, if applicable.

Enrollment Process for Health Coverage

You should request information regarding the BCBS health plans from OSU Benefits when you are within three months of retiring. We will be glad to discuss the options with you. You will need to use the BCBS forms to enroll for continuing health coverage through OSU. You should copy all forms for your records and send the original form to OSU Benefits at 106 Whitehurst. OSU Benefits will forward the forms to BCBS. Remember, you must enroll within 30 days of your retirement. Enrollment is not automatic. (Information is also available at <http://hr.okstate.edu/benefits/retire.htm>.)

Under Age 65 Health Care Coverage

If you and your spouse are under age 65, you will continue to be eligible for your current health plan. The benefits of the plan will not change for you as a retiree or your dependents, and BCBS will continue to be your primary coverage, unless you or your dependents are disabled and eligible for Medicare. If eligible for Medicare, then Medicare will be primary and your BCBS

plan will become secondary. You or your dependents will need to make sure to enroll in Medicare A and B at the time of retirement, if eligible. Your current BCBS health care ID card will still be valid as a retiree. You will not be issued new cards.

Turning Age 65 Changes Health Care Coverage

As a retiree, when you or your spouse approach age 65, OSU Benefits will send a Medicare Supplement Packet with forms to be completed and returned to OSU Benefits to switch to the over age 65 plans (Plan65 and Blue Medicare Rx). With submission of these enrollment forms, the new coverage will become effective the 1st of the month of the participant's birthday.

At age 65, you become eligible for Medicare even though you may not have reached Social Security's full retirement age. You should receive information from Social Security (Medicare) approximately three months before you reach age 65 regarding enrollment in Medicare Parts A and B. There is no premium charged for Part A. However, the premium charge for Part B will be deducted from your social security monthly benefit check when you begin drawing Social Security.

The BCBS Plan65 options are a supplement to Medicare Parts A & B. There will be a coordination of benefits when you enroll in Plan65 which means Medicare will be primary and Plan65 will be secondary. As an OSU retiree, you and/or your spouse must also enroll in Part D (Blue Medicare Rx) for your pharmacy plan. Medicare Parts A & B do not have a pharmacy benefit.

Medicare Part D Accretion (Approval) Process

When an application for coverage is received by Blue Medicare Rx, it is reviewed by BCBS and entered in their system. BCBS Blue Medicare Rx then sends an electronic file to Medicare who completes the accretion process of verification of members' eligibility. It is during this process that Medicare checks to see whether you have duplicate Part D coverage, and if not, approves you. This can take 4-6 weeks depending on the time of the year and how quickly Medicare is able to obtain needed information.

During this process, BCBS cannot send out an identification card or bill for your new pharmacy coverage, but Blue Medicare Rx will send out a letter of verification to you that you can provide to your pharmacy as proof of coverage. The letter will have your identification number, effective date, group number and information for the pharmacy to submit your prescription through their system. If the process is not complete by your insurance effective date, your premium charges will not show on your Bursar account. Once you are approved, you will be billed for the premiums due from the effective date.

You should submit your application to OSU Benefits about 90 days before your retirement date in order for the accretion process to be complete by your insurance effective date.

If Medicare requests information from you and does not receive a response within the specified time in the letter, you will be un-enrolled and may have to wait until the next Annual Enrollment Period to enroll. Then you would be subject to a late enrollment penalty of 1% of the national average premium for each month that you were without coverage. So make every effort to respond to Medicare in a timely manner.

Spouse and Dependent Coverage

You and your dependents must be enrolled in BCBS prior to your retirement to cover a spouse or eligible dependents upon your retirement. If you and your spouse are under age 65 when you retire, the spouse and dependent coverage does not change when you enroll as a retiree, unless you or your dependents are disabled and eligible for Medicare. If eligible for Medicare, then Medicare will be primary and your BCBS plan will become secondary. You or your dependents will need to make sure to enroll in Medicare A and B at the time of retirement, if eligible. If you and/or your spouse is age 65 or older at the time of your retirement, the over 65 participants will need to enroll in the Medicare supplement Plan65 and Blue Medicare Rx.

Dependents may be added after retirement only:

- Within 30 days of your marriage.
- When adding new dependents due to birth, adoption or guardianship.

OTRS Premium Health Insurance Supplement

If you will receive monthly retirement lifetime annuity benefits from OTRS, OTRS will provide a monthly insurance premium credit to partially offset your BCBS premiums. If you do not continue with BCBS (your employer sponsored plan), the credit is not available. The premium credit can range from \$100 to \$105 depending on your length of service and your final average salary. (Exhibit IV) OTRS makes this determination. If your spouse is a member of Oklahoma Teachers Retirement System, you may want to check with OTRS and your spouse's employer about other possible options.

Billing for Premiums

If you are an OTRS retiree, OSU will apply your monthly OTRS health insurance premium credit to your Bursar account as mentioned above. BCBS will bill OSU for all premiums for you and any covered dependents, but your Bursar bill will reflect the credit.

If you are not an OTRS retiree, your Bursar account will reflect the full amount of your insurance premiums. All retirees will receive a bill around the first of the month, and it will be due by the 15th if you have not authorized a bank draft.

You are encouraged to setup your online Bursar account and an Automatic Clearing House (ACH) to ensure all premiums are paid in a timely manner. The ACH will occur on the 10th of each month. If you are signed up for ACH, your checking account will be deducted by the amount due on your Bursar account. If you choose not to sign up for the ACH payment processing, you will need to make your payment by the 15th of the month via cash, check or

online credit card payment through the Bursar's office. We encourage you to participate in the automated payment processing program to avoid any payment interruption.

In order to pay for your OSU healthcare premiums through an ACH, you will need to go to the following website, <http://bursar.okstate.edu> and enter your banking information. Once on this website, look for the 'Payment Methods' link on the left hand side of the page. Follow the instructions under the 'Schedule ACH Payments' section. You will need either an O-Key login and password or alternatively, your Banner ID and Personal Identification Number (PIN). Contact the Bursar Office for PIN and further assistance at (405) 744-5993.

If you have questions at any time regarding your payment, please email OSU Benefits at osu-benefits@okstate.edu or call (405) 744-5449.

Rate Increases and Annual Enrollment

Retiree insurance rates for all plans (Under age 65 regular health plans, Medicare Supplement Plans, Part D Blue Medicare Rx pharmacy plans, dental and vision plans) are subject to possible increases generally effective each January 1. Please watch for communication materials from OSU and/or BCBS during the fall identifying the increase for the next year. This material will also explain your opportunity to change plans for the coming year. The Blue Medicare Rx plans can only be changed at Medicare's annual enrollment, generally between October 15 and December 7. Plan65 can be changed at anytime.

Cancellations

While you and/or your spouse are enrolled in a BCBS health plan as a retiree, written notification to OSU Benefits is required to cancel insurance or to change coverage. Cancellation requests will be effective the first of the month following the request. If a retiree and/or spouse cancel due to death, the coverage is cancelled on date of death and premiums may be prorated for all plans except the Blue Medicare Rx which is not prorated due to Medicare rules.

Dental and Vision Plans

OSU retirees may continue dental or vision coverage, or both. You must have the coverage as an active employee prior to your retirement date if you wish to enroll as a retiree. Premiums for Dental and Vision will be billed by Chard Snyder. Watch your mail for billing information from Chard Snyder. Dental and vision premium rates for retirees and dependents are the same as the rates for employees and dependents. (Exhibit II) Dental and vision changes and/or cancellations are made with OSU.

Other Benefit Options

OSU/A&M Life Coverage

If you qualify for OSU retirement and are enrolled in the OSU/A&M life insurance program prior to retirement, you will receive retiree life insurance coverage. No enrollment form is necessary. OSU currently provides a \$6,000 term life policy at no cost to the retiree. You may convert your present employee coverage to a whole life policy coordinated with the \$6,000

OSU-paid basic coverage. In this case, you pay the premium for life insurance coverage in excess of \$6,000.

If you are enrolled in voluntary employee supplemental life insurance, you have the option to continue coverage at OSU group rates (portability) if you are less than 70 years of age. Any supplemental life insurance coverage that you are carrying for your dependents can also be continued into retirement if you wish.

If you are interested in continuing life insurance coverage, watch your mail for information from Liberty Mutual, they will automatically send you information at the time of your retirement. If you cancel the life insurance coverage, you may not be able to enroll at a later date.

Retirement is a good time to check and possibly update your beneficiary information. To do so, you may get the change form from the web, <http://hr.okstate.edu/benefits/lifebeneficiary.pdf>, or contact OSU Benefits, (405) 744-5449, for the *Beneficiary Change Form*. After you complete the form and make a copy for your file, return the form to 106 Whitehurst. You may have beneficiaries listed for your retirement plan, for 403(b) and/or 457(b) accounts, and possibly other voluntary plans (i.e.: Cancer, Long Term Care) that you may need to review at this time.

Flexible Benefits

Upon retirement, you have no method of continuing the tax advantage of a flexible benefits account because you are no longer receiving a paycheck.

When your contributions cease the first of the month following your retirement, your eligibility for incurred expenses also ends. At the last option period prior to your retirement, you need to remember that access to your flex account will close for any expenses after your retirement date. You will be able to submit any unreimbursed expenses through the end of the grace period (March 31st).

If you had a health Flexible Spending Account (FSA), you may request a COBRA continuation of benefits letter from OSU offering continuation of flexible benefits. You may want to ignore this option unless you have not incurred enough expenses to use all of the deposits you have already made into your FSA. In this case, you could continue benefits by continuing payments until the end of the plan year or until you have incurred sufficient expenses to recover the contributions you have already made. However, the amount is 102% of your normal monthly FSA payment. If you wish to receive information regarding this COBRA option, please contact OSU Benefits.

Special Retiree Opportunities

OSU Identification Card

After Payroll Services has processed your retirement EPAF, you may bring a photo ID to 113 Math Science and request a new identification card. If you have a new ID card with your current Banner ID, no action is necessary. The ID card is useful if you wish to participate in opportunities listed below.

Opportunities

The following opportunities are currently provided to OSU retirees:

1. If you have 20 years of consecutive OSU service and 20 consecutive years of obtaining an OSU parking permit, you may park free on campus. Contact OSU Parking & Transit at (405) 744-6525, for an emeriti parking permit.
2. You may purchase season tickets to athletic events (limit of four) at reduced rates. Contact the Athletic Department ticket office at (405) 744-5745.
3. At age 65, you may audit a University course at no charge. Contact the Registrar's Office at (405) 744-7663.
4. Free use of the Seretean Wellness Center and Colvin Center. Contact the Department of Wellness at (405) 744-9355.
5. If you have a local address, you can be listed in the OSU campus directory. Contact the Emeriti Association at (405) 744-5263.
6. You can qualify for academic discounts on Apple Computers at the Student Union Bookstore. A valid OSU ID with campus-wide ID must be shown at time of purchase. Inquire at the Student Union Bookstore at (405) 744-9854.
7. You may retain your OSU email address. For questions regarding your O-Key account, please contact the IT Help Desk at (405) 744-4357.

These are currently available but are subject to change at any time.

If you have questions regarding these opportunities, please contact the appropriate agency or department. OSU Benefits does not administer these and cannot provide specific information. If you know of other opportunities that are not included, your feedback is important to improve this guide on future editions.

Oklahoma Teachers' Retirement System

OTRS Retirement Process

Members must first submit a Pre-Retirement Information Verification (PIV) form. If the PIV is submitted with a requested retirement date greater than 12 months out, then the member will receive an estimate. If the requested retirement date is less than 12 months, then OTRS will send the Intent to Retire form. (You may want to use the OTR website calculator, www.tr.s.state.ok.us, to get an “unaudited” estimate.) You must, however, be eligible for retirement on or before the date of retirement that you indicate for the estimate. Members who joined OTRS prior to July 1, 1992 are eligible for an unreduced retirement benefit at age 62 and vested (five years of OTRS membership), **or** meet the “Rule of 80”. Members who joined OTRS between July 1, 1992 and October 31, 2011 are eligible for an unreduced retirement benefit at age 62 and vested (five years of OTRS membership), **or** meet the “Rule of 90”. Members who joined OTRS after November 1, 2011, are eligible for an unreduced retirement benefit at age 65 and vested (five years of OTRS membership), **or** 60 years old and meet the “Rule of 90.”

It is important that you first complete the PIV and submit to OTRS at least 90 days in advance of requested retirement date. You will need to supply your social security number, birth date, beneficiary's birth date, most recent pay advice for verification of sick leave days, and proof of birth verification document, such as a state-issued birth certificate; valid state or federal government issued identification; U.S. passport; or valid state driver's license.

OTRS will send the *Intent to Retire (ITR)* and *Employer Retirement Verification (ERV)* to your home address. The ITR reflects your years of OTRS service, gross retirement benefit amount (before taxes are deducted) and available retirement options. If you have a spouse or beneficiaries for whom you would like to provide benefits, you will want to review these options carefully. The ERV is to be turned into OSU Benefits, 106J Whitehurst for completion. The ITR and ERV are to be returned to OTRS at least 60 days before your retirement.

The *Final Retirement Contract* contains your final contract, direct deposit and tax withholding forms. The signed and notarized contract must be submitted no later than the first day of the month before the retirement month (i.e. a June 1 retirement contract is due no later than May 1). No grace period is given for weekends or holidays. Contracts returned after the due date will postpone the retirement date. To assure timely delivery, return the OTRS contract and other forms by certified mail or personally deliver to OTRS by the first of the month prior to your OTRS retirement date. Always make copies for your personal file.

Effective OTRS Retirement Date

For OTRS purposes, your effective retirement date is the first day of a month. This is determined by your last day worked or OSU retirement date. The cut-off date is the tenth day of the month. For example, if your last day of work is between July 1 and July 10, your OTRS retirement will begin July 1 and you will receive your first retirement check on or about August 1, provided OTRS receives your executed contract by June 1. If your last day of work or retirement date from OSU is between July 11 through August 10, your OTRS retirement date will be August 1 and OTRS will mail your first check on September 1, provided OTRS receives your executed contract by July 1.

Your retirement date for OSU purposes is based upon your last day of work, which may not coincide with your OTRS retirement date.

Health Benefits

Being an OTRS retiree does not automatically make you eligible to be an OSU retiree. Please refer to page 4 for more information.

Taxation of Benefit

Oklahoma state and federal income taxes can be withheld from your OTRS retirement check. OTRS will send you an explanation of your tax liability when they send your packet of retirement forms.

Additional Questions

You may wish to schedule an appointment with OTRS to discuss your options and receive assistance in completing the forms. Many retirees find a personal visit in Oklahoma City helpful. You may call OTRS at (877) 738-6365.

TIAA

If you have a TIAA account and wish to withdraw funds or receive income from part or all of your contracts at the time of your retirement, TIAA has experienced Retirement Consultants ready to answer your questions. When you call, (800) 842-2776, you should have your social security number and spouse's birth date (if applicable). We suggest you call at least 90 days before you retire to ensure that you have a good understanding of your options with your TIAA accounts. As an example, if you have money in a Traditional Account, there are withdrawal limitations of which you need to be aware.

You may request either a retirement illustration or a retirement packet from TIAA (address is in the front of this guide). The illustration is an estimate of your retirement benefits. You can request illustrations for several projected retirement dates at any time without obligation. However, if you definitely plan to retire, you should request the retirement packet. The packet includes paperwork to withdraw funds or receive income upon your retirement. In either case, you need to inform the TIAA service representatives of your proposed retirement date. The illustration/packet should arrive at your home address in 10-14 working days. There is no obligation to withdraw funds or receive income unless you complete and return the applications and other forms. However, TIAA appreciates notification if you request the packet and then decide not to withdraw funds or receive income.

The retirement packet provides detailed instructions so you may complete the paperwork yourself. Contact TIAA at the toll free number listed within your forms if you have any questions about the paperwork. Also, there is a TIAA Representative on the Stillwater campus on a weekly basis for personal counseling sessions. Call (800) 732-8353 to schedule a one-on-one appointment. The representative can bring information regarding your accounts and discuss retirement income options as well as ensuring your paperwork is completed properly. When completed, return the paperwork to TIAA at the address indicated.

Please remember that you have the option to retire with OSU and OTRS and leave all of your TIAA accumulations on deposit or receive only a portion of your TIAA. If you leave your contributions with TIAA, your funds may continue to accrue interest and/or dividends and capital gains. However, federal tax regulations may require severe tax penalties if you do not begin receiving minimum distributions from your retirement account(s) by April 1 of the year following the calendar year you turn age 70 1/2 or terminate employment, whichever is later. TIAA can provide you with more information regarding minimum distribution requirements.

Taxation of Benefits

See the Benefits & You handout, *TIAA Funds upon Termination of Employment*. TIAA will withhold federal and state taxes from your retirement checks. Tax information is included in your TIAA retirement packet.

Statement of Final Contribution

Your completed retiree EPAF from your department must be processed through Payroll Services in order for TIAA to be aware that your final retirement contribution has been sent by the University. Your TIAA monthly retirement income can possibly begin on the first of the month following your final contribution and the receipt of your retirement packet by TIAA.

Social Security and Medicare

Social Security

At least 90 days before you retire, you should contact your local Social Security Office for an appointment. You can go to www.socialsecurity.gov/regions to locate the office nearest to you. The Stillwater office number is (405) 624-4301. If you are approaching your 66th birthday, it is to your advantage to contact the Social Security office before January 1 of the year you turn 66. You will be eligible for full benefits when you turn age 66-67, depending on your date of birth. Most people have an option to begin receiving reduced benefits as early as age 62.

The Social Security Administration requires proof of your birth before you can receive Social Security benefits. If you do not have a birth certificate, you should ask the Social Security Administration what documents are acceptable.

Medicare

By January of the calendar year you turn age 65, you should contact your local Social Security Office and request information about enrolling in Medicare. If your birthday falls early in the calendar year, you should contact the Social Security Office at least three months in advance.

There are three parts to Medicare: Part A is the hospital coverage, Part B is the medical coverage, and Part D is the prescription coverage. Medicare Part A, hospital coverage, is funded by taxes you paid into Medicare. Medicare Part B, medical coverage, has a monthly premium which you pay. The Medicare Part B premium is based on income, and typically increases every January. The Social Security Administration can tell you more about your cost per month for the Medicare Part B. Medicare Part D is the prescription drug plan.

If you are eligible to continue insurance through the University, you will have a choice of one of the Plan65 options and one of the Blue Medicare Rx Part D options.

If you are still working when you reach age 65, you will likely elect to enroll in Medicare Part A only. Medicare Part B has a monthly premium cost to you and the coverage is usually not used because the Medicare deductible is high and the plan acts only as a supplement to your group insurance coverage until you stop working. You will want to enroll in Part B effective the date

your employer-paid primary insurance ends (after retirement from the University), because Medicare will then become your primary insurance. Your BCBS plans will then pay claims as a supplemental coverage to Medicare and will not cover the portion of the claim for which Medicare would be responsible. Medicare Part B premiums will be deducted from your Social Security check. You should contact the Social Security office at least 90 days before your retirement date to discuss Medicare enrollment.

Returning to Work

OSU Temporary Positions

If you are interested in working part time or on a temporary basis, you may wish to contact Human Resources, Partner Services at (405) 744-2909 if you would like more details and information regarding the application process. You may also refer to <https://jobs.okstate.edu> to apply for positions. Some temporary positions are listed with Human Resources; others may be listed through the departments.

Salary limitations may be imposed by Social Security and OTRS. Before returning to work, you will want to check with each agency. Federal law requires OSU to obtain an *Employment Eligibility Verification Form (I-9)* upon your return to work. Also, you may wish to complete a new withholding (*W4*) form and check distribution form.

OTRS Post-Retirement Employment

There must be a 60-calendar-day break in service between an OTRS retiree's last day of pre-retirement employment and post-retirement employment status in any organization currently participating in the OTRS system. *Even volunteering is not permitted during this 60-day period.* All OTRS retirees at OSU or in any organization currently participating in the OTRS system in Oklahoma should notify OTRS when returning to work.

We encourage you to refer to the OSU Human Resources handout, *OSU Retirees Returning to Work*, for a brief explanation. The *Teachers' Retirement System of Oklahoma, Rules and Laws*, has a full explanation for returning to work in public education. Please contact OTRS to obtain a copy and read the information carefully before returning to work. You may experience serious repercussions if you ignore OTRS guidelines. OTRS audits the State Finance payroll periodically and will eventually catch violators. Contact OTRS before starting back to work to confirm your OTRS average salary and how you can ensure you do not exceed your post-retirement earning limit.

For retirees under age 62, who have been retired less than three years, annual post-retirement earnings from the public schools may not exceed one-half (1/2) of the member's OTRS average salary used in computing retirement benefits, or \$15,000, whichever is less.

For retirees age 62 or older, annual post-retirement earnings from the public schools may be \$30,000 or may not exceed one-half (1/2) of the member's OTRS average salary used in computing retirement benefits.

OSU retirees, age 62 or older, who have been retired less than 36 months, may earn up to \$30,000 while continuing to receive your monthly OTRS pension benefit.

Social Security Earnings Limits

If your salary earned in any given fiscal year exceeds the Social Security limits (which are on a calendar year), certain reductions in benefits or changes in calculations may apply if you retire prior to your full retirement age (FRA). You should check with Social Security if you have questions regarding whether you may have an earnings limit.

The limits for calendar year 2017 are:

- If under FRA for the full calendar year \$16,920
- Year of Reaching FRA \$44,880
- Starting with the Month of Reaching FRA No earnings limit

Age 65 has been considered “Full Retirement Age”. However, beginning with persons born in 1938, the FRA will gradually increase from age 65, eventually reaching age 67 for persons born in 1960 and later. If you are subject to the earnings limit, Social Security reduces your benefits by \$1 for every \$2 earned over the limit. In addition, the limit may be pro-rated your first year of retirement.

For additional information regarding social security earnings limits, you may call the local social security office or go to their website, www.ssa.gov.

Helpful Hints to Remember

If you had any miscellaneous deductions, such as Credit Union, OSU Foundation, United Way, or a personal tax deferred annuity taken from your payroll check immediately preceding your retirement, these deductions may have been terminated and you would need to reestablish them if desired.

Appendix

CONTENTS

Exhibit I	Retirement Checklist	19
Exhibit II	Dental and Vision Premiums Chart	21
Exhibit III	BCBS Health Care Premiums	22
Exhibit IV	OTRS Insurance Premium Credit Chart	23

Retirement Checklist

Thinking About Retirement (one year prior to retirement)

- _____ Read Retirement Planning Guide.
- _____ Compute estimates of retirement income from each retirement income source.
See page 2 for websites.
- _____ Attend a *How to Retire* session at least six months prior to retirement.
Call (405) 744-5449 for an appointment.
- _____ Submit PIV to OTRS
See page 13 for instructions.
- _____ Request retirement illustration or retirement packet from TIAA.
See page 15 for instructions.
- _____ Request TIAA personal counseling on campus from TIAA.
Call 1-800-732-8353 to schedule an appointment.
- _____ Contact Social Security.
www.socialsecurity.gov/regions or Stillwater office at (405) 624-4301.

The Retirement Process (at least 90 days in advance)

- _____ Determine your retirement date.
Allow at least 90 days for notification of OTRS, TIAA, and Social Security before you cease work.
- _____ Notify your department
Send a letter of resignation and request that your department complete a retirement Employment Personnel Action Form (EPAF).
- _____ Contact OSU Benefits regarding health, dental, vision.
Request the appropriate enrollment forms.
- _____ Complete the OTRS Intent to Retire and bring the Employer Retirement Verification to OSU Benefits.
Contact OTRS for a new ITR if it is more than six months old or does not reflect your chosen retirement date.
- _____ Print the OSU *Life Insurance Retiree Beneficiary Change Form* from http://hr.okstate.edu/benefits/Beneficiary_Change_Form_for_Retirees.pdf, or pick one up from OSU Benefits. Complete and return it to OSU Benefits, 106 Whitehurst.
- _____ Return OTRS Final Contract by certified mail or personally deliver to OTRS.
Contract must be on file at OTRS no later than the 1st day of the month prior to the month you want to retire.

- _____ Call TIAA to request a retirement packet if you wish to begin receiving distributions.
- _____ Complete TIAA retirement packet if you elected to receive a distribution at the time of your retirement.
Send legible copy of your birth certificate and, if applicable, a copy of your spouse's birth certificate as requested.
- _____ Watch for TIAA letter with confirmation of your choices so you may verify that you completed forms correctly.
- _____ Have a new OSU identification card made, if your current card does not have a Banner ID on it.
Photo identification cards are made in 113 Math Science.

2017 Dental and Vision Plan Premiums

CIGNA DENTAL	Retiree	Retiree/ Spouse	Retiree/ Child(ren)	Family
Low Plan	\$27.30	\$54.60	\$74.46	\$100.46
High Plan	\$31.68	\$63.34	\$86.38	\$116.56

VISION PLAN	Retiree	Retiree/ Spouse	Retiree/ Children	Family
EyeMed	\$6.48	\$10.80	\$10.64	\$20.14

**BlueCross BlueShield Oklahoma
2017 Health Care Premiums**

HEALTH PLANS	RETIREE	RETIREE/ SPOUSE	RETIREE/ CHILDREN	FAMILY
BlueOptions PPO	\$498.76	\$1,047.40	\$897.78	\$1,596.04
BlueEdge HSA	\$419.69	\$882.20	\$755.86	\$1,345.42

*When entire insured family unit is under age 65, unit is insured at the above premiums.

When one individual becomes age 65, the family unit is split and the individual over 65 will be individually insured in Plan65 and Blue Medicare Rx. The individual(s) who is/are still under 65, she/he will pay the employee premium above or employee/children if children are still on the plan. If both the retiree and the spouse turn 65 and there are still covered dependent children, the youngest child will become the primary member (employee) and the other child/children will be added as children and they would pay the employee/children rate above.

Medicare (Over 65)	<u>Member</u>	<u>Spouse</u>
Retiree & Spouse may elect different plans		
Medicare Plan65 Supplement	Refer to BlueCross Plan65 Chart in your packet	
*Blue Medicare Rx Basic Plan	\$87.10	\$87.10
*Blue Medicare Rx Enhanced Plan	\$206.60	\$206.60

*Medicare reviews all enrollments in Blue Medicare Rx to verify eligibility for Medicare Part D coverage. This is called the “accretion process” and it may slow your initial enrollment.

NOTE: Depending on your age and your spouse’s age, each will be on the appropriate plan as indicated above. For example, if your spouse is under 65, the premium will be the Under65 member rate while your premium will be for Plan65 and Blue Medicare Rx.

OTRS Premium Credit

The maximum benefit payable by the Teachers' Retirement System of Oklahoma on behalf of a retiree toward the monthly premium for employer-sponsored health insurance shall be determined in accordance with the following schedule*:

Average Salary Used For Determining Retirement Allowance:	Less than 15 Years Creditable Service:	15-24.99 Years Creditable Service:	25 or Greater Years Creditable Service:
Less than \$20,000	\$103.00	\$104.00	\$105.00
Less than \$30,000 but greater than \$19,999.99	\$102.00	\$103.00	\$104.00
Less than \$40,000.00 but greater than \$29,999.99	\$101.00	\$102.00	\$103.00
\$40,000.00 or greater	\$100.00	\$101.00	\$102.00

*OTRS is the authoritative source regarding credits and thus should be consulted regarding any questions.

If you are an OTRS retiree, OTRS will send your monthly insurance premium credit to OSU. OSU will apply the premium credit to your Bursar account. BCBS will bill OSU for the premium for you and any covered dependents. These charges will be billed to your Bursar account. You are encouraged to submit a bank draft authorization to ensure all premiums are paid in a timely manner.

If you are not an OTRS retiree, your Bursar account will reflect the full amount of your insurance premium.