Retirement Considerations for Employees Participating in Michigan Public School Employees Retirement System (MPSERS)

Preparing for Retirement

You’ve had a successful career and now you are thinking of the next phase: retirement. Retirement decisions are among the most important you’ll ever make. This pre-retirement booklet will help answer some common questions.

MPSERS: Your Partners in Planning

Throughout your working career, CMU has taken care of your pension plan deductions, wage and service records, and plan contributions. Regular reports are sent to the Office of Retirement Services (ORS) to become part of your personal pension record. When it’s time to retire, CMU sends your final records to ORS and they become your partner in retirement including your retirement health insurance.

miAccount - You will find the answers to all of your MPSERS retirement related questions online at http://www.mi.gov/orsschools.

miAccount contains all of your personal retirement information. After registering you will be able to simulate your pension options by selecting different retirement dates and altering other information. Please have your recent account statement with you when accessing the system for the first time.

MPSERS offers opportunities to learn about your retirement pension and benefits including a step by step instruction video. These resources are available on the “Tutorials, Webinars, and Seminars” page from the MPSERs homepage.

miAccount is also the system that will process your MPSERS pension and insurance. You will need the following documents available to process your application: your birth certificate, your spouse’s birth certificate and your marriage license (if applicable).

Assistance in accessing miAccount is available by contacting the CMU Benefits & Wellness office at 989-774-3661 or benefits@cmich.edu.

Your Retirement Date

Staff Employees
It is recommended to use the end of the month for a retirement date. Staff employees choosing December 31 will be eligible for their holiday pay through December 31.

Academic Year Regular Faculty and Fixed-Term Faculty
Academic year (or 10-month) faculty members should use August 15 as their retirement date. Faculty members intending to retire the end of the fall semester should use December 31 as a retirement date. If certain circumstances require the use of May 15 or June 30, please contact the CMU Benefits and
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Wellness office at 989-774-3661 or benefits@cmich.edu to discuss your options. Summer deferred pay will continue through your retirement date when a final calculation and payoff is made, if necessary.

12-month Regular Faculty, Fixed-Term Faculty and Medical Faculty (CMED)

The retirement date typically used is the end of the month.

**MPSERS Pension Start Date**

Your pension will start the first of the month after your CMU retirement date. If your first payment is delayed while Office of Retirement Services (ORS) gathers final salary information, you will be paid retroactive to your retirement effective date.

**Your CMU Health Benefits**

CMU health benefits will end as follows:

**Staff Employees and Medical Faculty (CMED)** - on your CMU termination date.

**Academic Year (10-month) Regular Faculty and Fixed-Term Faculty**

- Faculty members who work through the spring semester - CMU benefits will continue through August 15 of that year; regardless of your CMU retirement date.
- Faculty members who work through the fall semester - CMU benefits will continue through December 31.

*Note for Regular Faculty*: MESSA medical/prescription coverage terminates at the end of the month of your retirement date.

**MPSERS Health Benefits**

As an employee, you have looked to the CMU Benefits & Wellness office for information and services regarding your benefits; as a retiree, ORS will serve you. You can contact them by phone at 800-381-5111.

MPSERS health insurance coverage is generally effective the first of the month after retirement. You must submit to MPSERS your insurance enrollment and documents by the 15th of the month in which you retire.

As a qualifying MPSERS retiree, you are either eligible for a premium subsidy benefit or a Personal Healthcare Fund. Further details on the retirement options available to MPSERS retirees can be found in the ORS document titled *Insurance Options Summary* (R0379C). This document is available on the MPSERS website and is included in the CMU pre-retirement packet.
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Other Health Coverage Options

COBRA Continuation
If you and your covered family members are enrolled in any of the CMU health plans (medical/prescription, dental, vision or health flexible spending account HCFSA), you MAY be able to continue coverage through COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985). If you are ineligible to continue your HCFSA, you have 90 calendar days from your retirement date to submit reimbursement for eligible expenses incurred during your coverage period. The COBRA qualifying event notice will be mailed to you within a month of your retirement date with detailed information about this continuation coverage and your costs. CMU does not make a contribution toward COBRA continuation coverage so your costs are the full premium plus a 2% administrative fee.

If you want to continue benefits via COBRA, you need to apply no later than 60 calendar days from the date the COBRA notice was mailed. The COBRA period typically runs for 18 months after your retirement date.

Medicare
While covered under the CMU group health plan, you were not required to enroll in Medicare. If eligible, you must enroll in Medicare prior to completing your MPSERS application. Use your MPSERS retirement date as the start date of your Medicare coverage.

• Enroll in Medicare online at [http://www.medicare.gov](http://www.medicare.gov) or at your local Social Security office

• To avoid a late enrollment penalty, it is important to inform the Social Security office that you have been enrolled in a “large group health plan” through CMU. The Social Security office will give you a form to bring to the CMU Benefits & Wellness office for completion.

• **During your retirement**: if you are covered by MPSERS insurance, you must enroll in Medicare Parts A and B as soon as you (or your spouse) are eligible.

• After your Medicare coverage is in effect, MPSERS insurance becomes secondary to Medicare and will only pay after Medicare pays.

*Note: ORS will automatically enroll you in Medicare Part D (pharmacy) coverage; so do not enroll in a separate Medicare Part D plan as this will terminate your health and/or prescription coverage with ORS. (Connections, March 2016)*

Employee and Dependent Term Life Insurance
Your life insurance coverage with Central Michigan University provides you with portability and conversion to continue your coverage upon retirement. The portability and conversion options are summarized below.

**Portability Option – A continuation of Group Life Policy**: If you are terminating for reasons other than total disability, you may continue or "port" your employee and dependent life insurance and accidental death & dismemberment (AD&D) coverage. Porting allows you to continue the group term life insurance and AD&D coverage available through The Hartford at the same group rates plus a billing fee. Premiums are set in five-year age bands so they will increase as you attain the next age band.
Coverage is available through age 75.

Applications are sent to retirees following their termination date.

If you have questions about this information, your eligibility, or the status of any request you have submitted, please contact Selman & Company, The Hartford portability and conversion administrator, at 1-877-320-0484.

Regular Faculty members have an additional $5,000 life insurance policy as part of their MESSA medical/prescription coverage. This coverage may be continued through MESSA direct pay. An application to continue this coverage is available by contacting the CMU Benefits & Wellness office at (989) 774-3661 or benefits@cmich.edu.

**CMU Retiree Status**

To be considered a CMU Retiree, employees must satisfy one of the following requirements:

- Twenty-five (25) years of benefits eligible CMU service at any age
- Ten (10) years of benefits eligible CMU service and at least age fifty-five (55)
- Ten (10) years of benefits eligible CMU service at any age if totally and permanently disabled as determined by the Social Security Administration

If you qualify for CMU Retiree status, you are eligible for certain additional courtesies:

- Parking permit for free on-campus parking
- Campus ID
- Discounts on SAC/CHIP memberships
- Tuition Benefit for retiree only
- Email - access to cmich.edu email account for one year after retirement date (lifetime for Emeritus status)

A complete list of all courtesies along with CMU’s Retiree Status/Benefits Policy is available on the HR website. CMU reserves the right to modify these courtesies.

Emeritus status may be awarded to the following groups with Board of Trustees approval:

- Senior Officer and Professional & Administrative - salaried CMU retiree with at least 10 years of full-time CMU service
- Regular Faculty, Medical Faculty (CMED) and Fixed-Term Faculty – CMU retiree with at least 10 years of service
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Notifications and Final CMU Pay

IMPORTANT: Written notice needs to be given to your supervisor with a copy to the Benefits & Wellness office.

Notice should include your intention to retire with your specific retirement date. Notice should be given as soon as possible, and must be given according to your contract/handbook to receive your vacation payoff, if applicable.

Following receipt of your retirement letter, the CMU Benefits & Wellness office will notify the following departments: Employment Services, Payroll, C.H.I.P., Advancement, Faculty Personnel Services and Office of the President. Each office has its own role in processing your retirement. You are not required to make additional notifications.

Your Final CMU Pay

• Final paycheck: You will receive your final paycheck on your regularly scheduled pay date.

• Vacation hours: If eligible, you will be paid any accrued, unused vacation hours, up to 160 hours, as long as you have given proper notification to CMU. You may use accrued vacation time (with supervisor approval) up to the effective date of your separation.
  o Please review your employee group contract or handbook for eligibility and notification requirements.
  o Vacation hours can be deferred to the 403(b) or 457(b) supplement retirement plan. If interested in deferring, please contact the CMU Benefits & Wellness Office at 989-774-3661 or benefits@cmich.edu to ensure all forms are properly completed and received to ensure timely processing.

• Personal hours: Hourly employees will be paid any accrued, unused personal hours.

• Retirement Service Award: Certain employee groups (Senior Officers and P&A salaried hired prior to March 1, 1976 and Regular Faculty hired prior to March 1, 1976 and in the bargaining unit on that date) are eligible for a Retirement Service Award which is paid at time of retirement. Per IRS regulations, you cannot tax defer the Retirement Service Award.

• Sick leave: If you are a service maintenance employee hired prior to July 1, 2002, you may be eligible for two-thirds of your sick leave balance if you meet certain criteria. This may be reduced if you are under age 60 and have less than 30 years of service. Consult your union contract for more information. Per IRS regulations, you cannot tax defer the sick leave payout.

Participation in a Retirement Recognition Ceremony

A retirement recognition ceremony is held twice a year in the fall and spring. Once you submit your retirement notice, you will be invited to the next available ceremony. Your supervisor will also receive a request to complete a retirement resolution and/or retirement statement.
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Your Health It’s Central

Participation in the Virgin Pulse wellness program may be continued after you retire, if enrolled in the program prior to retirement. You will not be eligible for the financial rewards portion of the program. Rewards must be redeemed within 30 days of your retirement. Please contact the HR Central Health Improvement Program at 989-774-3198 for more details and, if interested, to continue participation in the program.

Retirement Withdrawals

When it's time to withdraw money from your 403(b) Supplemental Retirement and/or 457(b) Public Deferred Compensation Plans you have a variety of options. These plans are designed to provide you with income throughout your retirement. The availability of certain distributions may depend on the type of contract underlying your plan. Taxes and penalties may apply.

We strongly recommend that you discuss your finances with a professional who can help you establish your long and short-range goals. Please contact your retirement investment vendor(s) using the Retirement Resources section on page 6 to further discuss your options.

Encompass – Employee Assistance Program

Telephone: 800-788-8630  ■  Website:  www.encompass.us.com  (username: cmu)

As with any period of change, retirement is different for every person. However, there are some general stages that most people go through:

• Pre-retirement: As you enter this phase, you'll face the realization that retirement isn't just some far-off time in your future; it's imminent. During this phase, primary tasks involve getting ready for retirement.

• The honeymoon: This phase provides a time for you to enjoy yourself as well as plan for the routines and life that will follow. It's a good time to start considering the big picture.

• Disenchantment: For some people, a period of disenchantment and sometimes depression follows the honeymoon. During this time, the main tasks are adjustment and reflection.

• Reorientation: This is when you develop ideas and start moving toward a more balanced life and diversified set of interests, relationships, and routines. The tasks of this phase involve balancing.

• Stability: In this phase, you're living your retirement. Here, the final goals are to determine for yourself who you want to be, what you want to do, and how you want to do it.

Help is available from CMU’s employee assistance vendor, Encompass, including on-line resources, work-life consultants, counseling providers. Encompass also has other topics, such as Preparing for Retirement, Making Your Money Last, Elder Care, Wellness and many more.
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Retirement Resources

MPSERS
- Customer Service: 800-381-5111
- Website: [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools)

You will also want to be sure you have set-up your online access to miAccount. To access your account, create pension estimates, and learn more about your eligibility, visit [www.michigan.gov/orsmiaccount](http://www.michigan.gov/orsmiaccount).

TIAA
- Customer Service: 800-842-2776
- Website: [www.tiaa.org/cmich](http://www.tiaa.org/cmich)

- Schedule an individual counseling session: call 800-732-8353 or visit [www.tiaa.org/moc](http://www.tiaa.org/moc), select Michigan and then look for appointments under Central Michigan University.

Fidelity Investments
- Customer Service: 800-343-0860
- Website: [http://www.netbenefits.com/CMU](http://www.netbenefits.com/CMU)

- To schedule an individual counseling session, call 800-642-7131 or visit [www.fidelity.com/atwork/reservations](http://www.fidelity.com/atwork/reservations) to register.

StraightLine Investment Management
- Customer Service: 877-338-4032
- Website: [www.myRplan.com/CMU](http://www.myRplan.com/CMU)

MESSA
- Customer Service: 800-292-4910 and ask for MESSA Direct Pay rates as a CMU eligible employee

Medicare
For specific questions about your claims, medical records, or expenses, visit [MyMedicare.gov](http://MyMedicare.gov) or call 800-MEDICARE.

Social Security Administration - Most services available on-line
- Automated telephone service: 800-772-1213
- Website: [www.socialsecurity.gov](http://www.socialsecurity.gov) to apply for benefits, estimate your future benefits, get a replacement card.
- Limited local hours: 1940 Sweeney Street, Mount Pleasant, MI 48858-6626 or (877) 405-7667
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Retirement Planning Checklist

Getting ready to retire? Below is a checklist to help you get prepared.

This checklist should only be used as a guideline. It is not intended to be all-inclusive but is meant to highlight some of the critical steps you should take with each agency / provider list above.

- Select an anticipated date of retirement/termination date (pages 1-2)
- Register for miAccount on the MPSERS website and apply for your retirement pension and benefits (page 1)
- Submit written notification of your intent to retire to your department with a copy to the Benefits & Wellness office (page 5)
- Review this Pre-Retirement packet and begin gathering necessary information and documents
- Contact your retirement plan vendor representative(s) and/or financial advisor (page 6)
- Arrange for post-retirement health insurance (pages 2-3)
- Determine how Social Security and Medicare benefits will affect you in retirement.
  - Make an appointment with Social Security and determine when benefits will begin (if eligible) (page 7)
  - Sign up for appropriate Medicare coverage as required by my health insurance plan (if eligible) (pages 3)
- Consider tax deferring your final payoff accrual and, if pursuing, complete and submit the appropriate forms to the CMU Benefits & Wellness office (page 5)
- Make a decision regarding life insurance benefits and, if desired, arrange for your coverage to be converted or ported to an individual policy with The Hartford (page 3-4)
- Redeemed Virgin Pulse rewards (page 6)
- Visit CMU Parking to obtain your complimentary retiree parking pass (only available for retirees with retiree or emeritus status) (page 4)

Regular Faculty only:

- Apply to continue your $5,000 group term life insurance with MESSA Direct Pay (page 4)

Every effort has been made to ensure the accuracy of the information in this pre-retirement booklet. If a conflict arises between the terms in this document and a Central Michigan University (CMU) policy/contract or a state/federal program, the terms of the CMU policy/contract or state/federal program will control. CMU reserves the right to modify, amend, or terminate courtesies as they pertain to CMU retirement status.

Congratulations on your retirement!