



# University of Colorado Employee Services 2014–15

## Preparing to Retire

### 401(a) OPTIONAL RETIREMENT PLAN

- Planning Retirement
- Retirement
- Eligibility



University of Colorado  
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EMPLOYEE SERVICES

This booklet provides employees who have participated in the University of Colorado 401(a) ORP with basic information about University retiree benefits provided by the University of Colorado.

Here, you will find a summary of the steps you'll need to take prior to retiring and the election process for enrolling in retiree benefits.

Retirement decisions are among the most important you'll ever make. We urge you to consult your financial advisor before making any final decisions.

Become familiar with your retirement options by talking with the appropriate professionals about your financial future. You will want to develop a plan and track your progress as you prepare for retirement.

University of Colorado benefit professionals cannot give financial advice or advice about Social Security or Medicare benefits. They can direct you to some of the available Social Security and Medicare resources, and can answer any questions regarding University of Colorado retiree benefits.



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus

**EMPLOYEE SERVICES**

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**[www.cu.edu/es](http://www.cu.edu/es)**

Benefit Service hours

Monday–Friday

8 a.m. – 5 p.m.

This document is a guide. It only briefly describes the benefits available at retirement through the University of Colorado. Complete information on benefits eligibility, costs, and coverage may be obtained from Employee Services or online at [www.cu.edu/es](http://www.cu.edu/es). If there are any discrepancies between the information contained in this guide and the master plan documents (i.e., insurance carrier contracts), then the master plan documents will govern. Any applicable ES policies and procedures or federal and state laws will also govern. The benefits described in this guide may be changed, modified, or eliminated at any time.

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# THINK AHEAD

## Know the route— three to five years before retirement

Familiarize yourself with the University of Colorado retirement procedures. Contact a benefits professional who can answer any questions you have about retirement benefits with the University of Colorado. The benefits professional also can tell you about retirement planning sessions, Employee Services-sponsored Preparing to Retire sessions and resources on the website.

Become familiar with your retirement options by talking with the appropriate professionals about your financial future. You will want to develop a plan and track your progress as you prepare for retirement. It is risky to depend on a friend, coworker or family member's advice – even if they are knowledgeable – because their situation and plans for retirement may be very different from yours. There could also be changes to tax laws and other regulations that may impact your specific plan.

### Be Prepared

As you prepare, you should understand and consider:

**Retirement Eligibility:** Check your eligibility and qualifying level of retirement by reviewing the retirement table for age and years of service requirements for normal and/or early retirement: <https://www.cu.edu/regents/policy-11f-benefits#>

**Retirement Date:** Select one or two potential target dates for retirement.

**Cost to retire:** Gather and organize the data from all your assets: the University 401(a) ORP, other pension plans, Social Security, investments and insurance policies. Meet with your financial planner if you have not done so already and estimate the amount of money you will need during retirement to maintain your desired standard of living.

**IRS Calendar Year Tax Deferred Savings Plan Limits:** Contact your fund sponsor(s) and review the Retirement Pension/Savings Plan Fact Sheet ([https://www.cu.edu/sites/default/files/policies/35113-retirement-pension/savings-plan-fact-sheet/files/pension-savings-factsheet-2014\\_0.pdf](https://www.cu.edu/sites/default/files/policies/35113-retirement-pension/savings-plan-fact-sheet/files/pension-savings-factsheet-2014_0.pdf)) to find out how you can maximize tax-deferred contributions to supplemental 403(b), 401(k) and 457 accounts. You may be eligible for catch-up contributions.

# THINK AHEAD

**University Retiree Benefit Service Year:** A service year equals each year you worked for the University in an ORP-eligible position that was also eligible to participate in the University benefit plans. Service years do not have to be consecutive. University service does not include years of service in a non-benefits eligible position. Employee Services will review your qualified retiree benefit years of service and determine your eligibility for University retiree benefits. You may be asked to provide a letter from Human Resources verifying employment years that are not identified in the University's Human Resources Management System.

**Social Security Retirement Estimator:** The Retirement Estimator can be found at [www.ssa.gov/estimator](http://www.ssa.gov/estimator). This web site gives estimates based on your actual Social Security earnings record. Please keep in mind that these are estimates. Your actual benefit amount cannot be determined until you apply for benefits. This amount may differ from the estimates provided because:

- Your earnings may increase or decrease in the future.
- After you start receiving benefits, they will be adjusted for cost-of-living increases.
- Your estimated benefits are based on current law. The law governing benefit amounts may change.
- Your benefit amount may be affected by military service, railroad employment or pensions earned through work on which you did not pay Social Security tax (i.e., PERA).

**Phased Retirement:** You will need to talk to your department chair to see if you are eligible for phased retirement.

**University Retiree Benefits:** Are limited to medical, dental and life insurance coverage. University retiree benefits referenced in this booklet do not include any pension payment benefits.

- **Medical and Dental Coverage:** Consider what happens when you or your dependents become eligible for Medicare. Take into account how your coverage and any costs associated with your coverage may change under the medical and dental insurance plans you have elected.
- **Optional Life Insurance:** Review the amount of optional life insurance you currently have. You may need to make changes to the amount of CU insurance during open enrollment over the next few years. Your CU optional life insurance coverage decreases upon retirement.

# THINK AHEAD

## Retirement Eligibility

To be eligible for retiree benefits with the University of Colorado you must:

- Be in an active University 401(a) ORP eligible position with a 50 percent or greater appointment immediately preceding your retirement date.
- Meet age and years of service requirement for post-retirement benefits.

Normal and early retirement is defined by the Board of Regents: <https://www.cu.edu/regents/Policies/Policy11F.htm>. Please see the retirement table below.

<b>RETIREMENT TABLE</b>			
<b>Normal Retirement</b>		<b>Early Retirement</b>	
Age at Retirement	Minimum Years of Service	Age at Retirement	Minimum Years of Service
70+	5	65	5
69	6	64	6
68	7	63	7
67	8	62	8
66	9	61	9
65	10	60	10
64	11	59	11
63	12	58	12
62	13	57	13
61	14	56	14
60	15	55	15
55	20		

Reference: Regents Policy 11-I Compensation Age and Years of Service Requirements for Faculty, Officers and Exempt Professionals Who Are Not Retiring with Public Employee's Retirement Association (PERA) Retirement, Adopted May 19, 2009.

# THINK AHEAD

## To calculate your prorated University contribution:

1. Locate your age at the time of retirement and the number of minimum years of service for normal retirement on the retirement table.

*Example: At age 65, 10 years are required for normal retirement*

2. Determine your number of retirement eligible years of University service.

*Example: 6*

3. Divide your number of retirement eligible years of service by the number of minimum years of service for normal retirement to determine the percentage of University premium contribution.

*Example:  $6 \div 10 = 0.60$  or 60%*

## To calculate your monthly premium:

Once you have calculated the percentage of University premium contribution, you can calculate how much monthly premium the University will pay and how much you will pay.

4. Determine the total rate of the plan from the retiree benefit cost sheet located here: <https://www.cu.edu/sites/default/files/retiree-rates-2014-15.pdf>

*Example:*

MEDICAL PLANS – UNDER AGE 65			
	*TOTAL RATE	UNIVERSITY CONTRIBUTION	RETIREE COST
Retiree + Spouse/SGDP*	\$900	\$700	\$200

5. Calculate the dollar amount of University contribution based on your prorated percentage.

*Example:  $\$700 \times 60\% = \$420$*

6. Subtract the adjusted dollar amount of University contribution from the total rate of the plan. This equals your adjusted monthly premium.

*Example:  $\$900 - \$420 = \$480$*

## Faculty Retirement agreements

### Tenured, Tenure-Track, or Non-Tenure Track Faculty

The University of Colorado Faculty Retirement Agreements are comprised of retirement incentives designed to give faculty of the University who participate in the 401(a) ORP options for transitioning into retirement. Agreements may allow eligible faculty of the University to pursue personal or professional interests and continue their academic and professional lives in gainful part-time employment. Options may include negotiated differentiated work load, phased retirement and post-retirement University employment, consulting opportunities, etc. For detailed information on Faculty Retirement Agreements, including all authorized incentives, go to: [www.cu.edu/policies/aps/hr/5016.html](http://www.cu.edu/policies/aps/hr/5016.html).

1. Determine your eligibility. Faculty entering into phased retirement agreements must meet the eligibility requirements described in the Faculty Retirement Agreements Policy.
2. Request an agreement from your department chair.
3. Determine terms of agreement, including any reduced workload.
4. Department chair will notify you of approval.
5. Schedule time to meet with your retirement fund sponsor representative(s).
6. Contact an ES benefit professional for information about benefits.
7. Your department must forward a copy of the signed, approved agreement to Employee Services.

# GETTING READY

## Preparing for the journey— two to three months before retirement

Employee Services recommends that you meet with a benefits professional approximately two to three months before your proposed retirement date. This meeting is to discuss your University medical, dental and life insurance options and to address any other retirement questions you may have.

To make an appointment, call **303-860-4200, option 3** or e-mail **benefits@cu.edu**

### **What to bring to your meeting with the university benefit professional**

- Preparing to Retire Worksheet and documentation of years of service not identified in the University's Human Resources Management System.
- Retiree Benefits Enrollment/Change Form located on the ES website.

### **University Retiree Benefits**

You are strongly encouraged to review all available medical and dental options, taking into account your personal travel or living plans/locations before making your election(s). For detailed coverage information on each plan, see the Summary of Benefits, Benefits Booklet, general exclusions and formularies, all available on the Employee Services website.

- **University Medical and Dental Insurance Options:** Plans are available to retirees and dependents. There are plan options for:
  - families who are not yet eligible for Medicare
  - combination families—retirees who have members needing coverage who are Medicare eligible and members who are not Medicare eligible
  - retirees and their dependents who are all eligible for Medicare.

If you are newly enrolling dependents in your University benefits at the time of retirement, you will be required to provide dependent eligibility verification documents.

- **University Basic Life Insurance:** Reduces to \$3,000
- **University Optional Life Insurance:** If actively enrolled prior to retirement, you may elect to continue up to 25 percent of the benefit not to exceed \$9,500. Accidental Death and Dismemberment coverage is not available as part of retiree Optional Life Insurance.

# GETTING READY

## When two members of a household are employed and/or retired with the University and/or University affiliates:

- You and your dependents cannot be covered as both an employee/retiree and a dependent for any University medical and/or dental plan.
- A retiree may be insured as both a retiree and a spouse of an active employee up to a maximum combined optional life insurance benefit of \$500,000.
- Each parent employee/retiree may enroll in different plans and may enroll different dependent children under his or her coverage.

## If you do not take action to retire or if you waive University retiree benefits

If you are eligible for retirement with the University and you take no action to retire with a benefit professional within 31 days of your date of termination, the following defaults will apply:

- **Medical and Dental:** plans are waived for the plan year. You are not allowed to enroll until the following annual open enrollment period.
- **Basic Life Insurance:** your basic life insurance will be waived and you forfeit your rights to enrollment from that point forward.
- **Optional Life Insurance:** is forfeited and you are not eligible for re-enrollment at any time.

## Other important things to consider in the months prior to retirement

**Notify Your Department:** Once you decide on your retirement date, notify your department head, supervisor and/or payroll liaison of your expected departure date. Your department must initiate and submit proper forms to Employee Services (for example, paperwork to be included on the monthly time collection for any sick/vacation payouts).

**Sick and Vacation Leave Payout:** If you are eligible for any sick and/or vacation payouts, you must confirm your leave balances with your department and arrange to have your department process this payout through the monthly time collection.

**Finalize any tax-deferred 403(b), 401(k) and/or 457 deductions:** If you plan to tax-defer your sick and vacation leave payout, you must submit election forms to the Employee Services office at least a month prior to retirement. For the PERA 457 plan, you must enroll online at [www.copera.org](http://www.copera.org) by 2 p.m. on the 25th of the month prior to your retirement date.

# GETTING READY

**Forms should be submitted to Employee Services one month PRIOR to your retirement date.**

- Preparing to Retire Worksheet
  - Retiree Benefits Enrollment
  - Electronic Funds Transfer Form (if electing EFT).
  - Applicable 403(b) or 401(k) enrollment forms to enroll or increase your contributions.
- For your PERA 457, make changes online at [www.copera.org](http://www.copera.org) by 2 p.m. on the 25th of the month prior to your retirement date.

<b>By Mail:</b>	<b>By Fax:</b>	<b>In Person:</b>
Make a copy for your records and send the original to: University of Colorado Employee Services 1800 Grant St., Suite 400 400 UCA Denver, CO 80203	303-860-4299  Keep a copy of the successful fax transmission report with your form(s) for your records.	Bring your completed original form(s) and copies for your records to Employee Services. The Employee Services receptionist will date stamp your original and copied form(s). ES will keep the original.

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## Enjoy the Destination

Once your department terminates your active benefits-eligible position, the following will take place:

### Active Benefits

All your active employee benefits coverage will terminate at the end of the month in which you retire.

- **Medical, Dental, Vision and Flex Account Benefits:** Active employee medical, dental, vision and flexible spending accounts will terminate. These plans may be continued under COBRA. Dependent Care Flexible Spending Account will terminate and is not eligible for conversion or COBRA.
- **University Basic and Optional Life/AD&D plans:** Active Basic and Optional Life/AD&D plans for employees and dependent(s) terminate and are not eligible for COBRA. You may convert coverage for yourself and your dependent(s) to a whole life policy within 31 days of the active termination date. Certain restrictions may apply. Please contact The Standard Life Insurance Company for more information.
- **Disability plans:** Long term and short term disability coverage will terminate and are not eligible for conversion or COBRA.

**Continuation Rights (COBRA):** The Department of Labor requires that the University send Consolidated Omnibus Budget Reconciliation Act (COBRA) information to all employees who terminate active employment and who were enrolled in medical, dental vision and Health Care Flexible Spending Account plans. If you are interested in continuing your Healthcare Flexible Spending Account under COBRA, contact an Employee Services benefits professional. You may disregard the COBRA information for the medical and dental plans if you enroll in retiree benefits.

**Retiree Benefits:** If you are eligible and elect retiree benefits, your retiree medical, dental and life insurance coverage will begin the first day of the month following the termination of your active benefits. You will receive new medical insurance card(s) from the applicable carriers.

**Paying for your University Retiree Benefits:** The University will bill you each month for your retiree benefits. You will receive your benefits bill around the first week of the month to pay for the coverage received the prior month. For example you will receive a bill in February to pay for your January coverage. Payment is due by the end of the month in which you receive your bill.

If you enroll in the Electronic Funds Transfer (EFT) option, retiree benefit premiums will be debited from your account on the first banking day on or after the 20th of each

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month for the total amount due. The EFT option also pays in arrears, the debit taken in February pays for your January coverage.

**Imputed Income:** The University of Colorado's contribution toward medical and/or dental coverage for your same gender domestic partner (SGDP) or your partner's dependent(s) is considered imputed income unless you claim them as your tax dependent(s) for healthcare purposes. These benefits are subject to Social Security and Medicare taxes. If you are subject to imputed income for your benefits, you will be billed by Employee Services for taxes and sent a W-2 at the end of the calendar year. Imputed income does not apply to Civil Union partners.

## Changes to Your Retiree Benefits Enrollment

You are allowed to make eligible changes to your retiree benefits only at designated times.

**Open Enrollment:** Open Enrollment is generally held during the spring of each year. Employee Services will send you information each year explaining your options and any changes to your retiree benefits.

**Family/Life Event Changes:** Certain life events and/or changes in status may be considered qualifying life events, allowing limited changes to your benefit elections. Internal Revenue Code (IRC) regulations require that these changes be made within 31 days of the qualifying life event. If you are expecting or experiencing a qualifying life event, contact an Employee Services benefit professional immediately to discuss the necessary process, required forms and deadlines.

### When you or your Covered Dependent Turns 65 or Gains Eligibility for Medicare

- If a dependent turns 65 before the retiree, the dependent's non-Medicare eligible coverage will terminate the last day of the month before he/she turns 65. The retiree may elect to continue in their current plan or enroll in an over/under combination plan.
- When a retiree turns 65, medical and dental coverage for all covered persons will terminate the last day of the month before the retiree turns 65. The retiree and their dependents may enroll in an over/under combination plan.

**Moving out of the Plan Service Area:** If you move out of the medical/dental plan service area, you must enroll (within 31 days of your move) in another plan that provides service in your new location. Contact an Employee Services benefits professional for instructions.

Note: If you move, please update your information in the portal at [my.cu.edu](https://my.cu.edu).

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## Survivor Benefits

The University provides medical and dental benefits for surviving spouses and eligible dependents covered by the University medical and/or dental plans at the time of the retiree's death.

**Enrollment:** The surviving spouse and/or dependents must contact an Employee Services benefit professional within 31 days of the retiree's death and submit a completed Surviving Spouse Benefits Enrollment/Change Form. If a surviving spouse or dependent waives coverage at any time, they forfeit their rights to future coverage.

## Other University Retiree Options

(varies by campus)

**Parking:** Contact your campus parking department for information about parking options.

**E-mail/Internet Access:** Contact your campus IT department for information about continuing access.

**Library Privileges:** Contact your campus library for information about library access.

**Office Space:** Contact your department about office space.

## Returning to work at the University after retirement

If you are planning to return to work, contact a benefits professional prior to your re-employment to discuss any impact to your retiree benefits.

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## Carrier Contact List

CARRIER NAME	TOLL-FREE/ LOCAL PHONE NO.	WEB ADDRESS
University Benefits Professionals	303-860-4200, option 3 toll free 855-216-7740	<a href="http://www.cu.edu/es">www.cu.edu/es</a>
Social Security	800-772-1213	<a href="http://www.ssa.gov">www.ssa.gov</a>
Medicare	800-633-4227	<a href="http://www.medicare.gov">www.medicare.gov</a>
Standard Insurance Co	800-628-8600	<a href="http://www.standard.com">www.standard.com</a>
Fidelity (401a/403b)	800-343-0860	<a href="http://plan.fidelity.com/287317/about-your-plan/57601">http://plan.fidelity.com/287317/about-your-plan/57601</a>
TIAA-CREF (401a/403b)	800-842-2776	<a href="http://www.tiaa-cref.org/cu">www.tiaa-cref.org/cu</a>
Vanguard Group (401a/403b)	800-523-1188	<a href="http://cu.vanguard-education.com">http://cu.vanguard-education.com</a>
American Century (403b)	800-345-3533	<a href="http://www.americancentury.com">www.americancentury.com</a>
Dreyfus (403b)	800-358-0910	<a href="http://www.dreyfus.com">www.dreyfus.com</a>
DWS Investments (403b)	800-541-7705	<a href="http://www.dws-investments.com">www.dws-investments.com</a>
MetLife (403b)	800-758-3231	<a href="http://www.metlife.com">www.metlife.com</a>
VALIC (403b)	800-448-2542	<a href="http://www.valic.com">www.valic.com</a>
PERA (401k/457)	303-832-9550 or toll free 800-759-7372	<a href="http://www.copera.org">www.copera.org</a>
Anthem	800-735-6072	<a href="http://www.anthem.com/cuhealthplan">www.anthem.com/cuhealthplan</a>
Kaiser	877-883-6698	<a href="http://my.kp.org/universityofcolorado">http://my.kp.org/universityofcolorado</a>

# Retirement Checklist 401(a)

## 1) 3-5 years prior to retirement



- Familiarize yourself with the CU retirement procedures.
- Contact a benefits professional.
- Get familiar with your retirement options by talking to the appropriate professionals.
- Develop a plan and track your progress as you prepare for retirement.
- Gather the following information:
  - Retirement eligibility
  - Retirement date goal
  - Cost to retire
  - IRS Calendar year tax deferred savings plan limits
  - University retiree benefit service years
  - Review current medical, dental, life and optional life benefits and how they will or will not transition into retirement
  - Social Security retirement estimator

## 2) 2-3 months out

- Review your eligibility for retirement.
- Set up a meeting with a benefits counselor.
- Review CU retiree benefits.
- Be sure to:
  - Notify your department of your departure
  - Calculate with your department your vacation and sick (if applicable) payout.
  - Finalize tax-deferred 403(b), 401(k), and/or 457 deductions

## 3) 1 month out

- Submit the following forms to Employee Services:
  - Preparing-to-Retire worksheet
  - Retiree benefits enrollment
  - Electronic funds transfer form
  - Applicable 403(b) or 401(k) enrollment forms to adjust contributions
- Notify your department of your expected retirement date.
- Confirm with your department sick (if applicable) and vacation leave payout balances.
- Finalize your final paycheck with regard to tax-deferred 403(b), 401(k) and/or 457 deductions.