



University of Colorado  
Employee Services  
2014–15

**Preparing to Retire**  
**PERA**

- Planning Retirement
- Retirement
- Eligibility



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EMPLOYEE SERVICES

This booklet provides employees who have participated in the Public Employees' Retirement Association (PERA) 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 PERA, Social Security, or Medicare benefits. They can direct you to some of the available PERA, Social Security, and Medicare resources, and can answer any questions regarding University of Colorado retiree benefits.



University of Colorado

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**EMPLOYEE SERVICES**

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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 can also 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 also could 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 for retirement with PERA and the University of Colorado. You must meet the eligibility requirements for both PERA and CU.

- PERA Retirement: [www.copera.org](http://www.copera.org)
- CU 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: PERA, 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 Employee Services Retirement Pension/Savings Plan Fact Sheet ([http://www.cu.edu/sites/default/files/policies/35113-retirement-pension/savings-plan-fact-sheet/files/pension-savings-factsheet-2014\\_0.pdf](http://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.

**University Retiree Benefit Service Year:** A service year equals each year you worked for the University in a 50% or greater 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, service credit purchased from PERA or years at another PERA employer.

# THINK AHEAD

**PERA Service Credit:** In most cases, you receive a month of service credit for each month of employment that you earned monthly salary is greater than or equal to 80 times the federal minimum wage hourly rate at the time of service. (Ex.: With a \$7.25 minimum wage, any member whose salary is at least \$580 –  $\$7.25 \times 80$  – would generally receive one month of service credit.) Salaries less than that amount will be prorated. Please contact PERA regarding your PERA service credit calculation and purchasing additional years of service credit.

**PERA Service Credit/University Retiree Benefit Service Year:** PERA service credits are not necessarily equal to qualified University retiree benefit service years. The benefit professionals will review your qualified retiree benefit years of service with the university 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.

**PERA Highest Average Salary (HAS):** PERA determines the highest annual salaries associated with four periods of 12 consecutive months. Participation in the Premium Only Plan and the Health Care and Dependent Care Flexible Spending Account plans can affect your Highest Average Salary (HAS) calculations for PERA benefits. Understand that open enrollment or if you experience a qualified life event is the ONLY time you can make changes to these elections. Please contact PERA regarding your HAS calculation.

**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 adjust for cost-of-living increases.
- Your estimated benefits are based on current law, and the laws 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.

**University Retiree Benefits:** 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 becomes 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. Anyone who is Medicare eligible is NOT eligible for CU retiree medical and dental benefits.
- **Optional Life Insurance:** Review the amount of optional life insurance you currently have. You may need to make changes to the amount of CU or PERA life insurance during open enrollment over the next few years. Your CU optional life insurance coverage decreases upon retirement. Contact PERA to learn what will happen to your PERA optional life insurance upon retirement.

## Retirement Eligibility

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

- Be in an active university benefits-eligible position with a 50 percent or greater appointment immediately preceding your retirement date.
- Meet PERA's age and years of service requirements
- Retire with PERA. If you elect to receive a lump-sum distribution from PERA or elect to postpone your retirement date, you will be considered terminated (not retired) from the university and, therefore, ineligible for university retiree benefits.

Note: CU PERA retirees, spouses and dependents who are Medicare-eligible are NOT eligible for CU retiree medical and dental benefits.

**Normal Retirement:** Employees who have worked for the university in a benefits-eligible position (50% or greater) for a minimum of 20 years will receive 100% of the University contribution toward retiree medical, dental and basic life insurance premiums.

**Early Retirement:** Employees who have worked for the university in a benefits-eligible position (50% or greater) for less than 20 years are eligible for early retirement and will receive a prorated percentage of the university contribution toward retiree medical, dental and basic life insurance premiums.

Note: University service does not include years of service in a non-benefits-eligible position (e.g., temporary position), service credit purchased from PERA or years at another PERA employer.

# THINK AHEAD

## To calculate your prorated amount:

1. Determine your number of eligible years of service.

*Example:* eligible years of service = 11

2. Divide your number of eligible years of service by the number of eligible years of service for normal retirement (20).

*Example:*  $11 \div 20 = 0.55$

3. This will equal the percentage of university contribution.

*Example:* 55%

## 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: <http://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:*  $\$700.00 \times 55\% = \$385$

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

*Example:*  $\$900 - \$385 = \$515$

# 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**.

Review your eligibility for retirement with PERA and the University of Colorado. As a university employee participating in PERA, you may have two retirement benefit options available to you depending on your age at retirement:

- PERA Retirement (PERACare)
- CU Retirement (university health plans)

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

- Complete the PERA Benefit Structure Retirement Application. Bring a copy to your meeting with the benefit professional.
- Complete the top section of the PERA final Six-Month Salary Report. Bring this to your meeting with the benefits professional, who will forward it to Payroll.

### **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:** Available to retirees and dependents under 65 years of age who are not Medicare eligible. 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:** Reduced 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/SGDP 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 (1) take no action to retire, or (2) fail to submit the required enrollment form within 31 days of your date of retirement, or (3) waive one or all benefits, then your medical, dental, basic and optional life insurance plans will be terminated and you forfeit all rights to University benefits enrollment from that point forward.

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

**Contact PERA:** Order a retirement kit from PERA and apply for retirement. Complete PERA's requirements for retirement and be sure to keep copies of paperwork for your records.

**PERA benefit options:** As a PERA retiree, you may choose PERA medical and dental benefits instead of university medical and dental benefits. In addition, you may continue PERA life insurance as long as you are enrolled prior to your retirement date. Contact PERA directly regarding these plans.

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

**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.

# GETTING READY

**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 Employee Services at least a month prior to retirement. For the PERA 457 plan, you must contact [www.copera.org](http://www.copera.org) by 2 p.m. on the 25th of the month prior to your retirement date.

**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 in or increase your contributions. Make changes online at [www.copera.org](http://www.copera.org) for the PERA 457 Plan 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.

# RETIREMENT

## 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.
- **PERA Life plan:** May continue through automatic deduction from your PERA retirement benefit. Contact PERA for further 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 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.

# RETIREMENT

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 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 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 dependents non-Medicare eligible coverage will terminate the last day of the month before he/she turns 65. Retiree coverage will continue.
- 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. Retiree life insurance will remain in effect.

**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).

# RETIREMENT

## Survivor Benefits

There are no medical and dental survivor benefits available through the University of Colorado.

- Your designated beneficiaries must contact Employee Services for any applicable life insurance claims.
- Contact PERA directly for information regarding survivor benefits.

## 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, make sure you review the PERA Working After Retirement booklet. You must also contact a benefits professional prior to your re-employment to discuss any impact this may have to your retiree benefits.

# RETIREMENT

## Carrier Contact List

CARRIER NAME	TOLL-FREE/ LOCAL PHONE NO.	WEB ADDRESS
University Benefit Professionals	303-860-4200, option 3 toll free 855-216-7740	<a href="http://www.cu.edu/employeeservices">www.cu.edu/employeeservices</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

## PERA

### 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
  - PERA service credit
  - Review current medical, dental, life and optional life benefits and how they will or will not transition into retirement.
  - PERA Highest Average Salary
  - Social Security Retirement Estimator

### 2) 2-3 months out

- Review your eligibility for retirement with PERA and CU.
- Set up a meeting with a benefits counselor
- Review CU retiree benefits
- Be sure to:
  - Contact PERA.
  - Consider PERA medical and dental benefits.
  - Notify your department of your intent to retire.
  - Work with your department to calculate your sick and vacation leave 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.