Confidentiality

We are in a safe place

- Do not share with others who is sitting in the room
- Respect this decision is a big one for everyone

All here because you are eligible to participate

- Does not mean you have to participate
- It’s a personal choice
Today’s Discussion

1. VRIOP Process
2. WRS Retirement
3. Health Insurance Points

VRIOP Program Criteria

Retirement date must be between July 1 and August 31, 2020

• This means your last day employed must be within July 1 through August 30, 2020.

Condition(s):
• Not eligible to be employed by UW Oshkosh for two (2) years from the date of retirement, unless authorized by the Chancellor.
• See Conditions section of policy for more detailed information related to specific conditions.
VRIOP – What’s Being Offered

A one-time separation payment at the time of retirement equal to 50% of the employee’s January 15, 2020 base salary.

Base salary is defined as employee's permanent salary excluding the following:

- Overload
- Overtime
- Weekend/shift/night differential
- Standby pay
- Temporary base adjustments
- Interim and summer payments
- Increases due to an interim assignment or any other temporary payment above permanent base salary

VRIOP Required Paperwork

a. Separation Agreement and Exhibit A
   i. Any other documents to complete process

b. Flex Spending Account & Earned Leave Payout Form
   i. Any other documents to complete process

C. Retirement Letter with Supervisor Signature

MUST TURN IN ALL THREE MAIN DOCUMENTS AT SAME TIME
Points to Remember

VRIOP Submission period: March 2 – April 1, 2020

• Employees must submit Separation Agreement, FSA and Leave Payout Election Form, and Retirement Letter with supervisor’s signature no later than April 1, 2020, 4:30pm
  • See Steps to Completion handout

Turn Completed Packets in to Human Resources, Dempsey 328, Oshkosh campus

• Completed packet will be date and time stamped at time received in HR
  • Separation Agreement, FSA/Leave Payout Form, Retirement Letter

• Employee will have 45 days from date received in Human Resources to rescind
• Packet will be logged on tracking sheet and submitted to Chancellor for review
• Chancellor will notify HR of status
• Notification of Chancellor review status will be communicated to employees via HR
• Once 45 day rescind period is complete notification of official acceptance will be communicated to eligible employees and their supervisors via HR

VRIOP Requirement

Separation Agreement

• Review
• Write in last day employed
• Sign and date agreement
• Complete Exhibit A, sign and date

See Steps to Completion Handout
  • Point 1 – Separation Agreement
Separation Payout
How and When Processed
• Payout is deposited directly in bank account or pre-tax plan(s) as you indicate on Exhibit A
• Processed as close to your last day employed as possible

Options for Distribution
• Cash lump sum payout, or
• Contributions to pre-tax plan(s), or
• Combination of both

Separation Payout
Cash Lump Sum Payout

Points to consider:
• Consider changing your withholding exemptions
• Advised to speak with your tax advisor

See Steps to Completion Handout
• Point 1 – Separation Agreement
Separation Payout Contribution to TSA and/or WDC

Points to consider:
- Keep all plan limits in mind; can be pre-tax or Roth after-tax
- Limits per plan type, not per vendor

**Tax-Sheltered Annuities – TSA – 403(b) Plans**
Employees age 50 or older max contribution limit is $26,000 for 2020
*May* be eligible for additional $3,000 catchup - next slide

**Wisconsin Deferred Compensation – WDC – 457 Plan**
Employees age 50 or older max contribution limit is $26,000 for 2020
*May* be eligible to contribute twice regular amount ($19,500 x 2 = $39,000) - next slide

You must have an account set up 1 month prior to processing
See Steps to Completion Handout
- Point 1 – Separation Agreement

See VRIOP Payment Distribution Taxation Explanation Handout

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TSA and WDC Catch-Up Options

**TSA – 403(b) Catchup**
- Main limits apply ($19,500; 50 or older is $26,000)
- If have 15 years of service AND have minimally contributed to TSA, you *may* be eligible to contribute an additional $3,000
  - MUST BE CALCULATED BY UW SYSTEM
  - If you believe this may apply to you, email benefits@uwosh.edu and request a review of TSA contributions

**WDC 457 Catchup**
- Main limits apply ($19,500; 50 or older is $26,000)
- Special Catchup for underutilized contributions allows twice the regular amount ($19,500 x 2 = $39,000) in one year
  - MUST WORK DIRECTLY WITH WDC

THIS TAKES TIME
DO NOT DELAY IN REQUESTING EVALUATIONS or SETTING UP ACCOUNT
VRIOP Requirement
Flex Spending Account & Earned Leave Payout Form

Must submit
• Mark not applicable if does not apply to you

See Steps to Completion Handout
• Point 2 – Flex Spending Account and Earned Leave Payout Options

Flex Spending Account

Two Options for FSA Medical only

1. To be able to use through end of the year
   • Contribute remainder of annual election via lump sum contribution taken from last check

2. Coverage ends at end of month of last FSA deduction taken
   • Coverage ends on retirement date; expenses received after that date are not reimbursable

See Steps to Completion Handout
• Point 2 – Flex Spending Account and Earned Leave Payout Options
Earned Leave Payout

Directly deposited as part of last paycheck, or after
All leave usage prior to retirement requires supervisor approval

ALRA/Banked Leave
- Department budget incurs payout cost if used immediately before retirement
- General fund incurs payout if not used immediately before retirement

Options for leave payout, other than sick leave:
- Cash lump sum payout, or
- Contributions to pre-tax plan(s), or
- Combination of both

See Steps to Completion Handout
- Point 2 – Flex Spending Account and Earned Leave Payout Options

VRIOP Requirement

Retirement Letter

- Indicate retiring via VRIOP
- Indicate last day employed within letter
- Supervisor must sign acknowledging receipt of copy and approving requested use of any leave up to last day employed
- Give Supervisor copy of letter – they need to complete PTF

See VRIOP Retirement Letter Requirement Handout

This is Point 3 on Steps to Completion Handout
WRS Estimate and Sick Leave Credit Conversion Estimate

Information Provided is an estimate
- Does not guarantee that is exactly what you will receive
- Actual amounts dependent upon several calculation and entry factors

Recommendation
- Request an official WRS estimate from ETF – 877.533.5020
- Meet with ETF regarding any WRS retirement questions
- Review the numbers on both and run your own estimates
- Do your own research

WRS Retirement Benefit Calculator Estimate

Estimated calculations are based on a retirement date of August 1, 2020
- Arbitrarily chosen date; does not mean you have to retire on that date
- May choose any date from July 1, 2020 through August 30, 2020 as your last day employed
- Calculation is based on current age; Does not include military service years

Where did data come from?
- ETF Annual Statement of benefits (2018)
- Biographical data in HRS payroll/benefits system
Annuity Options

- Annuitants life only
- Life with 60 payments guaranteed
- Life with 180 payments guaranteed
- 75% continued to named joint survivor
- 100% continued to named joint survivor
- Reduced 25% on death of annuitant or named joint survivor
- 100% continued to named joint survivor with 180 payments guaranteed

Choosing annuity brochure:
https://etf.wi.gov/publications/et4117/direct
Annuity Options
Joint and Named Survivor

Can name anyone with restrictions

If you name someone other than your spouse/domestic partner there are age restrictions

- If you choose 100% continued annuity options
  - Individual can not be more than 10 years younger than you

- If you choose a reduced annuity option
  75% continued or reduced 25% on death
  - Individual can not be more than 19 years younger than you

Annuity Options
Accelerated Payments

- Available if under age 62
- WRS pays a higher amount prior to age 62
- WRS reduces at age 62
- Social security starts at 62
- WRS (before age 62) equals WRS (after age 62) + social security

- Note: the longer you live after age 62, the more it “costs” for the temporary annuity received before age 62. The loss is paid over the lifetime of the annuity...

https://etf.wi.gov/retirement/calculators/accelerated-payment-calculator
Sick Leave Conversion Credit

Estimate

Estimates how long your sick leave will last
If you take an immediate annuity and have the state group health plan at retirement

Estimated calculations are based on a retirement date of August 1, 2020
• Arbitrarily chosen date; does not mean you have to retire on that date
• Calculation is based on highest salary throughout career and current health plan
• Includes an assumed 5% increase in premium each year

Where did data come from?
• ETF Annual Statement of benefits (2018)
• HRS System

Results

Estimated Total Value of Sick Leave Credits at Retirement: $47,989.12
Estimated Number of Years Sick Leave Credits are Expected to Last in Retirement: 1 years 11 months
Estimated Age When Sick Leave Credits will be Exhausted: 59 years 0 months

Sick Leave Credit Details

Estimated Total Hours of Sick Leave Credits at Retirement: 3340 hours
Estimated Sick Leave Balance at Retirement: 2352 hours
Estimated Number of Supplemental Sick Leave Credit (SHICC) Hours at Retirement: 988 hours

Estimated Total Value of Sick Leave Credits at Retirement (ASLCC + SHICC): $47,989.12
Estimated Value of Sick Leave Credits under ASLCC Program at Retirement (sick leave balance x highest hourly rate): $33,703.54
Estimated Value of Sick Leave Credits under SHICC Program at Retirement (total supplemental credits x highest hourly rate): $14,195.58

Retirement Information

Expected Retirement Date: 08/01/2017
Seniority/Continuous Service Date: 09/21/1995
Estimated Years of Continuous State/UW Service at Retirement: 19 years 11 months
Estimated Highest Hourly Wage at Retirement: $14.368

Note Estimated number of years credits will last
Sick Leave Conversion Credit Program

Points to Remember

Must have all Leave Reports and timesheets complete in order for sick leave to be certified

Can stay on state group health plan for life
  • Pay the full health insurance premium rate when retire
  • When sick leave credits exhaust, pay premium out of pocket

Must have health insurance coverage at the time of retirement to be eligible
  • If you opted out of health insurance you do not qualify for the program
  • Option to enroll in access plan prior to retirement if not currently enrolled

Death benefit
  • Spouse/domestic partner and dependents are eligible ONLY IF have family coverage at time of death

Can escrow sick leave if going on another plan that is deemed to have comparable coverage
  • When other coverage ends can re-enroll as life event in state group health plan or during open enrollment

https://www.wisconsin.edu/ohrwd/benefits/sick-leave-credit-conversion-program/

Sick Leave Conversion Credit Program

Special Sick Leave Restoration Rule

If it has been necessary for you to use at least 500 hours of accrued sick leave due to a single personal illness or injury during the three-year period immediately prior to retirement, layoff or death,

you (or your surviving spouse and/or dependents if you die while still employed) will be granted 500 SHICC hours when you terminate employment.

• Must complete Restoration Request Form for HR review
  Request the form from Human Resources (benefits@uwosh.edu)

You (or your surviving spouse and/or dependents) may be required to provide medical documentation of your illness or injury to Human Resources.

Hours are not ‘matched’ – straight 500 hours
State Group Health Plan
Points to Remember

New for 2020

Keep same health plan carrier at retirement unless eligible for Medicare A & B
  • Retirement is not an eligible life event to change health plan carriers unless
    become eligible for Medicare A & B
  • Must enroll in Medicare A & B when eligible to remain on state group health plan

Premiums reduce when enroll in Medicare A and B
  • Automatically enrolled in Navitus Medicare RX (PDP) program
  • No additional premium
  • Part of ETF State Group Health Plan

If spouse is state employee
  • you can use both accounts

State Group Health Plan
Coverage and Costs
With Or Without Medicare

Handout: First page looks like this

Quick Comparison
A high-level overview of the available plan designs. See the next page for a breakdown of costs when you visit
the doctor, have labs drawn or fill a prescription

ETF – IYC Retiree Health Benefits Decision Guide:
https://etf.wi.gov/its-your-choice/2020/20et-2108/direct
State Group Health Coverage
Non-Medicare Eligible

• Coverage for health and prescription stays the same
  Reference Page 3, 4 and 5 of handout

• Can keep uniform dental plan at higher premium and will be deducted from sick leave credits – Reference page 17 of handout

• Pay full premium rate based on which state health plan enrolled in at time of retirement
  Reference Page 13 of handout

• Retirement not a life event to change health plan carrier

• Open enrollment and life event opportunities

State Group Health Insurance
Medicare Eligible

• If retiring, anyone on state health plan must enroll in Medicare A and B when age 65
  • Do not need Medicare D (prescription) if keep state group health plan

• State group health premium reduces as long as you notify ETF (ET 4307)
  Reference pages 14 and 15 of handout

• Automatically enrolled in Navitus Medicare RX (PDP); no additional premium; part of state group health plan

• Can keep uniform dental at higher premium and will be deducted from sick leave credits – Reference page 17 of handout

Once receive Medicare Card(s) complete ETF Medicare Eligibility Statement (ET 4307), make copy of Medicare card(s) and mail to ETF
State Group Health Coverage Medicare Eligible

- Pages 6, 7 and 8 of handout
- If one or more on Medicare A and B you cannot be enrolled in high deductible health plan with HSA
- Co-insurance does not apply for individual on Medicare A and B
- If you and partner are on state group health insurance and only one individual is eligible for Medicare A and B, then co-insurance, along with out-of-pocket maximum, will be applied only to the individual not on Medicare A and B

State Group Health Plan Families With Medicare & Non-Medicare Members

Are there people on your health insurance that are not enrolled in Medicare, or are not yet Medicare eligible?

- Can enroll in ETF State Medicare Advantage or Medicare Plus, and enroll in a second health plan for your non-Medicare members
- Why make a change?
  - Save on monthly premiums and out of pocket costs
State Group Health Insurance Medicare Eligible

- When you or someone on your state group health insurance becomes eligible for Medicare through social security office or no longer eligible, you can choose a new health plan or plan design
- You must file an ETF state group health application within 30 days of the Medicare coverage change; This is not an opportunity to enroll

What this means:
- If Medicare eligible at time of retirement you can switch to the ETF state Medicare Advantage or ETF state Medicare Plus plan – do not need to wait for open enrollment

ETF State Medicare Advantage and Medicare Plus Plans

ETF State Medicare Advantage Plan

- Benefit managed through United Healthcare
- Even if regular Medicare would not cover, coverage may be available via ETF State Medicare Advantage Plan
- Nationwide coverage
- Includes prescription coverage; no prescription donut hole
- Hearing aid coverage
- Silver sneakers
- Can have with or without uniform dental for additional premium

Not administered as part of social security
ETF State Medicare Advantage
And Medicare Plus Plans

Not administered as part of social security

ETF State Medicare Plus Plan

• Benefit managed through WEA Trust
• Acts as a true supplement to Medicare A and B
• If Medicare A and B do not cover, this plan will not cover
• World-wide coverage – foreign travel rider
• Includes prescription drug coverage
• Can have with or without uniform dental with additional premium

Health, Medicare, and
Sick Leave Conversion Credits
General Guidance

See Purple Document
Benefits at Retirement

See Stapled 6 Page White Document

Roadmap to Retirement Planning

Gold Handout

Refer to handout for additional items to consider
ETF Retirement Reminders

- Cannot submit the application to ETF more than 90 days prior to termination date on application
- **Termination date** on application means last date in pay status
  - Last date in pay status means last date employed
  - Termination date/last date in pay status/last date employed may or may not be the same as your last day physically working
- **Retirement date** is the day after your last date employed
  - It’s the first date of your annuity
- **Must have a 75 day break in WRS Employer Service**
  - Can not any agreement with any WRS Employer (state or local)
- **Hours limitations apply if work for WRS employer** and do not want to stop annuity (considered a rehired annuitant)
  - FAASLI 12-Month = below 42% FTE (880 hrs/yr); FAASLI 9-Month = below 56% FTE (880 hrs/yr); Univ Staff = below 58% FTE (1200 hrs/yr)

You Are Encouraged To Contact

- The Department of Employee Trust Funds (ETF)
  - 877.533.5020
- A tax advisor
- A financial advisor and/or
- An attorney
Walk-In and Open Lab Periods

See Bright Pink Half Sheet

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Employees must submit to Human Resources (Dempsey 328, Oshkosh campus)
Separation Agreement, FSA and Leave Payout Election Form, and Retirement Letter with supervisor’s signature
*no later than April 1, 2020, 4:30pm*