

VSCUP RETIREMENT FAQs

Retirement questions from members of the VSC United Professionals Units (PASUP)

These questions were collected from the members of the VSC. The answers are for current employees, eligible to retire with VSC retiree benefits, in accordance with our current health insurance plans and the current VSCA Agreements. Any employee whose employment began on or after October 1, 2012 is not eligible to receive retirement medical or dental benefits. This information explains the contractual terms and does not replace those provisions.

1. Please share the specifics of what is covered, as there are lots of options when signing up for Medicare.

The VSC retiree health insurance offers medical coverage that complements Medicare Part A and Part B coverages; offers prescription drugs coverage (the equivalent to Medicare Part D); and offers dental coverage that includes cleaning, general maintenance and routine exams. See also Q. 3, below for more information on Medicare coverage.

2. What the cost will be for an employee.

An employee who was hired prior 7/1/2000 will not be required to contribute towards the cost of premiums for the employee and the employee's spouse once retired.

An employee hired after 7/1/2000 will be required to contribute towards the cost of premiums for medical and dental premiums costs. The retiree's premium contribution is based on a formula using the employee's last base annual salary at the time of retirement, applied to the percentage bracket outlined in the VSCA Agreements. This is the "Retiree's Share of Premium." The dollar amounts may vary if premiums increase, but the percentage of premium will remain the same.

If the retiree is responsible to pay premiums contribution, the retiree will send monthly checks to cover the Retiree's Share of Premium to the Chancellor's Office. Additional information is provided as part of the instructions provided to the employee by HR OC.

3. There will be some forms that the college needs to fill out before an employee retires. Will the employee have to pay a penalty to Medicare because it is less than six months before retirement?

The HR OC department will have to fill out Medicare employee form for the employee or spouse to be able to enroll in Medicare Part A and Part B outside of open enrollment. That form will allow the employee to enroll in Medicare without paying a penalty if

the enrollment is within 90-day period within the employee's retirement date.

4. How much notice needs to be given in advance of retiring?

Currently, the employee communicates with their supervisor and Campus HR of their intent to retire. Campus HR communicates with the President, who approve/acknowledge

The instructions sent to the employee prior to effective retirement date will describe the timelines in the event there is the need for

Medicare. The VSC's Medicare Advantage Plan was custom designed for VSC retirees to provide the same level of benefits as the VSC's Medicare coverage.

14. Do we need to get Part D, along with our healthcare insurance?

No. Prescription RX coverage (known as Medicare Part D) is provided through the Cigna Medicare Advantage plan to VSC retirees and spouses over 65.

15. What happens if I don't need the VSC healthcare coverage when I retire; will I still be able to enroll later? Example: I am covered under my spouse's healthcare coverage, and that will continue for a period of time after I retire.

Yes, as long as you are eligible for it at the time of retirement. The end of your healthcare coverage through your spouse's employment is considered a qualifying event which will allow you to enroll in the VSC coverage after retirement.

16. What happens if I don't need the VSC healthcare coverage now; will I still be eligible for it when I retire?

Yes, as long as you are eligible for it at the time of retirement, you will be able to receive the benefit when you retire, even if you have been opting out until then.

17. What happens if the contract terms change and the way an employee's premium contribution is changed in the future? Will this change how a Retiree's Share of Premium is calculated?

The terms in effect at the time of retirement will control for each retiree; future changes to the contract after you retire will not affect a Retiree's Share of Premium.

18. Is my new spouse covered if I get married after I retire?

The VSC's benefit covers the current spouse at the time of retirement. A new spouse may be added to the coverage, but the Retiree would pay the full additional cost for that coverage.

19. Once I am on Medicare, is Medicare the primary or secondary coverage?

Medicare will be the secondary coverage; CIGNA will remain the primary coverage.

20. What is the process for pension payments?

Employee will have to reach out to TIAA for that information. TIAA is the administrator of VSC's retirement plan, and this is not handled directly by the VSC

21. As far as the TIAA pension piece goes, if a person retires early

the VSC parttime, and this will limit their ability to receive TIAA funds.

- 2) is the person required to start receiving the pension payment or can it be deferred to 65? The employee will need to contact TIAA for that information. Generally, it is up to the retiree when to begin receiving the TIAA funds, but this is also governed by federal regulations. TIAA can provide advice on this.

22. At what age can you retire and withdraw on your TIAA account?

Generally, the age is 59.5. Active employees aged 59.5 or older can access the TIAA funds that the employee has contributed (also known as deferrals). An employee can access the employer contributed funds in their TIAA account once they retire age 59.5 or older. However, if the retired employee continues working parttime for the VSC, this status limits the employee's ability to withdraw those funds contributed by the VSC. Employees should contact TIAA for more information.

23. How do they determine what amount you can withdraw from TIAA?

Contact TIAA for that information. Generally, there is no set withdrawal amounts until the retiree reaches a specific age. Then, there is a minimum required withdrawal according to IRS guidelines.

24. Is there a limit to how much you can withdraw?

Contact TIAA for that information. For general distributions, there are no limits, however, there are loan and hardship guidelines.

25. Can we leave our investment in TIAA?

Yes, but contact TIAA for detailed information on that question.

26. Are we able to roll our TIAA money over in an IRA account at our bank? I had heard they keep a portion of your money. Is that true?

Depending on employment status and age, retirees should be able to withdraw funds from their retirement account including rollovers. There is the TIAA Traditional guaranteed investment in the RA/GRA contracts which has limitations on how retirees can access the funds. Contact TIAA for that information. Eligibility will also depend on whether a retired employee continues working parttime for the VSC.

27. Do benefits such as "Shape Membership" continue?

This is decided at a campus level and may change with the transformation.

28. When I retire will I be paid out my unused vacation and personal time?

On the last payroll, the employee will be paid the accrued balance of Vacation leave. Personal, Float and Sick time balances are not paid out.

