

## Phased Retirement Plan – Questions & Answers

1). ***Why did the University decide to implement this Phased Retirement Program and eliminate the Early Retirement Program?***

The phased retirement plan was a direct request from the Salary and Benefits Committee (Senate). Having two policies is too much to handle and the early retirement program is not as advantageous to academic affairs as it was many years ago.

2). ***How do the Phased Retirement and the Early Retirement Program compare?***

<b>Plan Provisions</b>	<b>Early Retirement Program</b>	<b>Phased Retirement Program</b>
Eligibility criteria:	Age 55 or older with 15 years of service.	Eligible for Emeritus
	Under age 66 at the end of the Fiscal year in which you retire.	No age limitations
	Open to Tenured Faculty and Continuing Contract Professional	Open to Tenured Faculty. Continuing Contract Professionals and Contract Faculty determined on a case by case basis.
Expiration of Program	June 30, 2013	To be determined
<b>Benefits:</b>		
Continuation of Health Insurance for retiree and Spouse after retirement	Yes. Health care coverage continues for life for both retiree and spouse.	Yes. Health care coverage continues for life for both retiree and spouse.
Continuation of Life Insurance coverage after retirement	Option to continue Life Insurance coverage is available	Continuation of Life Insurance coverage at retirement is provided.
Cash Settlement Option/ Benefit	Yes. Receive 40% of retiree life insurance	No
Severance Pay/Benefit	Yes. Payment is equal to 15% of earnings during fiscal year in which you retire.	No
Pre-Approval requirements	None. Note: A letter requesting retirement with Emeritus status is required.	Requires completion of <u>Request to Participate in Phased Retirement Plan</u> and approval of Administrative head and College Dean
<b>Other Provisions:</b>		
Availability of Program	Open to eligible Faculty, no restrictions on number of allotted positions	Availability dependent upon budgetary feasibility.
Ability to work for BSU after retirement	Restricted to working in non-benefits eligible positions only	Restricted to working in non-benefits eligible positions only

**3). What are the eligibility criteria for Emeritus Status?**

Eligible Faculty/Professional Personnel who retire, may, at the discretion of the President and the Board of Trustees, be awarded Emeritus Status if they meet the following criteria:

If hired prior to September 1, 1999 and are:

- At least 50 years of age and have at least 15 years of service, or
- At least 60 years of age and have at least 10 years of service

If hired on or after September 1, 1999, and are:

- At least 50 years of age and have at least 15 years of service

If hired on or after July 1, 2009 and are:

- At least 62 years of age and have at least 15 years of service

**4). What benefits are associated with Emeritus Status?**

- Continuance of health care coverage for the retiree, retiree spouse and any eligible dependents. At age 65, this coverage is converted to Medicare Part A and Part B, Ball State University Medicare Carve-out, prescription drugs, and optional dental coverage. Retirees and their spouses will continue being covered until their deaths.
- Continuance of Life Insurance. Retiree's are entitled to retain life insurance coverage into retirement under the same group life insurance plan as active employees. The amount of coverage to which a retiree is entitled at retirement is 50% of the amount in force immediately prior to retirement or at the pre age 66 level.
- Other benefits: Tickets for a variety of art and entertainment series programs as well as tickets to athletic events if hired prior to 1997.
- Free surface parking.

**5). Can a letter requesting retirement with Emeritus status that has already been approved by Dr. Gora be rescinded if a faculty member decides to participate in the Phase Retirement Program?**

Yes, your letter for Early Retirement can be rescinded once you are approved for the Phased Retirement Plan. If you are not approved by your College Dean for financial or work load constraints, your retirement letter will stay in effect and you can retire as you have planned. The department will be responsible for notifying the Benefits staff, as well as the President's office, that you will not be retiring as previously approved.

**6). Does this apply if I have requested to retire under the Early Retirement Program?**

Yes.

**7). Is continuation of healthcare coverage into retirement an option if I choose to participate in the Phased Retirement Plan?**

Yes. The continuation of health care coverage is a benefit associated with Emeritus status. If the criteria for Emeritus status, as previously outlined, are met then a retiree, regardless of the retirement program, is able to retain health care coverage after retiring.

**8). *If I am currently over the age of 65, will I be able to keep my Ball State health care coverage when I retire and qualify for Medicare?***

Absolutely. Regardless if you are 65 or older when you retire or not yet 65 when you retire, you will continue to be covered under a Ball State healthcare plan after you are covered by Medicare Part A and Part B. If you are retired and 65 or older you will elect to be covered by Medicare. When this occurs, your coverage with Ball State will change to our Medicare Carve-Out Plan which will pay any medical expenses not covered by Medicare. After age 65 Medicare will be the primary payer of your healthcare expenses and the Ball State Healthcare Plan will be your supplemental insurance plan for medical expenses.

**9). *Does this apply to my spouse also?***

Yes. Your spouse and eligible dependents can continue healthcare coverage under the Ball State Plans after you retire. When your spouse turns 65, he/she will also be moved into the Medicare Carve-Out Plan with the same level of coverage as you, the retiree.

**10). *How long can my spouse and I keep our Ball State Health insurance?***

You and your spouse can retain your healthcare coverage under the Ball State Plan for as long as you both live. If you die before your spouse and he/she remarries, healthcare coverage under the Ball State Plans will terminate the month of the marriage.

**11). *If I want to work one semester full time and not work the second semester of the Academic Year under the Phased Retirement Plan, do I get paid half time over the two semesters?***

No, under Indiana law you cannot be paid if you are not actively at work (exception is a paid Sabbatical). You will receive full pay and full pension contributions for the semester you work full time. During the alternate semester, when you are not working, you will not receive a regular pay check nor will pension contributions be made to either TRF or the APP plan. However, the pension contributions on the grossed up wages plus the additional "grossed up wages" will equal the full pension contribution made on your full time wages.

**12). *What is the purpose of the salary gross up?***

If you request and are approved to work a reduced work schedule both semesters, as outlined in the Phased Retirement Plan, your salary will be grossed up to ensure your pension contributions are at the same level as they were when you were working full time.

**13). *How do I calculate what my salary will be at the different percent course loads?***

We recommend that you meet with Marie Kavanagh or Brandi McGlothin in the Office of Payroll and Employee Benefits if you are considering the Phased Retirement Plan. Your pay (grossed up, if

applicable) and benefits will be covered during that meeting as well as any other questions you have related to your status as a participant of the Phased Retirement Plan.

**14). *I'm in the Teachers Retirement Fund, how will this Phased retirement affect my future benefit?***

While we cannot definitively say how your retirement benefits will be impacted if you participate in the Phased Retirement Plan, we provide you information on how TRF counts years of service and what earnings are used by TRF when calculating your monthly benefit. The circumstances affecting the TRF benefit can vary by individual's circumstances so we recommend that this also be included as a topic for discussion during the one-on-one meetings with the Benefits staff.

**15). *I'm in the Alternate Pension Plan, how will this change affect the contributions to this plan?***

While the Alternate Pension Plan is not as complex as TRF, there could be individual variables associated with that benefit that would be better served during the one-on-one discussions with the Benefits staff.

**16). *What should I do if I have already applied for retirement under TRF with my benefits beginning on July 1, 2012, but I decide and are approved to participate in the Phased Retirement Plan?***

According to TRF representatives, if you have already completed the retirement process with TRF, but decide not to retire at this time, all you have to do is write a letter to TRF that includes the current date, your name and TRF number stating that you want to cancel processing of your retirement papers. Include as much details as you can to ensure they can correctly identify your information. Sign the letter and send to the Teacher's Retirement Office in Indianapolis. If you have any questions about the letter, we suggest you contact TRF directly at 317-232-6860.