

Thinking of MSU Retirement? Here's What To Do.

MSU Human Resources Benefits

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Retirement Is To Be Enjoyed!

Following a few basic steps can provide you with the information you need to have a successful retirement.



Review Your MSU Benefits



Where to get information

www.ebs.msu.edu

- Current Benefits Overview,
- Request for Retirement Form
- Personal Profile which includes Address, phone, Emergency Contact, Retirement Eligibility
- Quota Balances



Support Staff View Your Quota Overview

Quota Type	Deductible from	Deductible to	Remainder
Vacation	1/1/2011	12/31/9999	221.20 Hours
Sick	1/1/2011	12/31/9999	935.30 Hours
Family Sick	7/1/2012	6/30/2013	79.00 Hours
Personal	7/1/2012	6/30/2013	0.00 Hours



How do I qualify to be an official MSU retiree?

- You need the appropriate years of service

25 years of Service at any age

OR

15 years of Service and at least age 62



How do I qualify to be an official MSU retiree?

- Official Retirees* receive a contribution towards continuing MSU benefits
- The University Contribution level toward health and dental benefits is based on the employee's Full-Time Equivalent (FTE) Service Months at the time of retirement

* For employees hired prior to 7/01/2010



Effect of Retirement on Benefits

The following charts outline the University Contribution level as determined by an employee's FTE Service Months at the date of retirement.

15 Years of Service and at least Age 62

½ Contribution	¾ Contribution	Full Contribution
90.00-116.99 FTE	117.00-161.99 FTE	162.00-999.99 FTE

25 Years of Service at any Age

½ Contribution	¾ Contribution	Full Contribution
150.00-194.00 FTE	195.00-269.99 FTE	270.00-999.99 FTE



Retirement Information

www.hr.msu.edu

- Summary information on how retirement can impact your benefits
 - The Effect of Retirement on Benefits
 - Optional Leave to Retirement
 - Retirement Information and Helpful Hints



Health, Prescription and Dental Benefits

- The coverage for a retiree remains in effect with the University contribution toward the premium based on the number of FTE Service months at retirement
- The employee's date of hire and employee group will determine the dependent coverage options*
- Retirees are billed for any premium payment that is required (premiums are determined annually)



* the University Contribution level toward dependent coverage will

Health, Prescription and Dental Benefits

- Retirees continue to participate in Open Enrollment
- The Health Waiver option ceases with retirement
- Medicare eligible retirees and dependents are responsible for any Medicare premiums
- MSU health care will become a Medicare Advantage Plan, when the retiree or dependent becomes eligible for

Insurance Information

- Eligible to Continue after Retirement
 - Optional Employee Paid Life
 - MSU group plan only until age 70
 - Premiums will be billed from Human Resources
 - Group coverage ends at age 70 but an individual may convert to a private policy




Insurance Information

- Cease with Retirement
 - MSU Basic Employer Paid Life
 - MSU Travel Accident
 - MSU Long Term Disability
 - Accidental Death and Dismemberment (AD&D)



Additional Benefits

- Flexible Spending Account (FSA)
 - Expenses for Dependent Care and Health Care Spending Accounts must occur prior to retirement (may extend through the end of the month if retirement occurs other than the 1st).
 - Educational Assistance (support staff only)
 - Program ends with retirement
 - Course Fee Courtesy
 - Program continues in retirement for full-time level retirees
 - Voluntary Benefits - contact each vendor for continuation options
- 

Optional Leave to

Retirement

Mutual Agreement Leave for up to two years prior to your Retirement Eligibility date

- Years of Service and FTE's continue
- Employee may continue health care by paying the full premium
- Employee may decline health care and re-enroll at their Retirement date or during an Open Enrollment period
- Employee must be 59 ½ years or age or older to draw income from their 403(b) retirement plan
- Applicable retirement quota payments are made at the beginning of the Leave period

Helpful Hints

- Retirees keep their MSU email address and MSU NetID account
- Retirees should retain their MSU ID card
- A vehicle parking permit is available through Dept Police and Public Safety (DPSS)
- Access to the Library and IM Sports Facilities are available



Begin Your Financial Planning



Where to Start

- Make A Plan
 - Do you have a target date?
 - Will you have lifestyle changes?
- Estimate Your Cash Flow
 - Review your assets
 - Ask the correct question, “What do I need in retirement?”
 - Essential Expenses versus Discretionary Expenses



403(b) Plan

- Account is fully & immediately vested
- Receiving Income
 - Attainment of age 59 ½ years
 - Separation of service
 - no early 10 % federal penalty if separation is in the year you reach age 55 or later
 - Disability
- Distributions will be subject to federal and state taxes



Contact Your Investment Vendor

- Schedule a One-on-One Appointment to discuss your account
 - 403(b) Base Retirement Vendors
 - Fidelity and TIAA Phone Appointments
 - Scheduling is available on-line or by toll-free number – check the HR website



What Should You Be Considering

- Review Your Account(s)
 - How am I allocated? Do I need a change?
 - What is my risk level? How will it change as I draw income?
 - Have I accounted for inflation?
 - Am I diversified sufficiently?



Think About Income

- Request a Projection of Retirement Income from Your Investment Vendor
 - Online calculators are available at each vendor site
- Include other Income Sources
 - Project income from personal savings, IRAs, or Social Security



Work With Your Investment Vendor or Financial Advisor

- Understand Your Different Income Options
 - You may be using more than one option
 - Variable versus irrevocable
- Start Early and Keep in Contact
 - Leave appropriate time to ask questions and complete paperwork



Adjustments

- Identify Savings Options
 - “Never too late” to save more
 - Optional retirement plans
 - 403(b) Supplemental Retirement Program
 - 457(b) Deferred Compensation Plan
 - Deferral of quota payments into supplemental accounts at retirement
 - Adjustment to retirement date or plan



Contact Social Security



Social Security Administration

- Detailed Information at www.ssa.gov
- Social Security Benefits
 - Income benefit
 - Based on 40 credits of time (approx 10 yrs)
- Medicare Enrollment
 - Health insurance benefit
 - Eligible the month you turn 65



Social Security Benefits

- Social Security Benefits
 - Benefit determined by a defined full retirement age based on your date of birth
 - 1945 thru 1954 Age 66
 - 1955 Age 66 & 2 months
 - 1956 Age 66 & 4 months
 - Reduced Income Benefits may begin as early as age 62
 - Compare taking benefits early versus waiting to full benefit age
 - Social Security Statement available online




Medicare Information

- Medicare Enrollment
 - Part A (Hospital) – required for everyone at age 65
 - Part B (Medical) – required at 65 if retired (or you have retiree health coverage)
 - Part D (Prescription) – enrollment not required, MSU continues to provide prescription service
- MSU health coverage will become secondary to Medicare with retirement



Contact Social Security

- Online at www.ssa.gov
 - Create your personal mySocialSecurity account
 - Review Your Earnings Record
 - Apply for benefits
 - FAQ's by category
 - Contact 60-90 days prior to enrollment
 - By phone at 800-772-1213, to make an individual appointment
- 

Request
MSU
Retirement



Request MSU Retirement

- Complete your Retirement Request Form to Apply for Retirement
 - Available through EBS Login, ESS Tab, Benefits
 - Faculty – determine with department if eligible for consultancy year
 - Support Staff – determine how unused vacation will be compensated
 - Leaves to Retirement require Departmental forms be submitted
 - Print a copy of form before submitting

Request MSU Retirement

- Request Forms should be completed at least 90 days prior to the official retirement date
- HR Benefits Will Confirm
 - You will receive a letter summarizing your benefits a few months prior to your official retirement date
- Support Staff quota payments are made after retirement, except where a Leave is involved
- Maintain your MSU ID
- Remember - to receive retirement income you must complete the appropriate forms with your Investment Vendor



Questions

Contact:

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Whatever your plans we hope you
enjoy your retirement years!

