



# Retirement: How the Process Works

Be Well Presentation

Georgia Tech Human Resources (GTHR)

April 2021

# Objective

Today we will help you:

- UNDERSTAND THE RETIREMENT PROCESS
- ANSWER YOUR QUESTIONS



Visit [hr.gatech.edu/retirement](https://hr.gatech.edu/retirement)

# Agenda

- Welcome
- Retirement Planning
- Eligibility
- Retention of Benefits
- Process
- Questions & Answers

# Retirement Planning

*When should I start planning for retirement?*

- Right now
- Time is your friend and your enemy
  - The **earlier** you begin to plan the **more likely** you are to have a great retirement.
  - The **later** you start to plan and take actions the **less likely** your retirement will be a great retirement.

*Main Question: What do I want my life to look like as a retiree?*

- New career ?
- New geography ?
- What will my life look like every day ?
- **Should I have other retirement savings ? 403b/457b plans**

# Retirement Planning

## Consider a Supplemental Savings Plan such as a 403(b) and or 457(b)

- Two Options: **Pre-tax** and or **post-tax (Roth)** contributions (up to \$19,500) ; additional amount available (\$6,500) if age 50 or older
- Create, modify, or stop your account through Retirement@Work anytime
- Open to Faculty and Staff
- Vendors include AIG(formerly VALIC), Fidelity, and TIAA
- <https://www.usg.edu/hr/benefits/retirement>

## Consider Meeting with a Counselor

- **Who:** Retirement plan vendors or CAPTRUST consultants (newUSG funded financial consultants)
- **What:** Individual financial counseling for the Optional Retirement Plan (ORP), 403(b) or 457(b)
- **Where:** On campus(not currently) or via phone. Schedule a virtual appointment online: [https://www.usg.edu/hr/benefits/retirement\\_plan\\_enhancements/financial\\_counseling](https://www.usg.edu/hr/benefits/retirement_plan_enhancements/financial_counseling)
- **Why:** Learn more about the plan you have or plans you're considering

# Who is eligible to retire?

- Regardless of the retirement plan, an employee must meet one of the following three conditions :
  - If you have at least 10 years of continuous benefits eligible service and are at least age 60
  - If you have between 25 and 30 years of service, prior to age 60, with early pension penalty (**TRS only**)
  - If you have 30 years of service regardless of your age (with no TRS penalty)
- If you have a break in service during your employment there may be additional provisions under the USG Retirement policy that must be met for eligibility.

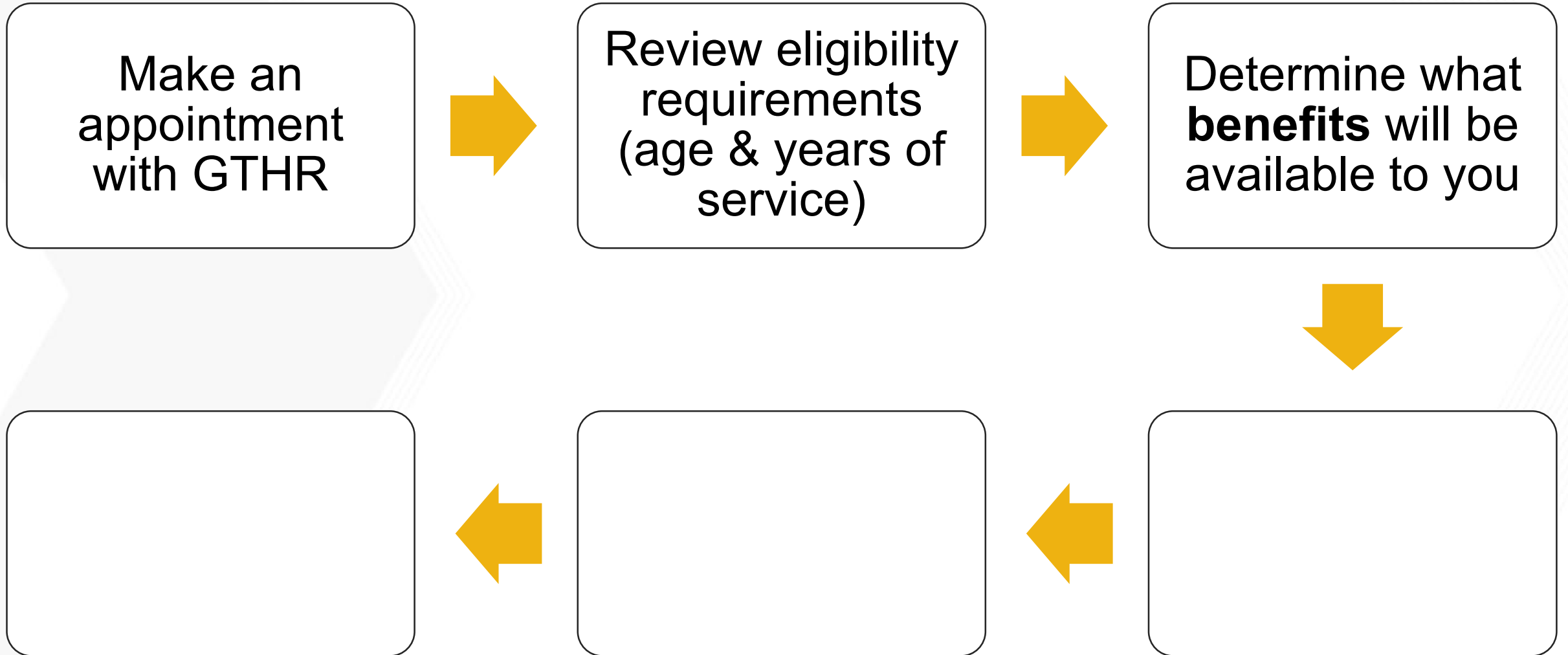
# Benefits in Retirement

- **Can you keep your benefits in retirement?**
- Yes, you can keep your “core” benefits if you have them as of the last OE prior to your retirement. If coverage is added or changed during OE, you can’t retire before February 1 or the OE changes will not be carried into retirement.
- As a retiree, you can’t add “new” benefits.
- E.g., if you have vision but no dental, you cannot add dental once you are retired. However, you can change coverage from one plan to another, E.g., HMO to Comprehensive health care. Annual OE for retirees.

At least 3 months prior to your target retirement date begin the retirement process



# Retirement Process



# Retiree Benefits

- Not all benefits are available to retirees, even if you have them while you are active. Only **core** benefits including medical\*, dental, vision, BOR basic life, and BOR supplemental life are available to retirees.
- OneUSG Connect will deduct premiums from checking/savings account the **first** of each month.
- As a retiree, if you **terminate any coverage you can't re-establish** with USG.
- \* **Medical coverage changes for retiree and/or covered spouse when Medicare eligible...age 65.**

# Retiree Benefits

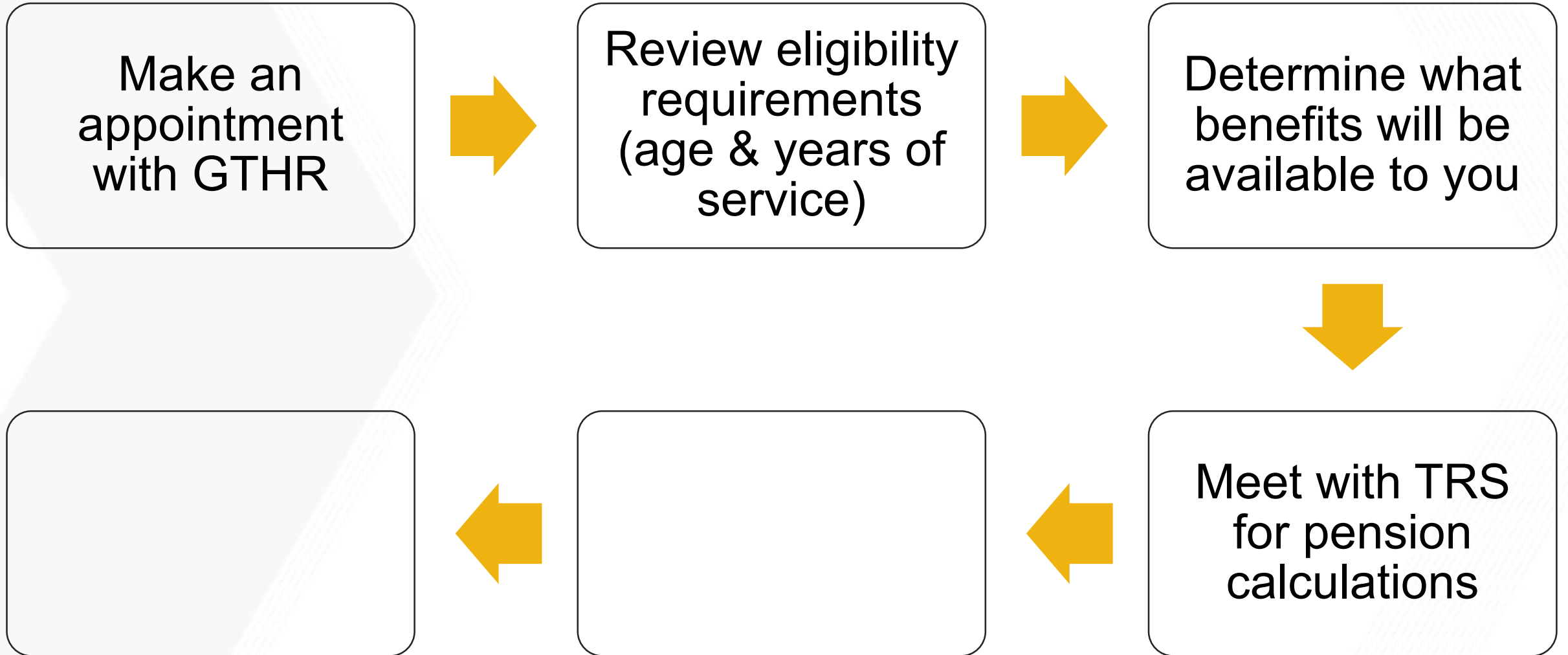
## <65

- **Medical, dental, vision, and life** continue with USG
  - Medicare: Apply 60 days prior to 65<sup>th</sup> birthday month
  - Annual Enrollment (spouse /dependents can keep these benefits if you decease). Spouse would lose benefits upon remarriage.
  - FSA & HSA: No additional contributions

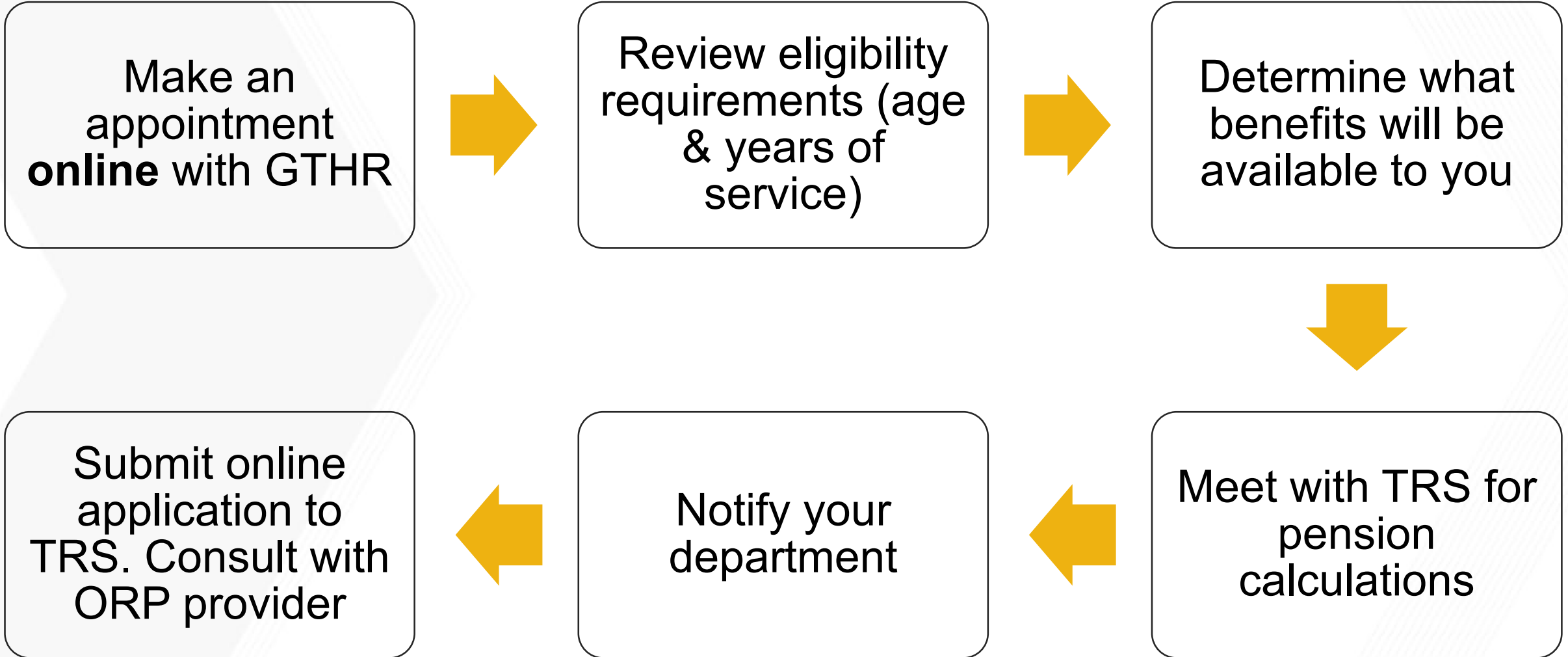
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- Medical Insurance (enrollment required via AON Exchange)
- Medicare: Apply 60 days prior to retirement date
- Annual Enrollment (spouse /dependents can keep these benefits if you decease) Spouse would lose benefits upon remarriage.
- FSA & HSA: No additional contributions

# Retirement Process



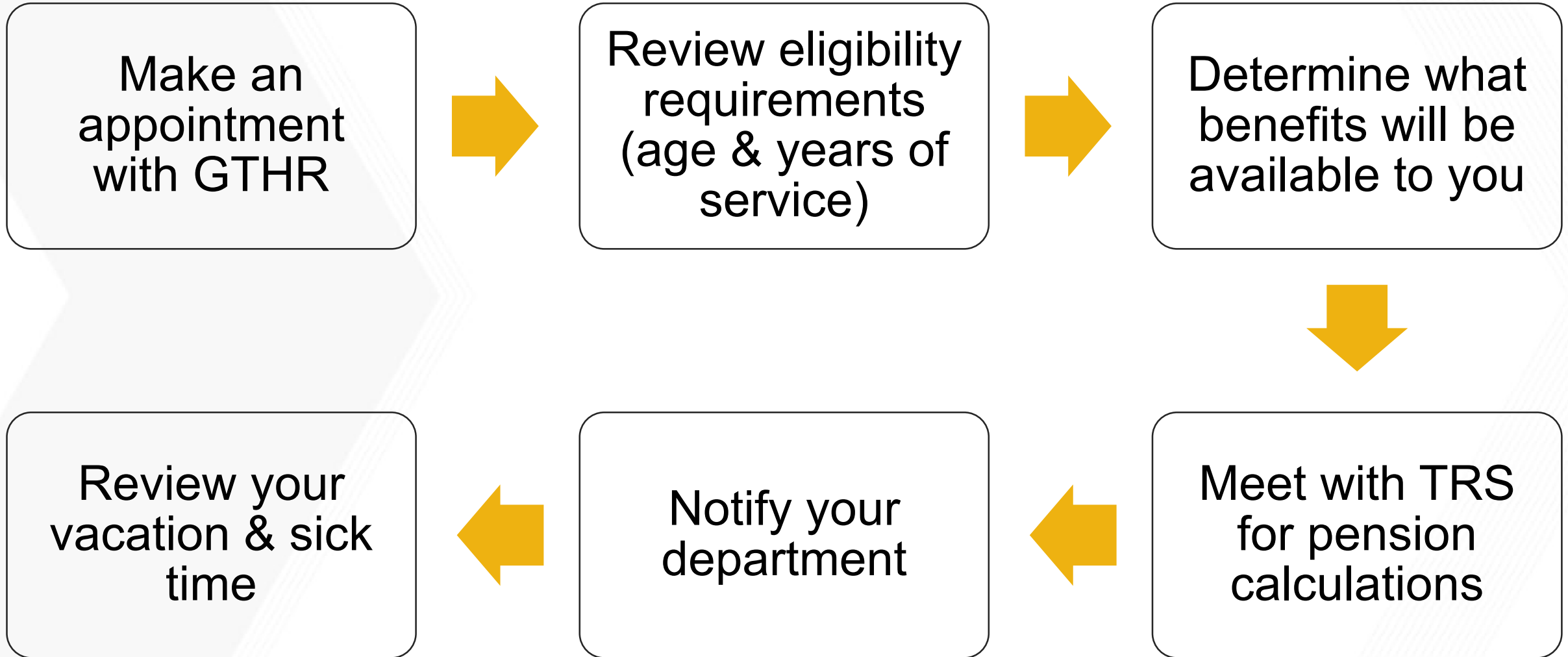
# Retirement Process



# Notify Your Department

- Retirement date **should be the first of the month** (e.g., last day worked April 30 = retirement date of May 1). You can retire mid-month if under ORP, but the system benefits billing date will be the first of the next month
  - Write letter of intent to retire and submit to department. **Retirement team should be notified immediately of intent to retire date.**
  - Department should complete retirement submission 60 days prior to retirement date, **especially for employees who will be 65** or over at retirement date
  - Bi-weekly paid employees may need a refund of premiums

# Retirement Process



# Vacation & Sick Time

## Vacation Time

- Up to 360 hours unused vacation time is paid out 30 days after last pay period.
- Department must submit balance to be paid through OneUSG Connect.

## Sick Time

- Unused sick time counts toward TRS only and is unlimited. Submitted automatically to TRS by retirement team after application is received at TRS. TRS awards credit based on days...not hours.
- ORP... unused sick leave can only be transferred to Donated Sick Leave at any Open Enrollment prior to retirement.



# Reminders

- TRS/ERS are the official record keepers for service time under their retirement plan. Any question about your service time there should be addressed directly with TRS/ERS. Especially if service was accrued at another employer.
- GTHR retirement team can verify service time under USG.

Questions?