



State System of Higher Education Retirement Guide

AFSCME, SEIU

IMPORTANT NOTICE FOR EMPLOYEES CONSIDERING RETIREMENT

Each employee may have different responsibilities and benefits based upon eligibility criteria such as years of service, age, date of hire, retirement vendor, etc. **If you are considering retirement, you should consult with the Benefits office at your university** to verify your eligibility for retirement benefits. Resources are available to assist in determining your financial readiness for retirement.

Once a decision has been made to retire, it is recommended to submit a retirement letter and meet with your Benefits office to begin the process at least 3 months prior to your elected retirement date.

This document provides general information and is intended only for illustrative purposes to assist you in planning your retirement. Information provided in this document is subject to change.



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Overview

This guide has been developed for prospective retirees to assist in the retirement process. In conjunction with this guide it is recommended to utilize the [retirement checklist](#) with suggested completion dates to ensure a smooth transition into retirement.

In order to be eligible for a sick leave payout upon your retirement, you must establish your monthly lifetime retirement annuity within **90 days** after retirement. If you fail to finalize your retirement annuity within 90 days after retirement or you **will forfeit** your sick leave payout.

The Pennsylvania Employee Benefit Trust Fund (PEBTF), a jointly administered Health and Welfare Fund established between the Unions and the Employer, offers AFSCME and SEIU employees a retiree medical insurance program called the Retired Employees Health Program (REHP). In order to enroll in the REHP a retiree must meet the eligibility criteria and establish a lifetime retirement annuity. Retirees may delay enrollment into the REHP if health insurance is available from another source. Once a retiree enrolls in the REHP, coverage may continue until death or until the retiree chooses to discontinue enrollment. After the retiree passes away, survivor coverage may be extended to spouses/domestic partners. If a retiree chooses to discontinue REHP coverage, the retiree waives all rights to future coverage under REHP.

Establishing your retirement/pension

Determining the requirements for establishing your annuity depends upon which retirement vendor you are enrolled. **In order to be eligible for a sick leave payout or enroll in retiree health care, you must establish an annuity from your retirement vendor.**

State Employees' Retirement System (SERS)

Public School Employees' Retirement System (PSERS)

Any of the monthly payment plan options available through SERS or PSERS meet the criteria to establish a monthly lifetime annuity. Contact SERS or PSERS to finalize your retirement paperwork.

[SERS Website](#) - 800.633.5461

[SERS Retirement Guide](#)

[PSERS Website](#) - 888.773.7748

Alternative Retirement Plan (ARP)

Annuity options vary by ARP vendor (Fidelity and TIAA). Schedule a meeting with your ARP vendor representative who will confirm and review the qualifying annuity options. A minimum of \$10,000 must be annuitized.

It is strongly recommended to meet with your vendor representative to complete the annuity paperwork and understand the options available in setting up your annuity. You should contact your vendor representative 90 days prior to your retirement.

[Fidelity Representatives](#)

[TIAA Representatives](#)

Once your completed annuity paperwork has been submitted, it may take up to a six weeks before you receive your first monthly annuity payment. Be prepared to cover your expenses during this time.

Medical Insurance – Retired Employees Health Program (REHP)

Below are the criteria for majority paid coverage in the REHP, which provides medical benefits upon retirement to retirees and their eligible dependents for the retiree’s lifetime.

Eligibility Criteria – AFSCME/SEIU

Retirement Date	Age	Years of Service	Type of Service
On/After July 1, 2008	60	20	Credited Service*
	Any	25	
	Any with Approved Disability Retirement	5	

Grandfathering Provision

An employee with 15 years of credited service as of June 30, 2008 or 13 years of service and was within one year of superannuation age as of June 30, 2008 shall be eligible to elect REHP coverage upon reaching superannuation age with 15 years of credited services rather than 20 years.

*Credited Service

Includes years of service credited by retirement plan (SERS, PSERS or ARP). May include purchased service. For employees hired on or after July 1, 2007, credited service is limited to service as a Commonwealth/State System employee and, if applicable, purchased military service.

REHP Health Plan Options and Information

Non-Medicare Eligible (Under 65)	Medicare Eligible (Over 65)
<p>PPO - Preferred Provider Organization</p> <ul style="list-style-type: none"> - Choice PPO - Basic PPO <p>HMO - Health Maintenance Organization - Varies by county throughout the state.</p>	<p>Medicare Open Access PPO</p>
<p>Preventive Benefits To compare plans offered in your county of residence, click here.</p>	<p>Preventive Benefits To view a list of preventive benefits, click here.</p>
<p>Additional Benefits</p> <ul style="list-style-type: none"> - Mental Health and Substance Abuse - Provided by Optum (formerly United Behavioral Health (UBH)) - REHP Prescription Drug Plan - Durable Medical Equipment (DME) Prosthetics, Orthotics, Diabetic and Medical Supplies Benefit 	<p>Additional Benefits REHP Medicare Part D Prescription Drug Plan</p>
<p>Rate Information 3% of final average salary</p>	<p>Rate Information 1.5% of final average salary</p>
<p>PPO Buy-Up If, as an Active employee, you were hired on or after August 1, 2003 and elect the PPO plan you will pay the following rates in addition to 3% of your final average salary: Single Monthly Cost - \$58.74 Family Monthly Cost - \$117.48</p>	<p>PPO Buy-Up Medicare retirees are not subject to the PPO buy-up, unless non-Medicare eligible dependents are on the contract.</p>

REHP Enrollment and Forms

Annuity

In order to enroll in the REHP, you must establish an annuity from your retirement vendor.

Enroll or delay

Employees enrolled in SERS

Meet with a SERS counselor, complete and submit enrollment form (PEBTF-9) to SERS or if you are eligible but wish to delay your enrollment, complete the delayed enrollment form.

Employees enrolled in PSERS/ARP

Complete and return the enrollment form (PEBTF-9) to your university benefits office or if you are eligible but wish to delay your enrollment, complete and return the delayed enrollment form to your university benefits office.

Monthly Premium Payment

Employees enrolled in SERS

Your premium payment is automatically deducted from your SERS pension check

Employees enrolled in PSERS/ARP

Your premium payment is billed by the PEBTF for the cost of your selected plan

Child Dependents

Dependent children may be covered up to age 26.

Age 65 / Medicare Eligible

Submit a copy of your Medicare card(s) with your REHP enrollment. You must be enrolled in both Medicare Part A and Medicare Part B to receive medical and prescription drug coverage under the REHP.

Coverage Effective Date

Upon confirmation of your monthly lifetime annuity, your REHP coverage will be effective the day after your final day of employment. If you delayed enrollment, your coverage will be effective upon loss of coverage or during an open enrollment period, pending confirmation of monthly lifetime annuity.

Receiving ID Cards

ID card(s) will be received AFTER enrollment begins. You should not use the same cards as when you were an active employee, as your group number will change.

Making Changes to Coverage After Retirement

For any changes or questions regarding your REHP coverage after your retirement contact:

State Employees' Retirement System (SERS)
Participants

1.800.633.5461

ARP or PSERS Participants contact PEBTF
www.pebtf.org 1.800.522.7279

For more detail of REHP benefits, view the [REHP Handbook](http://www.pebtf.org) located at www.pebtf.org

Medicare Information

If Medicare eligible when you retire, enrollment in Medicare Parts A & B is required in order to be eligible for medical and prescription drug coverage under the REHP. Contact Social Security to make sure you are enrolled in Medicare Parts A & B effective the first of the month in which you will retire, to avoid a break in coverage between the active group coverage and the REHP coverage. Medicare eligible employees will be enrolled in the SilverScript prescription drug plan upon enrollment in the REHP, which is a Medicare Part D plan. **Do not enroll in a separate Medicare Part D Plan with Social Security.**

Social Security - www.ssa.gov 1.800.722.1213

Medicare - www.medicare.gov 1.800.633.4227

If you are turning Age 65, visit [Retirees Turning Age 65 - Understanding Your Choices](#).

Prescription drug coverage

Retirees under 65 have the same prescription drug coverage they had as an active employee through CVS Caremark. To view more information navigate to the PEBTF site at: <https://www.pebtf.org/Retired/NonMedicare/PrescriptionDrug.aspx>

Retirees over 65 have prescription drug coverage through SilverScript Insurance. To view more information, navigate to the PEBTF site at:

<https://www.pebtf.org/Retired/Medicare/PrescriptionDrug.aspx>

Sick Leave Payout

AFSCME/SEIU Employees may be eligible for a payout of their sick leave upon retirement. **You must establish a monthly lifetime retirement annuity within 90 days after retirement.** Below are the criteria for payment of sick leave.

SERS/PSERS		
Retirement Age	Years of Service	Type of Service
Superannuation age	5	Credited Service
Prior to Superannuation age	25	
Any with Approved Disability Retirement	5	

Credited service - includes years of service credited by SERS and PSERS retirement plan and may include purchased service.

ARP		
Retirement Age	Years of Service	Type of Service
Age 60 with ARP	5	Commonwealth/State System Service
Prior to age 60 with ARP	25	
Any with Approved Disability Retirement	5	

Commonwealth/State System Service - does not include employment with a public school (pre-K, K-12).

Sick Leave Payment Schedule

Days Available at Retirement	Percentage Buy-Out	Maximum Days
0-100	30%	30
101-200	40%	80
201-300	50%	150
Over 300 (in last year of employment)	100% of days over 300	11

Tax Deferring Your Leave Payouts

The State System allows you to defer in both the TSA and Deferred Compensation plans, up to the applicable IRS limits. By making pre-tax deferral into the TSA, employees can reduce taxes withheld from the final paycheck and boost their retirement savings. Prior to meeting with your representative, you should obtain a sick/annual leave payout estimate from your HR office. This will help the representative to estimate the correct deferral amount.

Deferring into the TSA 403b

Employees must have an active TSA account with TIAA and/or Fidelity or have established an account by enrolling through TIAA and/or Fidelity. To open an account, navigate to www.passhe.edu/enrollTSA and click on the Retirement@Work link.

Submit your completed [TSA Leave Deduction Agreement](#) directly to tsadeferral@passhe.edu or by fax to 717-720-4162. To make sure enrollment and forms are received, it is recommended to complete the process 30 days in advance of your retirement date.

To view more details of the plan, navigate to www.passhe.edu/enrollTSA.

Deferring into the Deferred Compensation 457

There are **TWO** steps you must take in order to defer your sick/annual leave payout:

1. **Enroll in the deferred compensation plan**

Visit www.SERS.pa.gov, click the Deferred Compensation Plan graphic and “Enroll Now”.

You must be contributing at least \$5 prior to the pay in which you defer your sick and/or annual leave. Enrollment can be done online or by completing a paper enrollment form.

2. **Meet with a deferred compensation representative to complete paperwork to defer your sick and annual leave payout - <https://sers.empower-retirement.com>**

In addition to enrolling in the plan, you must complete and submit a *Sick and Annual Leave Deduction Agreement* to defer your payout. The pay deferral agreement form can be obtained by logging into your deferred compensation account, clicking on Plan Forms or from your deferred compensation representative. This form must be received by Empower Retirement prior to the first day of the month in which the deferral will be made – this is an IRS regulation.

Prior to meeting with your deferred compensation representative, you should obtain a sick/annual leave payout estimate from your HR office. This will help the representative to estimate the correct deferral amount.

You should submit your completed form directly to Empower via fax or online by uploading the form to your account under the upload documents section. It’s important to obtain a confirmation that the form has been submitted with Empower.

For complete guidelines/details and setup, contact Empower Retirement at 866.737.7457.

Group Life Insurance

Your employer-paid group life insurance coverage will cease on the last day of the month in which your employment ends. You will receive a conversion notice directly from MetLife. You have the option to convert the same or a lesser amount of your current group coverage into an individual insurance policy purchased at your own expense.

You may be eligible for continued insurance due to a disability through MetLife if you are proven to be totally disabled. For more information, contact MetLife's customer service unit at 1.855.972.5433.

Dental/Vision Insurance

The REHP does not offer dental or vision coverage to retirees.

You may be eligible for the following:

- If you are receiving a pension or eligible to receive a pension from the Commonwealth/State System, vision and dental coverage may be available through PARSE (www.parseofpa.org).

Voluntary Benefits After Retirement

Voluntary Group Life (VGLIP) and Accidental Death and Dismemberment (ADD) insurance

Your VGLIP/ADD coverage will cease on your last day of employment. You will need to obtain a form from your human resource office to convert/port any existing coverage with CIGNA.

- [Portability vs. Conversion](#)

Long Term Disability (LTD)

LTD insurance will cease at the time of retirement.

Tax-Sheltered Annuity 403(b) (TSA)

Your money can stay invested in the account or can be withdrawn after retirement. Contact your financial advisor or vendor representative for more information.

Deferred Compensation 457

Money can be withdrawn at any time after separation. Contact your Empower representative for more information.

Flexible Spending Account (FSA)

Remember to submit qualified expenses incurred prior to your date of separation. Reimbursement from your medical account will not be permitted for expenses incurred after your last day worked, unless you elect COBRA coverage for FSA.

Questions?

For more information, contact your university benefit coordinator.