Information for Retirees in the Optional Retirement Program

www.uhr.umd.edu/benefits
Introduction

The University of Maryland College Park’s Office of Employee Benefits has created this booklet specifically for Faculty & Exempt Staff participating in the Optional Retirement Program (ORP) who are considering retirement in the near future. You will find the following information helpful in preparing for your retirement.

When you are ready to meet with your Benefits Services Counselor, please contact the appropriate counselor listed below. If you have any general questions, please contact the Office of Employee Benefits at (301) 405-7575 or visit us online at www.uhr.umd.edu/benefits
Topics Covered

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- Cost

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- Cost

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Planning for Retirement

There are many things to consider when planning for retirement. We urge you to meet with your Benefits Services Counselor to discuss your situation when you are within one year of your intended retirement date. Additionally, the Office of Employee Benefits offers pre-retirement seminars for members who are interested in retirement. The following schedule shows the best time to begin filing some of the required forms and making the necessary contacts with your Optional Retirement Vendor.

Recommended Time Line:

One to three years prior to retirement

- Make an appointment with your Benefits Services Counselor to discuss the retirement process, options and retiree benefits.
- **Faculty Only** - Obtain “Confirmation of Meeting with the Office of Employee Benefits” letter.
- Attend a pre-retirement seminar

Six months prior to retirement

- If desired, schedule an appointment with your Benefits Services Counselor to discuss any questions you may have.
- Discuss your estimated benefits with your family and financial advisor.
- Prepare a retirement budget, estimating your retirement expenses against your State Retirement, Social Security and other income.
- Update or prepare a will.

Four months prior to retirement

- Schedule an appointment with your ORP representative and discuss your retirement options.
- **You must select a single (or dual) lifetime monthly payment in order for you or your surviving spouse to continue State health benefits coverage.**

Two months prior to retirement

- You should contact your Benefits Services Counselor and complete the State of Maryland Employee Benefits Division ORP Retiree Health Benefits Enrollment Packet (details below under Medical Coverage for Retirees). Among the various forms in the packet, the ORP Vendor Verification (form #5) should state that the date the payment option you selected begins is your retirement date. Remember that you must select a single or dual lifetime periodic distribution if you want to continue your State health coverage for you or your surviving spouse.
- If eligible, complete retiree benefits enrollment form to continue your health coverage.

One month prior to retirement

- Submit a formal letter of retirement to your department.
Medical Coverage for Retirees

There are special rules governing the eligibility and cost for health benefits for retirees with an ORP. ORP retirees must complete the State of Maryland Employee Benefits Division ORP Retiree Health Benefits Enrollment Packet. This packet consists of a series of forms that are used to determine eligibility and amount of subsidy. An ORP retiree is eligible to participate in the State employee benefits program if he or she meets one of the criteria below:

Eligibility (Hired Prior to 7/1/2011)

- Had at least five years of State service, prorated to your FTE, with a Maryland State institution of higher education and retired directly from State service with continuous contributions to a Maryland ORP account.
- Ended State service with a Maryland State institution of higher education with at least 10 years of service, prorated to your FTE, and were at least age 57 with continuous contributions to a Maryland ORP account; or
- Ended service with a Maryland State institution of higher education with at least 16 years of State service, prorated to your FTE, with continuous contributions to a Maryland ORP account.

You must receive a monthly distribution from your ORP vendor to be eligible for health insurance at retirement.

Subsidy Amount

- Full State Subsidy if you have at least 16 FTE years of service with a State institution of higher education and retire directly from service with a State institution of higher education with continuous contributions to a Maryland ORP account.
- Partial State Subsidy if you have at least 5 but less than 16 FTE years of service with a State institution of higher education and retire directly from service with the State institution of higher education with continuous contributions to a Maryland ORP account.
- No State subsidy for ORP retirees who did not retire directly from a State institution of higher education

If you are an ORP retiree with at least 25 total FTE years of service with the State with continuous contributions to a Maryland ORP account, you are not required to retire directly from a Maryland State institution of higher education in order to participate in the Health benefits plan with the full State subsidy

A State employee/faculty who retires with less than five years of employment is not eligible for participation in the State health plan.

Dependent Eligibility
The surviving spouse of a deceased retiree with health benefits is eligible to receive continuing State health coverage as long as s/he is receiving a monthly benefit under the Optional Retirement Program. A surviving spouse can only cover dependents that are dependents of the original State retiree.

Plans offered for State retirees are:

- Medical Plan
- Prescription Drug Plan
- Dental Plan
- Term Life insurance (only available if you had life insurance at time of retirement)
A retiree is not eligible for the flexible spending account and the personal accidental death and dismemberment insurance.

After retirement, you are subject to the same open enrollment date as regular employees/faculty or within 60 days of a qualifying event.

Cost
The State subsidizes health premium costs for retired State employees/faculty. The amount or the subsidy is determined according to each retiree’s years of employment. If you have 16 years or more of employment, prorated to your FTE, you receive the same subsidy provided to an active employee.

If you have at least five years (but less than 16) years of employment the subsidy will be prorated according to your years of service and FTE. You will pay the uncovered portion of the prorated subsidy in addition to the normal retiree’s portion of the premium. Premiums are paid directly to the Department of Budget and Management. You will receive payment coupons and you will be responsible to make payments to continue your health insurance coverage.

NOTE: You must have 25 years FTE of employment for your spouse and dependent children to receive the full subsidy for health insurance. If you retire with less than 25 years FTE of employment, you will pay the full cost (employees and employer cost) for your dependent’s health insurance. There is no prorated health insurance subsidy for dependents.

Eligibility (Hired on or after 7/1/2011)
• Had at least ten years of State service, prorated to your FTE, with a Maryland State institution of higher education and retired directly from State service with continuous contributions to a Maryland ORP account.
• Ended State service with a Maryland State institution of higher education with at least 10 years of service, prorated to your FTE, and were at least age 57 with continuous contributions to a Maryland ORP account; or
• Ended service with a Maryland State institution of higher education with at least 25 years of State service, prorated to your FTE, with continuous contributions to a Maryland ORP account.

You must receive a monthly distribution from your ORP vendor to be eligible for health insurance at retirement.

Subsidy Amount
• Full State Subsidy if you have at least 25 FTE years of service with a State institution of higher education and retire directly from service with a State institution of higher education with continuous contributions to a Maryland ORP account.
• Partial State Subsidy if you have at least 10 but less than 25 FTE years of service with a State institution of higher education and retire directly from service with the State institution of higher education with continuous contributions to a Maryland ORP account.
• No State subsidy for ORP retirees who did not retire directly from a State institution of higher education

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A retiree is not eligible for the flexible spending account and the personal accidental death and dismemberment insurance.

After retirement, you are subject to the same open enrollment date as regular employees/faculty or within 60 days of a qualifying event.

Cost

The State subsidizes health premium costs for retired State employees/faculty. The amount or the subsidy is determined according to each retiree’s years of employment. If you have 25 years or more of employment, prorated to your FTE, you receive the same subsidy provided to an active employee.

If you have at least 10 years (but less than 25) years of employment the subsidy will be prorated according to your years of service and FTE. You will pay the uncovered portion of the prorated subsidy in addition to the normal retiree’s portion of the premium. Premiums are paid directly to the Department of Budget and Management. You will receive payment coupons and you will be responsible to make payments to continue your health insurance coverage.

NOTE: You must have 25 years FTE of employment for your spouse and dependent children to receive the full subsidy for health insurance. If you retire with less than 25 years FTE of employment, you will pay the full cost (employees and employer cost) for your dependent’s health insurance. There is no prorated health insurance subsidy for dependents.

Medicare Eligibility (All Retirees)

If you are 65 or older, or you have a disability entitling you to Medicare benefits, then you are eligible for Medicare. A retired State employee or a covered spouse who is 65 or older at retirement must enroll in Medicare parts A and B by applying to the local Social Security office within three months prior to retiring. The State health plan is, thereafter, supplemental to Medicare. Anyone covered under the State retiree’s health benefits plan that doesn’t have Medicare Parts A and B when eligible will become responsible for approximately 80% of claims amounts that would have been paid by Medicare.

Prescription Drug Medicare Part D - SB 946 Retiree Prescription Drug Coverage DBM Update

The Maryland General Assembly passed Senate Bill 946 in the 2019 Session. This bill provides the following in the event the outcome of Fitch v. State of Maryland is found in favor of the State. If the court rules in favor of the plaintiffs, retirees keep their current benefits. **PLEASE NOTE THAT THE EARLIEST THESE PLANS COULD BE IMPLEMENTED IS JANUARY 1, 2021.**
Maryland State Retiree Prescription Drug Coverage Program

- Retired on or before 01/01/2020
- Must enroll in Medicare Part D
- Reimbursement for out of pocket expenses over $1,500 for retiree only/$2,000 for retiree and family

Maryland State Retiree Catastrophic Prescription Drug Assistance Plan

- Retirees who began State service on or before 6/30/11 and retired on or after 1/1/20
- Must enroll in Medicare Part D
- Reimbursement for out of pocket expenses once the individual reaches the catastrophic phase of Medicare Part D

Maryland State Retiree Life-Sustaining Prescription Drug Assistance Program

- Applies automatically when the retiree is enrolled in either of the plans above
- Certain prescriptions covered by State’s employee prescription drug plan and not covered by Medicare

**Retiring on or before December 31, 2019 will only impact what new program you qualify for; if the State prevails in Fitch v State of Maryland you will still have to enroll in Medicare Part D in order to have prescription coverage. Retiring on or before December 31, 2019 does NOT mean you get to keep the current retiree prescription plan.**

**Life Insurance for Retirees and Dependents**

If you were covered as an employee by Metlife or UNUM, then you can continue your life insurance coverage after you retire. If you have Metlife, you must enroll as a retiree on the health insurance worksheet. If you have UNUM, you must call them at 1-866-762-8705 and convert your plan to portable coverage. Your dependents can keep the same coverage, as long as, you are covered.

**Other Benefits at Retirement**

**Long Term Disability**

Long Term Disability with UNUM is not available to retirees.

**Tuition Remission**

Retirees of the University of Maryland are also eligible for tuition remission. For the purposes of acceptance of the tuition remission requests, a University System of Maryland retiree must be receiving a monthly retirement payment, and have earned at least five years of University System of Maryland service credit inclusive of the former University of Maryland and Board of Trustees of State Universities and Colleges institutions. Retirees are eligible for tuition remission benefits equivalent to that of an active employee based on the retiree’s FTE when they retire. Meaning, if a retiree retired from full time status, they will be eligible for tuition remission benefits equivalent to that of a full time regular employee. If an employee retires from a part time permanent position, they are eligible for tuition remission benefits equivalent to that of a part time regular employee. Spouse and dependents children of retirees are eligible for tuition remission benefits in accordance with the guidelines for that of spouse and dependents of regular active employees.

**Upon retirement, tuition remission is not available for St. Mary’s College.**
Other Campus Privileges in Retirement

Campus Parking
Retirees that wish to obtain a campus parking permit should go directly to Campus Parking’s Faculty/Staff Parking Office. Retirees are eligible for free parking in Lots K, P and Z or any of the overflow lots.

Retiree ID Card
Within one to two weeks of your retirement, the UHR-Benefits Office will create an Affiliate appointment in PHR for you. You may obtain a retiree ID card at the Office of the Registrar on the first floor of the Mitchell Building.

The ID card allows you to:

- Join the Campus Recreation Center for a fee.
- Receive discounts at the campus bookstore.
- Use library privileges.
- Receive discounts to Clarice Smith School for Performing Arts if over age of 62.
- Use of the Wellness Center.
- Use of the shuttle.

Retiree Email

Active emeriti faculty is automatically set up to keep/activate an OIT email account.

For all other faculty/staff the UHR – Benefits Office will sponsor the retiree for a DIT Email account via the Affiliates module of PHR. If the retiree is approved for DIT email, questions about email activation should be directed to The DIT Help Desk at (301) 405-1500.

Re-employment
State law requires a minimum of 45 days break in service before you may be re-employed with any institution in the USM or a state agency. Please contact your Benefits Services Counselor if you have questions regarding re-employment.