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) 405-5654 or visit us online at www.uhr.umd.edu/benefits.

Agriculture
Architecture
Arts & Humanities
College of Information Studies
Education
IT
Libraries
R.H. Smith School of Business
Undergraduate Studies

Administration & Finance
CMNS
President’s Office
Research & Graduate School
School of Public Health
Shady Grove
SVPAAP (Provost)

BSOS
Engineering
Journalism
Office of Extended Studies
Public Policy
Student Affairs
University Relations
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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

- 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 *** For non-Medicare eligible retirees ***
- 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.

**Medicare Eligibility**
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.

**Medicare Part D**
Effective January 1st, 2019 the State of Maryland will no longer provide retiree prescription drug coverage for Medicare eligible retirees and dependents. For prescription drug coverage you will have to choose a plan, enroll in that plan, and pay for it on your own. If you retire prior to January 1st, 2019 you will have access to the State of Maryland prescription benefit until 12/31/2018. To obtain coverage for January 1st, 2019 you will need to enroll in Medicare Part D during Medicare’s open season. If you do not enroll during this time, you will not have prescription coverage on January 1, 2019 and will have to pay the full cost of your prescriptions. For assistance finding a Medicare part D plan please contact Medicare or the Maryland Department of Aging.

**Medicare:** 1-800-633-4227 [www.medicare.gov](http://www.medicare.gov)
**Maryland Department of Aging:** 1-800-243-3425 [www.aging.maryland.gov](http://www.aging.maryland.gov)

**Life Insurance for Retirees and Dependents**
If you were covered as an employee by Minnesota Life or UNUM, then you can continue your life insurance coverage after you retire. If you have Minnesota Life, 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
For Exempt staff, the UHR – Benefits Office from which they retire will sponsor the retiree for a DIT Email account via the Affiliates module of PHR. For more information about sponsorship, retirees should contact their department. 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.