Planning for Retirement

The decision to retire is definitely one of the biggest made in your lifetime. The information contained herein describes your options as a retiree from the University of Maine System (UMS). The Administrative Practice Letter provides retirement benefits for employees who have 10 years of continuous, regular full-time equivalent service immediately preceding retirement, and who are at least age 55. The following resources are available to aid your decision to retire:

- Plan your retirement in MaineStreet Employee Self-Service
- Step-by-step MaineStreet Retirement Guide
- MaineStreet Retirement Quick Guide
- Planning for Retirement Seminar Presentation
- Retirement Guide for Salaried Employees (PDF) with Checklist
- Retirement Guide for Hourly Employees (PDF) with Checklist
- Partial/Phased Retirement Program (PPRP)
  - Partial/Phased Retirement Plan Tutorial
  - Partial/Phased Retirement Plan Policy
  - Partial/Phased Retirement Plan Agreement
  - Partial/Phased Retirement Plan Application
- Incentive Retirement Plan (IRP)
  - Incentive Retirement Plan Policy

*PPRP and IRP are available only to eligible salaried employees

https://youtu.be/xmBsFiZw7el

Frequently Asked Questions

Do I have to retire when I turn 65?

No, there is no mandatory retirement age at the University of Maine System. For employees who choose to work beyond their 65th birthday, basic and supplemental life insurance coverage continues, but at the reduced rate of 65% of the previous level of coverage. This reduction is in accordance with applicable law. Employees who reach age 65 and who continue to work at UMS may also continue to participate in the University health, dental, vision, and disability plans. Spousal and/or eligible domestic partner and child life insurances are not reduced at age 65. Basic and supplemental accidental death and dismemberment (AD&D) coverage continue but are reduced beginning at age 70 for employees who continue to work.

I am approaching age 65 and I am concerned about enrolling in Medicare, so what do I need to know?

Medicare A (hospitalization) and B (physician/out-patient) coverage is generally available upon attainment of age 65. If you wish to continue the University’s health coverage as a retiree, the University REQUIREs that you and your spouse or eligible domestic partner enroll in BOTH Medicare A (hospital) & B (physician/out-patient) when you are first eligible in order to continue health coverage as a UMS retiree.

Employees who continue to actively work at the University after becoming Medicare eligible in a regular position will not need to enroll in Medicare B until full retirement. Medicare A has no cost but Medicare B does have a premium. Medicare may require verification from the University at the time you retire, verifying that you were covered by an employer group health plan to avoid any penalties when enrolling in Medicare.

Am I eligible for Partial/Phased Retirement?

The Partial/Phased Retirement Program (PPRP) is available to full-time represented and non-represented faculty, professional and administrative staff who are at least age 55 with at least 10 years of continuous full-time regular equivalent service, or whose age plus length of service totals 73 or more. More information about the PPRP:

- Partial/Phased Retirement Plan Policy
- Partial/Phased Retirement Plan Agreement
- Partial/Phased Retirement Plan Application

What are the benefits during Partial/Phased Retirement?

This program offers eligible employees the opportunity to reduce their workload prior to retirement while retaining eligibility for the same employee benefits as similarly situated full-time employees, including the full-time employee health premium share. Benefits would be based on the new salary – for example, life insurances, contributions to Social Security and the pension plan, and eligibility for short and long term disability benefits are based on the new salary. The duration of the partial/phased agreement is not approved for longer than a three year period. At the time of full retirement, if eligible for the Incentive Retirement Plan (IRP) payment, that payment is calculated on a full-time equivalent salary. Service is based on full-time equivalent regular continuous service immediately preceding retirement. More information about the PPRP:

- Partial/Phased Retirement Plan Policy
- Partial/Phased Retirement Plan Agreement
- Partial/Phased Retirement Plan Application

I am an hourly or salaried employee and I want to work a reduced schedule prior to retirement. What are my options?
**Can I work after I retire?**

Retirees cannot be rehired in a full-time regular position anywhere in the University of Maine System. Retirees can be rehired by UMS in a part-time regular, part-time temporary, or full-time temporary position. Depending on your Social Security full retirement age, Social Security may impose an earnings limit on such work, which could affect Social Security payments until you reach your full Social Security retirement age, which is based on your year of birth.

**What benefits are available to retirees?**

Employees are eligible to retire if they are at least age 55 and have at least 10 years of continuous full-time regular equivalent service immediately preceding retirement. You can request estimates of retirement benefits by contacting the University’s retirement plan sole record keeper directly (TIAA-CREF 1-800-842-2776).

**Health Insurance:** If you are at least age 65 when you retire, you will pay 20% of their individual monthly health premium and one-half (50%) of the monthly health premium for dependent health coverage if the group health plan is selected. If you select the Health Reimbursement Account (available only to Medicare-eligible retirees and Medicare-eligible spouses/dependents who select a plan on the Aon Retiree Health Exchange), you will receive a University contribution of $1,200 and your Medicare-eligible spouse/dependent will receive $800. If you are under age 65 when you retire, you must pay 100% of the total monthly health premium until you attain age 65 and become Medicare eligible. The University REQUIREs that you and your spouse or eligible domestic partner enroll in BOTH Medicare A (hospital) & B (physician/out-patient) when you are first eligible in order to continue health coverage as a UMS retiree.

For more information about Retiree Health options for Medicare-eligible retirees, please visit: https://www.maine.edu/human-resources/benefits/retiree-health-benefits/

*Note: If you are not yet Medicare-eligible at the time of your retirement, you have a one-time option to cease (opt-out of) coverage with an opportunity to re-enroll (opt back into) the plan, provided that the election to re-enroll occurs no later than ninety (90) days after you become eligible for Government Medicare A & B and you provide proof that you had continuous health coverage during the entire opt-out period for yourself and any eligible dependents who will now be enrolled. For more information, please contact the Employee Benefits Center. The Health Insurance Marketplace (healthcare.gov) offers eligible individuals an opportunity to purchase health insurance or see if they qualify for free or low-cost subsidized coverage. COBRA continuation of benefits is also available for 18 months after retirement.

**What forms are required to elect the retiree health insurance plan?**

Complete the electronic MaineStreet Employee Self-Service Retirement Guide to indicate that you wish to continue or discontinue the health and dental plans. If you are not yet Medicare-eligible at the time of your retirement, you have a one-time option to cease (opt-out of) coverage under the University retiree health insurance plan with an opportunity to re-enroll (opt back into) the plan, provided that the election to re-enroll occurs no later than ninety (90) days after you become eligible for Government Medicare A & B and you provide proof that you had continuous health coverage during the entire opt-out period for yourself and any eligible dependents who will now be enrolled. For more information, please contact the Employee Benefits Center. The Health Insurance Marketplace (healthcare.gov) offers eligible individuals an opportunity to purchase health insurance or see if they qualify for free or low-cost subsidized coverage. COBRA continuation of benefits is also available for 18 months after retirement.

**Dental Insurance:** If you elect to retain dental insurance as a University retiree, you must pay the total monthly dental premium for individuals as well as any dependent coverage. Dental premiums are not subsidized by UMS.

Visit the MaineStreet Retirement Guide for current rates.

**Do retiree health and dental premiums and other benefits stay the same throughout my retirement?**

No, health and dental premiums are subject to change in the future, generally each January 1st. The System Office administers the retirement programs for retirees and will inform you of any premium changes during the annual open enrollment.

Healthcare Flexible Spending Account: Participation may continue through the end of the calendar year in which you retire for expenses incurred on or before your retirement date. If you wish to submit expenses incurred after your date of retirement, it will be necessary for you to continue to make after-tax contributions. Otherwise eligible expenses would be limited to those incurred up to date of retirement.

Other Benefits: The CIGNA Employee Assistance Program is available to retirees as well as MetLife group discounts on homeowners and automobile insurance.

**What about the dental and vision plans in retirement?**
The dental plan can be continued by electing that option in the MaineStreet Retirement Guide. However, if you discontinue the dental plan, you cannot re-enroll in the future.

The vision plan can be continued for up to 18 months under Federal COBRA requirements by paying 102% of the monthly premium.

I have heard about an Incentive Retirement Plan, so what does that involve?

The Incentive Retirement Plan (IRP) is available to eligible salaried employees who are participants in the University of Maine System Retirement Plan for Faculty and Professional Employees, who are at least age 55 years old and have at least 10 years of continuous full-time regular equivalent service immediately preceding retirement from the University, and who were employed before July 1, 1996 (for represented and non-represented faculty, excluding Law Faculty), or employed before July 1, 2006 (for represented and non-represented professional employees, including Law Faculty). The University makes a lump sum payment to TIAA, equaling 1.5% of final annual base salary for each completed year of continuous regular full-time equivalent service (up to a maximum of 27 years).

- **Incentive Retirement Plan Policy**

**Is there a special incentive in effect for the retiree health insurance premium?**

There is no current incentive in effect for the retiree health insurance premium. The University does subsidize retiree health premiums at the time the retiree becomes Medicare-eligible. The actual premiums vary based on years of service, whether family members are covered on the health plan, and whether a family member also has Medicare.

I am an hourly employee that still has a retirement benefit available from the University of Maine System Retirement Plan for Classified Staff (formerly the Non-Contributory Retirement Plan). How do I start that pension when I am ready to retire? How do I find out how much it is?

If you were an hourly employee on or before July 1, 1998 (the date the pension plans changed), you may have a retirement benefit available to you under the plan. Please check with the Employee Benefits Center (EBC) for that determination, an estimate of retirement benefits, and an application form.

**How much notice do I need to provide before retiring?**

At about 60 days prior to the date you expect to retire, visit MaineStreet Retirement Guide and submit your retirement date. A notification will be sent to your supervisor and your Human Resources Partner.

**What about vacation (annual leave) time?**

Vacation (annual leave) and/or sick (disability leave) cannot be used to extend someone’s retirement date. Your retirement date is the last day that actually are at work. Annual leave will be paid in your final check, up to the maximum amount.

**Can I speak with someone in person about retirement options?**

Individual appointments with an onsite TIAA representative can be made by calling 800-842-2252. Questions pertaining to University benefits can be directed to the Employee Benefits Center toll-free 1-866-269-9635, local 973-3373 or email benefits@maine.edu.

**What about Social Security?**

You can visit the web site at www.socialsecurity.gov and get estimates, start your benefits, etc. For a personal appointment, you can call (800) 772-1213. Telephone interviews can also be arranged.

**What about life insurance in retirement?**

The UMS employee group term life insurance ends at retirement; however, you can convert that coverage to an individual policy directly with The Standard. Premiums are based on your age at the time of conversion. For a quote, please contact The Standard directly at 1-800-378-4668 or by email at cbt@standard.com.

**Can retirees get tuition waiver benefits?**

Please refer to your collective bargaining agreement for information about tuition waiver benefits.

**When can I take money out of my retirement plan?**

Once you cease employment at UMS for any reason (retirement, termination, etc.), UMS does not have any restrictions on your access to accumulations. There may be restrictions imposed by the retirement vendor depending on the type of investment you may have selected to invest in. Also, whenever you decide to access monies from the pension plan, Internal Revenue Service (IRS) regulations apply regarding taxation. Under current regulations, you are not required to access your retirement plan contributions until you attain age 72, at which time regulations do require that begin drawing on those contributions.

If you are requesting a hardship withdrawal during active employment, it would be available only on additional voluntary employee contributions on which there is no UMS matching contribution and the rules are quite strict. Contact the vendor directly and the Employee Benefit Center for assistance.

**When am I vested in the pension plan for the University match to my retirement account?**

Employees are always 100% vested in their own contributions immediately. Employees hired December 31, 2009 or earlier are also 100% vested in their University matching contributions.
Represented and non-represented hourly employees hired between January 1, 2010 and December 31, 2012 must be employed four (4) years in order to be vested for the University matching contribution. Represented and non-represented hourly employees hired on or after January 1, 2013 must be employed five (5) years in order to be vested for the University matching contribution.

Represented and non-represented salaried employees (including Law Faculty) hired on or after January 1, 2010 must be employed five (5) years in order to be vested for the University matching contribution.

Represented and non-represented faculty (excluding Law Faculty) continue to be immediately vested for the University matching contribution.

Can I keep my @maine.edu email account?

You may request to keep your @maine.edu email account active, however, at time of retirement you should appropriately notify all UMS-related contacts and delete all work-related emails for security purposes. To make this request, please email operations@maine.edu. Visit http://accounts.maine.edu/help/account-lifecycle for more information.