

# *Your Benefits In Retirement*

## ***For Bargaining Unit Members***

Your normal retirement date is the first day of the month coincident with or next following your 65th birthday. You may retire before your normal retirement date if you have reached age 55. In order to qualify as a JHU retiree, you must leave the university in good standing and meet the following criteria:

- Be at least age 55 at termination and have completed 10 or more years of continuous full-time service with the university immediately prior to termination OR
- Have completed 30 or more years of continuous full-time service with the university immediately prior to termination, regardless of age

*Note: A leave of absence from which an employee does not return to full-time service does not count toward satisfying the criteria.*

Pension activation and certain retiree benefits have additional specific requirements, which are outlined in the various sections of this overview. This overview also provides information on the JHU Support Staff Pension Plan, Staff Voluntary 403(b) Retirement Plan, Social Security, certain retiree benefits and other pre-retirement factors for which full-time and part-time bargaining unit members may be eligible. For more information, please refer to the benefit plan booklets. If the booklets do not contain the information you need, a Benefits Service Center representative will be happy to help you.

### **CONTENTS**

PENSION PLAN.....	1
VOLUNTARY 403(b) RETIREMENT PLAN .....	2
SOCIAL SECURITY.....	3
MEDICAL INSURANCE.....	3
DENTAL INSURANCE.....	5
LIFE INSURANCE FOR YOURSELF/ DEPENDENT LIFE INSURANCE.....	5
SHORT-TERM DISABILITY INSURANCE .....	6
LONG-TERM DISABILITY INSURANCE .....	6
OTHER BENEFITS.....	6
SOME FACTORS TO CONSIDER.....	7
WHAT TO DO WHEN YOU WANT TO RETIRE .....	7

## PENSION PLAN

Pension projections and forms to activate the pension on a specified date are sent to participants upon request. At retirement, it is necessary to provide an original document indicating your date of birth (birth certificate, U.S. Passport, etc.). This document will be returned to you. It is also necessary to provide evidence of your spouse's date of birth if you are married and choose the Joint and Survivor option.

If your pension is vested, you will be eligible for a retirement income based on your salary and years of credited service. You can start your pension as early as age 55. For an estimate of your monthly JHU pension benefit as of your normal retirement date (the first of the month coincident with or next following your 65th birthday) or before, contact the Benefits Service Center. When you retire you may elect one of the following annuities.

1. **Life Annuity**--a monthly pension payable for as long as you live. At your death, pension payments cease.
  2. **Life Annuity with 10-Year Guaranteed Period**--a reduced monthly pension payable for as long as you live. If you die during the 10-year guaranteed period, payments will continue to your beneficiary for the rest of the period.
  3. **Life Annuity with 20-Year Guaranteed Period**--a reduced monthly pension payable for as long as you live. If you die during the 20-year period, payments will continue to your beneficiary for the rest of the period.
  - \*4. **Life Annuity with 100% Benefit to Spouse/Contingent Pensioner**--a reduced monthly pension payable for as long as you live. If your spouse/contingent pensioner outlives you, 100% of the reduced pension will be continued for the life of your spouse/contingent pensioner.
  - \*5. **Life Annuity with 50% Benefit to Spouse/Contingent Pensioner**--a reduced monthly pension payable for as long as you live. If your spouse/contingent pensioner outlives you, 50% of the reduced pension will be continued for the life of your spouse/contingent pensioner.
  - \*6. **Life Annuity with 66 2/3% Benefit to Spouse/Contingent Pensioner**--a reduced monthly pension payable for as long as you live. If your spouse/contingent pensioner outlives you, 66 2/3% of the reduced pension will be continued for the life of your spouse/contingent pensioner.
- \* You must elect one of these forms of annuity unless your spouse waives his/her legal right to a survivor annuity of at least 50%.

## VOLUNTARY 403(b) RETIREMENT PLAN

Your retirement plan account becomes available when you separate from JHU service, retire, die or become disabled. Certain investment organizations and Federal law restrict what you can do with your 403(b) retirement plan money. After termination of employment, you may leave it where it is and it will continue to be invested. However, the Internal Revenue Service imposes the minimum distribution at the required beginning date of the first day of April of the calendar year following the calendar year in which you attain age 70 ½.

You may also roll the money directly over into another tax-deferred investment (such as a 403(b) plan offered by a new employer or an IRA) without tax consequences. You may be able to receive your Plan accumulation in one or more of the following three forms of payment.

**Annuity**--a series of regular payments that will continue throughout your lifetime. (See the Pension Plan section for a description of various kinds of annuities.)

**Periodic Payments**--a series of payments over a specified period (e.g., monthly payments for 10 years). Available ONLY under certain circumstances.

**Lump Sum**--a single payment. Available under most circumstances. The university STRONGLY recommends that you seek advice from a capable tax professional if you are seriously considering taking a lump sum distribution.

*Note: Any form of payment under this Plan must provide a survivor annuity of at least 50% unless your spouse waives his/her legal right to it.*

You may contact your investment company listed below for more information regarding distributions from the Plan at retirement.

INVESTMENT COMPANY	CUSTOMER SERVICES	INTERNET ADDRESS
TIAA-CREF	1-800-842-2776	WWW.TIAA.CREF.ORG
Vanguard	1-800-523-1188	WWW.VANGUARD.COM
American Century	1-800-345-2021	WWW.AMERICAN CENTURY.COM
Fidelity	1-800-343-0860	WWW.FIDELITLY.COM
VALIC	1-800-44VALIC	WWW.VALIC.COM

## **SOCIAL SECURITY**

You should apply for your Social Security retirement checks **AT LEAST THREE MONTHS** before you plan to retire. This way, your benefits will start when you stop working. You can apply at any Social Security office.

If you will retire before age 65, you should contact Social Security two or three months before you **OR YOUR SPOUSE** turns 65 to arrange to start Medicare health insurance protection. If you wait until the month you reach 65 or later, you might lose one or more months of Medicare protection. If you will retire after 65, you should contact Social Security to arrange for Medicare two or three months before you retire.

Social Security retirement checks can be paid as early as age 62. If you start receiving checks before age 65, however, your benefit rate is permanently reduced (because you will be receiving benefits over a longer period of time).

The amount of your monthly Social Security retirement benefit cannot be accurately determined until the Social Security Administration reviews your Social Security record. When you apply for benefits, Social Security will calculate your exact monthly benefit amount. Your benefit amount will depend on your age and the value of earnings recorded for you.

You can call the Social Security Administration to find out how to obtain an estimate of your Social Security retirement income. Once you are on the Social Security benefit rolls, your benefit will increase on an annual basis to help keep pace with increases in the cost of living.

The information in this section is based on the Social Security brochure entitled Retirement Benefits, which covers such topics as knowing when to retire, your payment amount, documents needed, when checks start, how work affects your payment and your reporting responsibilities. The university recommends that you read Retirement Benefits, which is available from Social Security.

For more information, call the Social Security Administration. You can find the address and telephone number of the nearest Social Security office in the telephone directory.

## **MEDICAL INSURANCE**

Current coverage ceases at the end of the month in which you terminate your employment. If you qualify as a JHU retiree, the university subsidizes the retiree medical premium in various degrees. However, the dollar amount of the university's subsidy and the various degrees remains constant from year to year. In order to receive a university subsidy, your age and service requirement must equal or exceed 75. If your age and service equal or exceed 80, you will receive the university's maximum subsidy. No evidence of insurability is required to continue this coverage. You will be billed quarterly for this benefit by the Benefits Billing Service (BBS).

If you do not meet the criteria for the university's subsidized retiree medical insurance group plan and leave the university in good standing, are at least age 55 and have 10 or more years of continuous full-time service with the university immediately prior to termination, you

may continue your medical coverage by paying the full cost of the group rate (no university contribution). No evidence of insurability is required to continue this coverage. To be billed for this coverage, please contact the Benefits Service Center within 30 days of your termination date.

Listed below are the policy provisions of the university's retiree medical group plan that apply to those who satisfy the eligibility criteria for retiree medical coverage and will receive full, partial or no university subsidy toward the medical premium:

- At retirement, if you are currently participating in one of the university's medical plan options, you may change to one of the other medical plan options available within 30 days of your retirement.
- At retirement, if you are not participating in one of the university's medical plan options because you have coverage elsewhere (excluding Medicare), you will have one opportunity to enroll in one of the university's available medical plan options. This must occur within 30 days of your retirement or within 30 days of the date you lose your alternate medical coverage.
- At retirement, you may elect individual coverage if your spouse or same-sex domestic partner and dependent children are covered elsewhere. You will have one opportunity to enroll your spouse or same-sex domestic partner and eligible dependent children in the medical plan in which you are currently participating within 30 days of their loss of coverage from their medical plan.
- If you marry or enter into a same-sex domestic partnership, within 30 days of the marriage or same-sex domestic partnership you will have the opportunity to enroll your new spouse or same-sex domestic partner and any eligible dependent children in the medical plan in which you are currently participating.
- If you die, your covered spouse/same-sex domestic partner is eligible to remain on the group plan for his/her lifetime and covered dependent children can remain on the group plan until they no longer meet the plan eligibility requirements. If your surviving spouse/same-sex domestic partner enters into a new marriage/same-sex domestic partnership, he/she cannot add the new spouse/same-sex domestic partner to the plan.

Full coverage can be continued until you or your spouse or same-sex domestic partner become entitled to Medicare. You may also continue full coverage for each of your dependent children until he or she no longer meets the eligibility requirements in the Plan Booklet.

In order to maintain JHU's retiree medical group plan, upon attainment of age 65, you, your spouse, or same-sex domestic partner must enroll in Medicare Part "B". Medicare will become the primary insurer and the JHU Retiree Medical Plan will become secondary. This means medical claims must be submitted to Medicare first, and those claims that Medicare does not cover are then submitted to the JHU retiree medical group plan. If you become reemployed by JHU as a full-time, part-time, or limited-time employee, for the duration of that employment JHU's retiree medical group plan becomes primary and Medicare is secondary.

If you or your covered dependents are not eligible to remain on the university's medical group for retirees, you and your covered spouse and children may choose to continue the medical plan coverage defined under the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). By law, if you become entitled to Medicare after making your COBRA election, you will not be able to continue benefits under COBRA. However, your covered

dependents will be eligible to continue COBRA coverage as long as they continue to meet all eligibility requirements. COBRA information and enrollment instructions will be sent to your home address upon termination of employment.

If you are currently covered on your spouse's group plan, be sure that you are eligible to remain on your spouse's retiree group plan as well. Some retiree group plans allow for continuation coverage for the employee only.

The retiree CareFirst BlueCross BlueShield (BCBS) plan includes a prescription drug benefit. The prescription drug card features a \$10 copayment for generic drugs and a \$20 copayment for name brand drugs. The use of generic drugs is voluntary and is a decision that you should discuss with your physician. If you use the mail order drug program through Advance PCS, one copayment will cover a 90-day supply. You will receive a new membership card from CareFirst for your retiree medical plan that will also be your prescription card. Prescription copayments cannot be submitted to Major Medical.

## **DENTAL INSURANCE**

Current coverage ceases at the end of the month in which you terminate. If you qualify as a JHU retiree, you and your eligible dependents may continue dental coverage by paying the full cost of the group rate (no university contribution). If you wish to continue this coverage, please contact the Benefits Service Center to obtain a JHU Retiree Dental Enrollment Form. Upon completion of this form, you will be billed quarterly for this benefit by the Benefits Billing Service (BBS).

If you die, your covered spouse/same-sex domestic partner is eligible to remain on the group plan for his/her lifetime and covered dependent children can remain on the group plan until they no longer meet the plan eligibility requirements. If your surviving spouse/same-sex domestic partner enters into a new marriage/same-sex domestic partnership, he/she cannot add the new spouse/same-sex domestic partner to the plan.

If you or your covered dependents are not eligible to remain on the university's dental group plan for retirees, you and your covered spouse and children may choose to continue the dental plan coverage defined under the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). By law, if you become entitled to Medicare after making your COBRA election, you will not be able to continue benefits under COBRA. However, your covered spouse and children will be eligible to continue COBRA coverage as long as they continue to meet all eligibility requirements. COBRA information and enrollment instructions will be sent to your home address upon termination of employment.

## **LIFE INSURANCE FOR YOURSELF/DEPENDENT LIFE INSURANCE**

Current coverage ceases at the end of the month in which you terminate your full-time employment. You are eligible to convert all or part of this coverage to an individual conversion life insurance policy within 31 days by paying the full premium directly to the insurance company. You do not need to submit evidence of insurability in order to convert your coverage. Conversion forms are available at the Benefits Service Center.

## **SHORT-TERM DISABILITY INSURANCE**

Current coverage ceases on the date your full-time employment terminates. There is no conversion privilege for this benefit.

## **LONG-TERM DISABILITY INSURANCE**

Current coverage ceases on the date your full-time employment terminates. There is no conversion privilege if you retire.

## **OTHER BENEFITS**

1. **Flexible Spending Accounts** - If you leave the university for any reason, including termination, disability, or death, any money you have in a flexible spending account can still be used for expenses incurred prior to the date your participation in the plan ends. If you leave the university in good standing, you may continue to contribute to the health care flexible spending account for the remainder of the calendar year through the Consolidated Omnibus Reconciliation Act of 1985 (COBRA). COBRA information and enrollment instructions will automatically be sent to you at your home address.
2. **Sick Days and Vacation** - If you retire at 55 years of age or older and have at least 10 years of continuous full-time or part-time university service, immediately prior to retirement, you can convert accrued, unused sick leave in excess of 45 days to cash payment. The maximum number of sick leave days that can be accrued is 90 days and the maximum number that can be converted to cash payment is 45 days. You will be paid for unused, accrued vacation days.
3. **Tuition Grant and Tuition Remission** - If you qualify as a JHU retiree, you are eligible for the Tuition Grant Program and the Tuition Remission Program. For more information, please call 443-997-6800.
4. **Credit Union** - When your employment terminates, you may continue your Credit Union membership (once a member, always a member). If you are not a Credit Union member when you terminate and you qualify as a JHU retiree, you may become a member even after your employment ends. Payroll deductions from JHU will, of course, cease after your employment ends, but you may have a direct deposit from an outside source coming to the Credit Union, e.g. Social Security benefits.
5. **Benefits administered by the Office of Faculty, Staff and Retiree Programs** - You are entitled to various other benefits if you qualify as a JHU retiree. These benefits include:
  - MSE and Welch Medical Library privileges
  - Numerous discount programs
  - Quarterly retiree newsletter
  - Annual reception and various social events

- Athletic Center privileges
- Eligibility for membership in the Evergreen Society
- Work and volunteer opportunities

These particular benefits are administered by the Office of Faculty, Staff and Retiree Programs. For more information, please call 410-516-6060.

## **SOME FACTORS TO CONSIDER**

### Type of Pension or Voluntary 403(b) Retirement Plan Payment Selected

1. Age and health of self and spouse
2. Financial picture
  - a. How much do we need now?
  - b. What are our sources of retirement income?
  - c. How much will my spouse need after my death?
  - d. What will the sources of my spouse's income be?

### Supplemental Medical Coverage

1. Evaluate coverage available at retirement.
2. Determine need for supplemental coverage.
3. Evaluate supplemental coverage available.

### A Beneficiary

1. Keep it simple when possible.
2. A minor as a beneficiary may present problems.

Assistance in Making Decisions - Input from the following can be helpful:

1. Spouse
2. Tax Adviser
3. Attorney
4. Financial Adviser

## **WHAT TO DO WHEN YOU WANT TO RETIRE**

Several months before you plan to retire, you should contact the Benefits Service Center.

If you are thinking about retirement, you should allow at least three months for the necessary forms to be prepared. Giving yourself and the benefits office enough time to process the necessary forms should eliminate any delay in receiving your retirement income.

If you plan to retire at or after age 62, you should notify the Social Security office at least three months in advance to arrange an appointment to discuss your Social Security and Medicare benefits.

*Since this publication summarizes university benefits at retirement for bargaining unit members without going into detail, it is not a legal document. If information provided in this Overview differs from an authorized Plan Document, the Plan Document will govern. Copies of these documents may be obtained from the Benefits Service Center.*

*For more information, visit the Benefits homepage at <http://hrnt.jhu.edu/benefits>, or call or visit the Benefits Service Center.*

Benefits Service Center  
benefits@jhu.edu  
410-516-2000

East Baltimore Campus  
2017 E. Monument St.  
Fax: 410-614-7416

Homewood Campus  
Wyman Park Building, 6<sup>th</sup> Floor  
Fax: 410-516-7930

Office of Benefits Administration  
Revised January 2004

YBIRbu2004