

Certificated Retiree Health Plan

# Retirement Planning Guide for Benefits



# 2021



 **Be smart**  
**Live well**

#129406490

This booklet explains what happens to your MNPS employee benefits when you retire. It does not address your retirement income, including such items as how the monthly amount is calculated, the selection of options, cost-of-living adjustments or income taxes. These areas are addressed separately. The Board of Education, like all employers, retains the right to modify group insurance benefits as may be deemed appropriate and/or necessary.

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# Medical/Dental/Vision/Hearing

## Can I keep my medical/dental/vision/hearing insurance when I retire?

You may continue this coverage for yourself and any enrolled eligible dependents throughout your retirement if:

- You have at least 10 years of active employment with MNPS
- You begin receiving a monthly pension payment immediately following termination

AND

- You have been enrolled in the group plan for three continuous years immediately prior to retirement

If you have at least 20 years of service with MNPS, you may defer commencement of pension and retiree benefits, and have benefits reinstated when your monthly pension begins.

## How will my medical/dental/vision/hearing coverage change when I retire?

**If you are under age 65 without Medicare**, the medical/dental/vision/hearing coverage you had as an active employee will continue.

**If you and/or any covered dependents age 65 or older have Medicare Parts A and B**, your medical coverage will be provided through Medicare (your primary coverage) and the Cigna Medicare Surround Plan (your secondary coverage). Your dental/vision/hearing coverage will continue under the same plans you had as an active employee.

*Note: During Annual Transfer in the fall, you will have the option to switch from the Cigna Medicare Surround Plan to the Cigna Medicare Advantage Plan (MAPD) if you wish. This plan is a lower-cost option; you will get more details at that time.*

If you turn age 65 and become Medicare-eligible after you retire, you will be enrolled in the Cigna Medicare Surround Plan as soon as Employee Benefit Services receives a copy of your Medicare card.

Your 2021 Retiree Benefits Guide, which you will receive at your retirement appointment, contains more information about these plans.

## What happens when I become eligible for Medicare?

When you become eligible for Medicare, you must enroll in Medicare Parts A and B. Medicare becomes your primary insurance and the Cigna Medicare Surround Plan becomes your secondary insurance. Important: DO NOT let anyone else sell you other coverage. If you enroll in another Medicare plan (including a Part D prescription drug plan), your MNPS coverage will be terminated.

Once enrolled for Medicare, you will need to send a copy of your Medicare card to Employee Benefit Services (you can take a photo with your phone and email it to [benefits@mnps.org](mailto:benefits@mnps.org)). You will then be enrolled in the Cigna Medicare Surround Plan, and approximately two weeks later you will receive two ID cards in the mail (they will **not** come at the same time), one for medical and one for prescription drugs. Additionally, your premiums, which are deducted from your pension payments, will go down because your MNPS coverage becomes secondary. See page 3 for premium amounts.

## How do I enroll for Medicare Parts A and B?

If you are NOT drawing Social Security, three months before you turn 65, do one of the following to enroll in Medicare Parts A and B:

- Visit [SocialSecurity.gov](https://www.SocialSecurity.gov).
- Call the Social Security office at **1-800-772-1213** (TTY users **1-800-325-0778**), Monday through Friday, from 7 a.m.-7 p.m.
- Visit your local Social Security office.

If you are drawing Social Security, your Medicare card will automatically be mailed to you approximately four months before you turn 65.

For your convenience applications for Medicare Parts A and B will be provided at your retirement appointment.

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# Medical/Dental/Vision/Hearing ... continued

## How will my dependents' coverage change when I retire?

It depends on their age and whether they are eligible for Medicare:

- If your spouse is under age 65 without Medicare, the medical/dental/vision/hearing coverage they had when you were an active employee will continue.
- If your spouse is age 65+ and eligible for Medicare, he/she will be covered by the Cigna Medicare Surround Plan. Dental/vision/hearing coverage will continue.
- If you cover dependent children (under age 65 and not Medicare-eligible), the coverage they had when you were an active employee will continue.

## What if I (the retiree) have Medicare, but my spouse does not?

You will be covered by the Cigna Medicare Surround Plan, and your spouse's medical coverage will continue under the plan he/she had when you were an active employee. See your 2021 Retiree Benefits Guide for more details.

## What if I'm age 65+ and covered under my spouse's active employee medical plan when I retire? (I also cover my spouse under my MNPS plan.)

The MNPS medical coverage you had as an active employee will continue until your spouse retires. At that time, you will both be required to have Medicare A and B and will be enrolled in the Cigna Medicare Surround Plan.



## Can I add a dependent(s) to my coverage?

You can only add dependents to your coverage due to a qualifying event, such as:

- Change in marital status: marriage (including domestic partnership), divorce, legal separation, death of a spouse
- Change in number of dependents: birth, death, adoption, award of legal guardianship
- Change in employment status: termination, layoff, moving from full-time to part-time resulting in loss of benefits.

You have 60 days from the date of a qualifying event to request a change in your benefits. If you miss this deadline, you will not be able to add that dependent.

**You cannot add dependents during Annual Transfer.**

## Do I have to take the Cigna health assessment like I did as an employee?

No. Taking the health assessment is not required.

## Be smart

### You must enroll for Medicare A and B when eligible!

When you become eligible for Medicare, you must follow these two steps to stay covered by the retiree medical plan and for your coverage premium to be reduced:

1. Enroll for Medicare A and B.
2. Send a copy of your Medicare card to Employee Benefit Services (provided you're not covered under any other active employee medical plan such as a spouse's employer plan).

Your covered dependents must also enroll in Medicare Parts A and B, even if they are currently working and not covered by their employer's medical plan.

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## How much will my retiree coverage cost?

MNPS continues to pay a portion of the cost of your coverage. Your portion is deducted from your pension check. The monthly per-member cost is listed in the chart below:

Plan*	With or without Medicare A and B	Monthly cost**
Cigna Medicare Surround Plan with Cigna Rx Medicare (PDP)	Retiree and/or spouse with Medicare A and B	\$123.94/member
Cigna Medicare Advantage Plan with Part D drug coverage (may elect only during Annual Transfer)	Retiree and/or spouse with Medicare A and B	\$51.00/member
Cigna Medical Plan	Retiree or spouse without Medicare	\$196.72/member
	Dependent child without Medicare	\$83.12/dependent child

\* All plans include dental coverage through Delta Dental, vision coverage through EyeMed Vision and hearing coverage through Amplifon/Cigna.

\*\* Monthly premium for a surviving spouse is four times the cost shown above; MNPS does not pay 75% of the cost for a covered surviving spouse. A few members may incur an Income Related Monthly Adjusted Amount (IRMAA). IRMAA affects higher-income Medicare beneficiaries, who are required to pay an increased monthly Medicare premium based on the income they report to the IRS. Income limits for Part D prescription drug coverage are the same as income limits for Medicare Part B. IRMAA is deducted automatically from Social Security payments, or direct billed monthly or quarterly. Qualifying members must pay IRMAA or lose coverage; however, MNPS will reimburse members the additional cost for Part D prescription drug coverage incurred by IRMAA. To receive this reimbursement, affected members must submit to MNPS a copy of the invoice titled "Notice of Medicare Premium Due."



## Be smart

### Do not enroll in any other Medicare plan

If you do, your MNPS retiree medical coverage will be terminated. This includes Part D prescription drug plans. Your MNPS retiree medical coverage includes Medicare Part D prescription drug coverage. If you enroll in an independent Medicare Part D plan, your MNPS coverage will be terminated.

# Life insurance

## *What happens to my life insurance when I retire?*

The life insurance you have as an active employee will terminate upon retirement; however, you do have options to continue coverage:\*

### Term life insurance

If you are under age 65, you can transfer (or “port”) your basic and supplemental group life coverage to an individual term life policy:

- You pay premiums directly to Dearborn National.
- Rates are based on age and increase over time.
- Ported coverage ends at age 65, so this option works best as a bridge to a new job that offers similar life insurance.
- If you are interested in porting your coverage, you will have an opportunity to complete an application during your retirement interview. You must return the completed application to Dearborn National within 31 days after your group coverage ends.

### Whole life insurance

Regardless of your age, you can convert your basic and supplemental group life to an individual whole life insurance policy:

- You pay premiums directly to Dearborn National.
- Rates are based on age at the time of retirement.

# Other benefits

## *Can I keep my disability coverage after retirement?*

No. Your short-term and long-term disability insurance is designed to protect your income as an active employee; therefore, coverage cannot be continued after retirement.

## *Can I continue to participate in the flexible spending accounts?*

No. IRS regulations do not permit retirees to participate in flexible spending accounts (FSAs). If you are a 10-month employee retiring at the end of the school year, you can continue to incur expenses through July 31. You have 90 days after July 31 to submit claims and get reimbursed from your existing FSA.

- You will have an opportunity to complete an application during your retirement interview. You must return the completed application and your first premium payment to Dearborn National within 31 days after your group coverage ends.

For more information on these options, contact Dearborn National at **1-800-348-4512**.

- \* Any accidental death and dismemberment (AD&D) coverage you had as an active employee cannot be continued after retirement.

## *What happens to my death benefits when I retire?*

### \$500 death benefit

Upon your death, the Charter of Metropolitan Government provides a \$500 benefit to be paid to your named beneficiary on file with Employee Benefit Services. You may update your beneficiary at your retirement appointment, or at any time in the future.

### Social Security death benefit

Current Social Security law provides a \$255 death benefit, paid on behalf of an individual eligible for Social Security as a wage earner, providing he or she has a qualifying spouse or dependent child. A claim for this benefit is made directly to the Social Security Administration.

If you retire during the school year, you may continue to incur expenses until the end of the month in which you retire. You have 90 days after the end of that month to submit claims and get reimbursed from your existing FSA.

## *Can I continue to use the EAP?*

Yes! MNPS provides an employee assistance program (EAP) through ComPsych, called GuidanceResources® EAP. Services are free and completely confidential to employees and retirees and their immediate family members. Call the EAP 24 hours a day, 7 days a week at **1-888-297-9028**. Or visit **MNPSBenefits.org/eap** or **guidanceresources.com**. Enter username: MNPS; password: EAP (both are case sensitive).

# Unused sick leave

## What happens to my unused sick leave at retirement?

For every 20 days of unused sick leave, you receive one month of additional retirement credit (also called service credit).

Additionally, if you notify Human Resources or Employee Benefit Services in writing **no later than February 28** of your plans to retire upon completion of your current fiscal year assignment, you will receive an early notification incentive of \$500 **plus** a lump-sum payment for any unused sick days at the following rate:

If you:	You will receive:
Have 20+ years of service <b>OR</b> are age 60	100% payout of: <ul style="list-style-type: none"><li>• \$50 per day for the first 50 days accrued</li><li>• \$75 per day for days 51-100</li><li>• \$100 per day for days 101+</li></ul>
19 years of service <b>OR</b> are age 59	75% payout of above
Have 18 years of service <b>OR</b> are age 58	65% payout of above
Have 17 years of service <b>OR</b> are age 57	55% payout of above
Have 16 years of service <b>OR</b> are age 56	45% payout of above
Have 15 years of service <b>OR</b> are age 55	35% payout of above

A Notice of Retirement form is available from Employee Benefit Services or by visiting [MNPSBenefits.org/retirement-planning](https://mnpsbenefits.org/retirement-planning). All other retirement papers do not have to be signed by that date. Only individuals applying for service pension are eligible for the incentive (excludes disability and deferred retirement).

If your retirement notification is submitted **after** February 28, you will be paid \$50 for each unused sick day at the time of retirement, and you will not qualify for the \$500 incentive.

## Can unused sick leave be paid to my 401(k) account?

Yes. If you wish to avoid paying the 25% federal income tax at the time of payout, you may have unused sick leave paid to your State of Tennessee 401(k) Deferred Compensation Program. This option is only available if you are enrolled in the 401(k) and have 401(k) deductions coming out of your active paycheck.

## How is unused vacation leave paid?

Up to 50 unused vacation days can be paid out at a full day's pay rate.



## Be smart

### Early notification incentive: \$500

If you plan to retire when your current fiscal year assignment is complete and you submit your Notice of Retirement in writing by February 28, you will receive a \$500 early notification incentive. You may also qualify for an additional payout incentive for unused sick days.

If you revoke or rescind your notice of intent to retire more than three business days after submitting the notice, you forever waive your right to receive payment for both the \$500 early notification incentive and the higher daily rates for accrued sick leave.



# Requesting retirement

## How do I apply for retirement?

- 1. Notify your principal or supervisor.**  
Do this **before** submitting your Notice of Retirement to Employee Benefit Services. After your notice is received, your position may be posted as a vacancy.
- 2. Complete the Notice of Retirement form.**  
The form is available from Employee Benefit Services or by visiting **MNPSBenefits.org/retirement-planning**. Return it to Employee Benefit Services. Submit it by February 28 to earn the \$500 early notification incentive; see page 5 for details.
- 3. Request an estimate of benefits from TCRS (1-800-922-7772).**  
The estimate will show your monthly pension payment amount.
- 4. Schedule your retirement appointment.**  
Once you have submitted your Notice of Retirement and received a TCRS estimate of benefits, Employee Benefit Services will send you a list of available dates to come in and sign all other retirement papers. Do not schedule this appointment until you receive your TCRS estimate of benefits.
- 5. Complete an application for Service Retirement or Early Retirement.**  
Go to **retirereadytn.gov** or **mytcrs.com**. Log in (or create a login) to access your TCRS account and complete the online retirement application. (Contact Employee Benefit Services or visit **MNPSBenefits.org/retirement-planning** for step-by-step instructions for applying for retirement.) Print the completed application before logging off, and bring a copy to your retirement appointment.
- 6. Prepare for your MNPS email address to be de-activated.**  
This will happen on your retirement date.

## What should I bring to my retirement appointment?

Please bring:

1. A printed copy of your Application for Service or Early Retirement
2. Your TCRS estimate of benefits
3. Proof of your identification (driver's license or birth certificate) and Medicare card if applicable
4. Two voided personal checks: one to designate the account where you want your pension check deposited; the other attached to a premium draft form provided at your appointment
5. Beneficiary's name, address and phone number for the \$500 death benefit
6. Proof of your beneficiary's identification (driver's license or birth certificate) and Medicare card if applicable

### Process change due to COVID-19

If you're unable to have an in-person retirement appointment, you will be instructed how to view a Retirement Planning video and email your completed forms to the Benefits Office.

## Live well

### Vanderbilt Health at MNPS Employee & Family Health Care Centers

You can use the MNPS Health Care Centers and take advantage of all services and programs at no cost to you, just like you did as an active employee. There is one exception: If you elect the Cigna Medicare Advantage Plan (allowed during Annual Transfer only), Medicare rules require that members pay their regular copay amounts for office visits, labs and prescription drugs.