

Frequently Asked Questions for Retirement

1. Who is eligible to retire? Employees with five years of CalPERS service, at 50 years of age or older.

2. Are all employees eligible for retirement health benefits? No. You must retire within 120 days of your separation from employment; have been eligible for enrollment in a CalPERS medical plan on your date of separation; and at the time of retirement, elect to receive a monthly retirement allowance from CalPERS.

3. Some CalPERS plans have retiree health benefit vesting requirements. Are there any health benefit vesting requirements for CSU retirees who meet all the above eligibility rules? No. Once you have 5 years of service and age 50, are eligible for benefits at the time of retirement, you may retire with life time health and dental benefits.

4. How do I select a retirement date?

There are several factors to consider regarding your retirement date:

- **Calculation of service credit.** Based on full time employment, you earn a full year of service credit when you have worked for 10 months during a fiscal year (calculation is prorated for part time service).

Any unused sick leave hours may be converted to service credit (2,000 hours equals one year).

- **Consider your age.** The calculation of the age factor for your retirement benefit increases each quarter year from your birthday at age 50, and maximizes at age 63.
- **Consider average salary,** computed on the basis of your highest 12 months of earned salary. The amount of salary will be reduced by a Social Security factor. (Final compensation minus \$133.33) PLEASE NOTE: The Furlough salary is NOT used to calculate retirement.

- **Another aspect of choosing a retirement date is the following:**

Consider if you want to retire at the end of the quarter, the end of the academic year, the end of the calendar year, the end of the fiscal year, or on your birthday or birthday quarter. Whether you are staff, Lecturer, or a Faculty member will also have a bearing on your decision.

For example:

Staff employees will typically retire at an age quarter (before age 63) or the end of the calendar year.

Lecturers may retire at the end of any quarter during the year, particularly if they will not be teaching two or more classes in the following quarter and losing benefits

Faculty will generally retire at the end of the Spring quarter or academic year (depending on an age quarter).

All Employees: The Cost of living increase is given in the month of May of the second year of retirement.

To create a retirement estimate based on the factors of service years, age and salary, see the CalPERS retirement calculator at:

<http://www.calpers.ca.gov/index.jsp?bc=/member/online-svcs/retirement/my-tools/calc-my-retirement/home.xml>

Select the “enter my own data” link.

5. What mandatory deductions will I pay after retirement?

You will continue to pay federal and state taxes. Social Security taxes, Medicare and your contribution to CalPERS do not continue after retirement. Determining your taxation at retirement is a complex issue. You may contact CalPERS or request the booklet, “Taxation and Your Retirement” from CalPERS at www.calpers.ca.gov, or consult a tax advisor.

6. What benefits continue into retirement for retirees? Medical, dental and vision coverage can continue into retirement for eligible employees and their eligible dependents. CSU-paid life insurance (if applicable) does not continue into retirement. Retirees are provided the option to convert the life insurance to an individual policy. CSU-paid LTD insurance (if applicable) ends upon separation from employment.

Medical Coverage:

7. What will be the monthly out-of-pocket enrollment cost? Health premiums are at the same cost for retirees as active employees. Your health plan premium will be deducted from your retirement pay.

8. Which family members can be covered under the retiree health benefits? All eligible dependents include spouse, domestic partner, children under age 23 and never married, disabled children over age 23 that were on the plan at the time of retirement. Certain restrictions apply.

9. I'm currently enrolled as an active employee in a CalPERS medical plan. How is my medical coverage continued after retirement? Human Resources will complete your health plan continuation process. There is no action required on your part.

10. I'm currently enrolled in FlexCash. How do I enroll in a CalPERS retiree medical plan?

You may request coverage within 30 days before or after your retirement date. To enroll before your retirement date, contact Human Resources. To enroll after your retirement date, contact CalPERS at (888) 225-7377. If you do not enroll within 30 days before or after your retirement date, you must wait until the next annual CalPERS Open Enrollment period to enroll unless you experience a qualifying status change.

11. As a retiree can I change medical plans and add/delete dependents? You may change your medical plan and add/delete dependents by contacting CalPERS at (888) 225-7377 during the annual CalPERS Open Enrollment period or within 60 days of a qualifying status change.

12. Will I have the same level of medical coverage as a retiree that I had as an active employee? Yes, your coverage remains the same. You and your dependents remain in the Basic medical plan until you and/or your dependents become eligible for Medicare.

13. How do I enroll in Medicare? As a CalPERS **retiree**, when you qualify for Medicare Part A, you must also sign up for Medicare Part B. Do not enroll in Medicare Part D as you may be dis-enrolled in your CalPERS sponsored health plan.

You and your dependents must certify your Medicare status with CalPERS when you each become eligible for Medicare and change from the Basic medical plan to a supplemental Medicare or Managed Medicare plan at that time. Contact CalPERS at (888) 225-7377 to update your Medicare status.

Dental Coverage:

14. I'm currently enrolled in a dental plan. How do I obtain retiree dental coverage?

Human Resources will complete your retiree dental plan continuation. No action is required on your part.

15. What happens with my dental coverage when I retire?

At retirement, the dental plan is reduced from the enhanced plan to the Basic plan with reduced benefits. You may decline enrollment in the basic dental plan upon retirement and instead opt to continue your enhanced coverage under COBRA for up to eighteen (18) months. You pay the full cost of premiums for coverage under COBRA.

Once COBRA ends, you can enroll in the basic dental plan to avoid a lapse in coverage, or you may enroll during any subsequent Open Enrollment period that follows the expiration date of COBRA coverage by contacting CalPERS at 888-225-7377.

16. I'm currently enrolled in FlexCash? How do I enroll in a retiree dental plan? FlexCash participants may request dental coverage within 30 days before, or after the retirement

date by contacting Human Resources. You may also enroll during the annual Open Enrollment period.

17. What will be the monthly out-of-pocket enrollment cost for retiree dental coverage?

Currently, this benefit is employer paid for both active and retired employees. No monthly premium is deducted.

18. Can I change my dental plan and add/delete dependents? You can make changes to your dental plan during the annual Open Enrollment period or within 60 days of a qualifying status change.

Vision Coverage:

19. May I continue my vision coverage? Yes, benefit eligible retirees may continue coverage by enrolling in the CSU Retiree Voluntary Vision Plan or COBRA their Vision plan. Enrollment information is mailed to the retiree's home address.

20. What is the difference between the CSU Retiree Voluntary Vision Plan and COBRA? The retiree plan has a three-tier monthly rate whereas COBRA has one composite premium rate for all enrollments.

The retiree plan does not include the Vision Display Terminal (VDT) benefit. Otherwise the retiree plan benefits are comparable to the COBRA benefits.

21. Who pays the monthly premium for the CSU Retiree Voluntary Vision Plan or COBRA? The monthly premium will be fully paid by the retiree and deducted from their monthly retirement allowance. COBRA will be fully paid by the employee directly to the vision plan.

22. When may I enroll? Retirees may enroll in the CSU Retiree Voluntary Vision Plan at the time of retirement, within 60 days of their retirement, within 60 days of loss of coverage on another vision plan, or during any subsequent Open Enrollment period.

Retirees may enroll in COBRA within 60 days of their separation date from employment.

23. How long may I continue coverage? If you enroll in the CSU Retiree Voluntary Vision Plan, you are required to maintain enrollment for a minimum period of 12 months. You will be required to maintain enrollment for the balance of the plan year in which you enroll and for 12 months in the following plan year, unless a permitting event occurs to change your enrollment.

If you enroll in COBRA, you may continue coverage for up to 18 months.

24. What happens if I elect COBRA and my coverage ends after 18 months? You may enroll in the CSU Retiree Voluntary Vision Plan during any subsequent Open Enrollment period following your COBRA eligibility end date or COBRA cancellation due to non-payment.

Disclaimer: This information is a general description of post-retirement health benefits.
Refer to plan documents for limitations and exclusions.