

## Retirement Calendars: What Do I Do When?

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**These notes are intended to help you with the retirement process. It is important that you contact the listed agencies for answers concerning your own work history and personal circumstances! June is the busiest month for the retirement system, so contact them early enough to allow time to consider options and submit any additional paperwork they might need.**

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### With CalSTRS:

The retirement system recommends that you attend a workshop or watch their online training videos **when you first become a member of the system.**

**Five (5) years before your anticipated retirement date**, schedule a meeting with a system advisor to review your information and to take advantage of strategies that are available to you to improve your retirement income.

**When you turn 55 years old**, you are eligible to select a retirement option. You can receive 100% of the amount calculated using your years of service, your age factor and your salary, or you can opt to receive less money, but guarantee a lifetime income to a beneficiary when you die. Choosing an option at this time or at any time before you retire, may result in a slightly higher retirement payment.

**At any time**, you can calculate the projected amount of your retirement income. Go to [www.calstrs.com/calculators](http://www.calstrs.com/calculators). You need to know or project what your salary will be and how much unused sick leave you will have at the time of retirement. If you plan to select an option that will provide a lifetime income for a survivor, you need that person's date of birth. The calculations will show you how your retirement will be affected by providing for a survivor, if you choose to do so.

### The year you are planning to retire:

1. **As early as possible, but within 6 months of your date of retirement:**
  - a. Schedule a meeting with a system advisor to confirm your information. You may need to submit additional documents to the system, for example, a marriage certificate.

- b. Submit your retirement application. This can be done online at

<https://www.calstrs.com/general-information/service-retirement-application-process>

- Step-by-step guidance helps you complete the application accurately.
- Your member-specific information is auto-filled, saving you time.

- Your application is processed automatically, for a faster turnaround.
- You'll receive an email confirmation when CalSTRS receives your application and after it's processed.
- You'll receive your award letter sooner.
- You'll receive emails if we need additional information to process your application.

You may also print or obtain the retirement application form and submit the form to CalSTRS.

CalSTRS will issue your first monthly benefit payment within 45 days of your retirement effective date or the date your completed application is received (**whichever is later**).

If you are divorced, CalSTRS will require a copy of your divorce settlement before it will process your retirement application.

If you also have service credit with CalPERS, it is **critically important** that you retire from both systems on the **same day!** Both systems will then use the highest earned income when calculating your retirement. You will still receive a separate check from each system, but you will maximize your income.

#### With **Social Security**:

If you believe you are eligible for Social Security retirement income because of non-faculty employment or marriage to someone who currently collects Social Security, contact Social Security at <https://www.ssa.gov/onlineservices/>. You can also contact your local Social Security office by phone. The offices are conducting in-person meetings by appointment only.

#### With **Medicare**:

If you or your spouse is 65 years of age or older, you will need to file for Medicare Part B, ***even if you will have retiree medical coverage because of your college employment.*** You can file on the Social Security website listed above, or at your local Social Security office. You can also apply online at [www.medicare.gov](http://www.medicare.gov). You should file for Medicare Part B **three (3) months before you retire.**

The college will provide you with a letter confirming that you (and/or your spouse) have been enrolled in your employer's group health plan. This will prevent you from having to pay a penalty for failing to enroll in Medicare Part B at the time you (or your spouse) turned 65.

The standard premium cost for Medicare Part B in 2021 is \$148.50 per month. Your premium may be higher, depending upon your adjusted gross income. Faculty who were hired **prior to July 1, 1995 are eligible to have the standard premium amount reimbursed to them on an annual basis for the 10 years** immediately following retirement. Faculty who were hired **after July 1, 1995 and are eligible and participate in the retiree medical plans will have their Medicare Part B standard premium reimbursed for a period of 5 years.**

With **Solano College:**

1. You need to provide notice of the date of your upcoming retirement. A retirement letter or email can be submitted **any time on or after July 1 of the fiscal year in which you will retire.** If you have chosen the 12-pay option, those monies will be included with the pay warrant issued for the month in which you retire.
2. **If you are eligible for retiree medical, you must inform Human Resources of your plan decision no later than the 10<sup>th</sup> of the month in which you will retire.**

***Not every medical provider has a Medicare plan!*** If you are currently enrolled in Blue Shield, Health Net or Western Health Advantage, you will need to select another provider once you are 65 years old. If your spouse is already 65, and you are not, you will both need to move to a different plan at the time you retire.

These are choices that you have regarding retiree medical benefits, as listed in Article 10 of the faculty contract:

10.3.5 Benefits for eligible retirees shall include:

A. District-paid health plan for the employee and dependent except for PERSCare as specified in Article 21.1.1.

B. District-paid vision for the employee only.

C. A retirement bonus of \$250 per year of service with the District to a maximum of 25 years OR District-paid contributions for employee and spouse in the dental plan for a period of ten (10) years, subject to the rules and regulations of the contracts with the dental organization. The dental plan will have an annual maximum of \$1,500 and will not include orthodontia benefits.

3. All college property must be returned to the college **on or before your last day of employment.** This includes, but is not limited to, laptops, keys and parking permits.

## **CalSTRS Reduced Workload Program:**

If you are not ready to retire, but are interested in having more time to develop other interests, to explore other locations where you might relocate, and to ease a little more slowly into retirement, you might consider the **Reduced Workload program**.

The reduced workload program is a CalSTRS program, and the college must follow their rules. A faculty member **must** be 55 years old before the beginning of the school year in which the program will be started. The person must have 10 years of service credit with STRS, and the last 5 years must have been full-time with the same employer. In addition, the program cannot start mid-year, i.e., cannot start in Spring semester. A person can participate in the program for a maximum of 10 years. The faculty member can work a reduced load in both semesters, or can work 100% one semester and 0% the other semester. The second option gives a person 7 months off each year. If you were to work 100% in the fall, you would be paid 50% salary for the entire year. If you didn't work in the fall, but did 100% in the spring, there would be no pay until you started spring semester.

All benefits to which a full-time faculty member is entitled must be extended to a person on the reduced workload program. So, medical benefits are the same as those for someone working full-time, advancement on the salary schedule is the same as if the person worked full-time, and a full-year's service credit is earned, provided the workload doesn't drop below 50%. That would only happen if the person became ill and didn't have enough sick leave, or if the person were somehow placed in unpaid status for disciplinary reasons.

The faculty member needs to pay into STRS as if he/she were working full-time, in other words, pay even on the money that is not earned. The district must do the same. That is how both the faculty member and the district buy the unworked time. This allows STRS to use the entire earnable salary when calculating the retirement income for the faculty member.

The faculty member also has to pay what would normally be contributed toward the medical each month, per the agreement with the faculty union.

The other situation that has come up at Solano is the faculty member who has signed up for 67%, for example, but then wants an extra class (20%) as an overload. We can do that, but the faculty member would be paid more by selecting 87% as the reduced load. Under the current faculty contract, the faculty member can change the amount of reduction from year to year. The amount of reduction needs to be worked out with the dean, to find a load that works with the curriculum and courses that can be offered that will not be in danger of cancellation. If a class

were cancelled in the fall, the faculty member would need to make it up in the spring.

The forms to fill out indicating your interest in participating in the program will be sent out from HR the **week of February 15<sup>th</sup>**. They are due back to HR by **April 1<sup>st</sup>**.