Fordham Retirement Process: FAQs

Updated December 2018

Helping you plan for retirement is important to Fordham University. This guide is intended to introduce you to the University’s retiree benefit programs to help you make the right decision for you. This guide will also direct you to other resources for more information. This guide is not, however, intended to provide detailed information about these programs, so it is essential for you to review the plan documents and related materials available online at www.fordham.edu/benefits before making any decisions.

Your retirement decisions will present financial considerations that are unique to you. This guide should not be construed as personal advice on your unique financial or tax situation. You are encouraged to speak with your own financial advisor and tax advisor about the topics addressed in this guide.

This retirement guide applies to Fordham employees who hold benefits-eligible positions as administrators (“benefits eligible administrators”), and tenure and tenured track faculty members, and full-time non-tenure track faculty (referred to collectively as “benefits eligible faculty”).

I. Roadmap to Retirement

1. What retiree benefits does Fordham provide:

If you “retire” from a benefits-eligible position at Fordham University at age 62 or older with a minimum of 10 years of service at the University, you are eligible for certain retiree benefits:

a) Retirees are eligible for the Retiree Medical Plan and Retiree Life Insurance, described below.

b) In addition, when you terminate your employment at retirement, you will be entitled to receive a distribution under the Fordham University Retirement Plan. Your distribution options may be determined by the investment options you have chosen. This is especially true if your investments are in annuity contracts with TIAA or Prudential. Investment advisers are available with TIAA, Fidelity and Prudential to provide you with information about your distribution options.

2. You should take time to evaluate whether or not you have enough income from your investment sources to pursue retirement. This is often referred to as your “retirement readiness.”

a) A number of on-line tools are available to you to help you make a decision regarding this important step in your working life. Two examples of these sites are one sponsored by the American Savings Education Council (www.choosetosave.org/ballpark/), or another at www.ssa.gov/estimator that offers you a calculator from the Social Security Administration based on your
projected Social Security income. While these online tools can be valuable, Fordham does not sponsor or endorse the information they provide.

b) TIAA, Fidelity and Prudential (see contact information below) employ advisors who can provide you with individualized advice on your Plan investments and help you determine if your retirement savings will provide you with the ability to retire and still meet your financial objectives.

3. **Fordham University offers one option for post-65 retiree medical coverage:**

The University’s post-65 retiree medical coverage is offered by UnitedHealthcare. It is a Medicare Advantage PPO. More information on this option is offered in **Section III Health Insurance Questions**. You can also contact the Benefits Department in the Office of Human Resources Management (see below for contacts) for more information about this policy.

4. **If you are a post-65 retiree, and the UnitedHealthcare Medicare Advantage PPO Retiree Medical Plan option does not meet your or your family’s needs, you have other options:**

   a) You can purchase coverage directly from private insurers who integrate benefit coverage with Medicare. Alternatively, you may elect COBRA coverage to continue participating in the Fordham University Medical Plan for up to 36 months. Please keep in mind that Fordham University offers no subsidy for the purchase of any kind of coverage (including COBRA coverage) obtained outside of the Retiree Medical Plan.

   b) If you pursue other coverage options, such as COBRA continuation coverage, you may be able to enroll in the PPO Retiree Medical Plan at a later date. This enrollment opportunity is subject to the procedures and limitations set forth in the Retiree Medical Plan.

5. **Procedures for notifying the University of your plans to retire:**

   a) **Notice of Retirement.**

   When you decide on what date to retire, send a signed letter to your Supervisor or Manager if you are a benefits-eligible Administrator, or to the Provost’s Office, Cunniffe House, Room 232, if you are a benefits eligible faculty member, stating that you intend to retire and include your planned date of retirement. Please make sure that this official notice is provided no more than 90 days and no less than 30 days from your anticipated date of retirement. If you are a benefits eligible faculty member, you need to provide official notice to the Provost’s office a minimum of 60 days in advance of the start of classes and unofficial notice prior to student registration to maintain course coverage. Administrators should discuss a retirement date with their supervisor or manager.
b) **Considerations for Benefits-Eligible Faculty.**

For benefits-eligible Faculty, there are four common dates for retirement:

- **December 31, 20xx.** This is the end of the tax year and would be your termination date for purposes of withdrawing funds from either the Fordham University Retirement Plan. If you are covered as an active employee on the Fordham University Medical Plan, your coverage would end on December 31, 20xx. If you elect coverage under the Retiree Medical Plan it would begin on January 1, 20xx.

- **May 31, 20xx.** If you have elected to be paid on a 10-month contract term, this is the end of the 10-month payroll year. You will have received your full Academic Year Salary at this point and your teaching duties will have been fulfilled. If you chose to have some of your Salary deferred under the 12-month payroll option, you would receive a lump sum payment covering the remaining four paychecks. Your termination date would be May 31, 20xx. If you are covered as an active employee under the Fordham University Medical Plan, your coverage would end on August 31st of the same year.

- **July 31, 20xx.** If you have elected to be paid on a 12-month contract term, this is the end of the 12-month payroll option year. You would receive your final two paychecks in July. Your termination date would be July 31, 20xx. If you are covered as active employee under the Fordham University Medical Plan, your coverage would end on August 31st of the same year.

- **August 31, 20xx.** This is the end of the contract year. You would not receive salary in August since August salary payments are actually advance payments for the Academic Year that begins on September 1, 20xx. If you are already covered you would remain on the Fordham University Medical Plan until August 31, 20xx.

In each of the foregoing situations you would be eligible to begin distribution of your account balances from the Fordham University Retirement Plan after your termination date.

The Provost’s Office will send benefits eligible Faculty members a letter confirming your plan to retire. The Provost’s Office will then send the necessary forms to the Office of Human Resources Management to have you removed from active employment on your chosen retirement date so that you can begin withdrawing funds from your retirement account.
c) **Contact Medicare (if applicable).**

If you are Medicare eligible and will participate in the Retiree Medical Plan, contact Medicare (see below) to complete the necessary forms for Part A and Part B Coverage.

d) **Contact the Benefits Group in the Office of Human Resources Management.**

The Benefits Group can explain your Retiree Medical Plan option. Medicare will also provide you with a form that needs to be signed by our Human Resources Department to enroll in Medicare which is a requirement of enrolling in the UnitedHealthcare Medicare Advantage PPO.

You can reach the Benefits Group by calling the Human Resources Department at (718) 817-4930.

e) **Contact your Retirement Plan Provider (TIAA, Fidelity, Prudential)**

Your retirement plan provider can discuss your options to begin distributions if you wish to do so (see below for contact information).

f) **Research the best time to begin Social Security distributions if you are not already taking them.**

This is a complex topic, especially if you are married and you and your spouse are independently eligible for benefits. (See below for additional information and contact information.)

II. **General Questions**

1. **Are there any age limitations on when I may retire in order to receive certain retiree benefits?**

   - If you wish to receive Fordham University Retiree Medical and/or Retiree Life Insurance benefits you must be a benefits-eligible Faculty member or a benefits-eligible Administrator, have a minimum of 10 years of service, and be at least age 62.

   - With respect to your retirement benefits under the Fordham University Retirement Plan, according to IRS rules, you must be at least age 55 when you separate from the University in order to receive distributions without the imposition of the 10% early withdrawal penalty. Please consult your tax advisor for more information.

      o If your Plan account is invested in annuity contracts with TIAA or Prudential, consider what your payout options are under your annuity contracts. Some contracts specify a minimum age or
require that payments be spread over a number of years. You should confirm these options with the provider.

- Keep in mind that you will still be subject to ordinary income tax on the Plan distributions you receive, unless you made Roth salary deferral contributions, which are subject to different tax rules.

- Please also bear in mind that if you separate at any age prior to age 62 or with fewer than 10 years of service, you will not be eligible for Retiree Medical, Retiree Life Insurance benefits, or any other ancillary benefits to which you may otherwise be entitled had you retired after attaining such age and service requirements.

2. **Who is the Retired Faculty Counselor? What are his responsibilities?**

The current Retired Faculty Counselor (RFC) is David Stuhr (x-3045, stuhr@fordham.edu). The RFC serves as a liaison between the retired faculty and the University and as an ombudsperson for the retired faculty. As a liaison, the RFC brings retired faculty concerns and proposals for policy changes to the Administration and information on current policies, procedures, and benefits to the retired faculty.

As an ombudsperson, the RFC is available to intercede on behalf of individual retired faculty when problems arise. Recent examples include missing ID cards, reinstatement of email access, and confirmation of retiree status to allow access to retirement funds. The RFC also arranges for two luncheons each year in order to consult with the retired faculty regarding policies, benefits, and procedures for retired faculty and their families.

3. **What benefits do I (and my spouse/LDA and my dependent children) receive when I retire at or after age 62 and with at least 10 years of service?**

- Coverage under the Retiree Medical Plan is available to benefits-eligible Administrators or benefits-eligible Faculty, their spouses or LDAs and dependent children of the retiree.

  - If a non-qualified dependent, such as a Category A LDA, is covered, the value of that coverage will impute as income less whatever deductions are paid by a retiree for the coverage of a Category A LDA.

  - A Category B LDA is considered a qualified dependent, so a retiree would not have the value of that coverage impute as income to him or her.

- A qualifying retiree, spouse or LDA, and dependent children are entitled to Tuition Remission benefits in accordance with the current Tuition Remission Policy in effect at the time of your retirement.
In addition, you shall receive the following life insurance benefit that is entirely paid by the University and payable on your life:

- 100% of your pre-retirement base salary up to $50,000 from ages 62-64
- Between ages 65-69 your benefit will reduce to 70% of the amount payable between ages 62-64
- At age 70 your life insurance benefit reduces to $6,000 until your death.

4. **What additional benefits are available to Tenured Faculty Members?**

- Retired tenured Faculty members will be entitled to ID cards to provide campus access and use of the University’s library facilities, use of the gym facilities at the same rate as active faculty and access to the Retired Faculty Counselor (through the Office of the Provost). Retired tenured faculty will also be provided complementary copies of University Publications.

- Access to the University computer network will be restricted when your employment ends, however, including discontinuing access to the employee tab of the University intranet, Wi-Fi for employees, and shared drives on the network. Consequently, you should make copies of any paystubs that you might need, and you should make copies of any files you may need on the shared network drives.

5. **Does being granted emeritus status provide me with any additional benefits?**

- Listing in the University Bulletin.
- The use of other faculty facilities if available.

6. **What is the Phased Retirement Program? What are my options should I decide to take “Phased Retirement”?**

Fordham University may offer a Phased Retirement Program for eligible members of the tenured Faculty only from time to time on approval of the Board of Trustees. A general description of the features of such a program is provided in Appendix 4 A-5 of the University Statutes:

Phased Retirement allows a tenured Faculty member who is 62 or older with ten (10) years of full-time service at Fordham University to teach part-time at Fordham University. When in place, the provisions of a phased retirement plan may change from time to time, but generally include the following:
• Once electing phased retirement, the tenured Faculty member will no longer be a tenured member of the faculty.

• The Faculty member on phased retirement may start distributions from the Retirement Plan at any time after the effective date of the phased retirement contract.

• During phased retirement, the Faculty member will continue to receive all benefits available to full-time tenured faculty including the University’s contributions to the Retirement Plan, except that both the University’s contributions and the Faculty member’s contributions will be based on the actual salary received by the Faculty member.

• A full-time tenured Faculty member must apply for phased retirement by January 31 for the next academic year.

7. After I retire from full-time employment, may I continue to work at Fordham on a part-time basis? If yes, how do I arrange that?

Generally, a retiree may not return to Fordham University once he/she has retired, and is receiving Fordham retiree benefits. In limited circumstances, you may be able to return to work at Fordham on a part-time, temporary or casual basis without the benefits afforded to active full-time Fordham employees. Any post-retirement return to work needs to be arranged with the hiring entity. However, if you have commenced benefits under the Retirement Plan that are payable upon termination of employment, you must have a bona fide break in service between your retirement date and your rehire date. Bona fide means that your return to work was not pre-arranged or pre-planned.

8. Appendix 4 R-7 of the University Statutes refers to the Faculty Retirement Handbook. Where can I find this?

This FAQ is considered to be the Faculty Retirement Handbook.

9. When may I start collecting Social Security benefits?

The best source of information on your Social Security benefit is the Social Security Administration (SSA). The SSA offers several online resources that may be helpful to you:

- Benefit Eligibility. The SSA website has several resources to help you understand your eligibility for Social Security benefits, including an online calculator of your expected benefit amount. See the SSA webpage “Retirement Estimator” at https://www.ssa.gov/benefits/retirement/estimator.html.

- Commencing Benefits. The SSA has several resources to help you decide when you want to commence your social security benefits. See the SSA

10. How do I apply for Social Security benefits?

You should file an application with the Social Security Administration (SSA) at least four months before you wish Social Security benefits to start. For more information, you can contact the SSA through several channels:

- You can apply online at www.socialsecurity.gov/retire, or
- Call Social Security Administration’s (SSA) toll-free number at 1-800-772-1213. For the deaf or hard of hearing you can call TTY 1-800-325-0778.
- Call or visit your local Social Security office. You can find your local office at www.socialsecurity.gov/locator or in the blue pages of your phone book.

III. Health Insurance Questions:

1. What form of Retiree Medical Plan coverage does Fordham Provide?

   a) The University sponsors a Retiree Medical Plan for eligible retirees. The terms and conditions of this program are outlined in a summary plan description (SPD) that is available from the Office of Human Resources Management. A few highlights of this program are noted below.

   b) For post-65 retirees, the UnitedHealthcare Medicare Advantage PPO is the only option under the Retiree Medical Plan. If your spouse and/or dependents are not over age 65, however, they will receive coverage under the Retiree Medical Plan that is identical to coverage they had under the Fordham University Medical Plan for active employees. This coverage will continue until they attain age 65 (or otherwise become eligible to enroll in Medicare), at which time, they must transition to the Medicare Advantage option.

   c) If you are an eligible retiree between the ages of 62 and 64, the Retiree Medical Plan offers you coverage that is identical to coverage you had under the Fordham University Medical Plan for active employees until you (and your spouse, LDA and other dependents, as applicable) become eligible for Medicare. If you are a pre-65 retiree, please contact the Office of Human Resources Management about the cost for this retiree medical coverage.
2. **What are the features and costs of the UnitedHealthcare Medicare Advantage PPO?**

The UnitedHealthcare Group Medicare Advantage PPO Plan is a Medicare Advantage plan that delivers all the benefits of Original Medicare Parts A and B, Part D prescription drug coverage, and additional benefits and features.

- The costs for the post-65 Retiree Medical Plan for both Faculty members and Administrators are listed on Appendix A.

- Some of the plan highlights include:
  
  - A Single ID card for all of your healthcare needs.
  
  - Extras like wellness programs, access to low cost hearing aids through HealthInnovations, access to online tools and information, and a lot more.
  
  - Stretch, lift or jog your way to better health with SilverSneakers® classes at hundreds of gym locations.
  
  - NurseLineSM – You’re never alone. Registered nurses answer your call 24 hours a day.
  
  - Solutions for Caregivers - support for you when you’re caring for a loved one.
  
  - 100% of the drugs covered by Medicare through integrated Part D coverage.
  
  - More than 65,000 pharmacies in the network including national and regional chains as well as independent neighborhood pharmacies.
  
  - Customer Service support that is available from 8 a.m. – 8 p.m.

3. **Other Important Information About the UnitedHealthcare Medicare Advantage PPO**

- “Medicare Advantage” is also known as Medicare Part C. Medicare Advantage plans are a part of Medicare that combine all the benefits of Medicare Part A (hospital coverage) and Medicare Part B (doctor and outpatient care) into one convenient plan.

- This option is a Preferred Provider Organization (PPO) Plan. With this option, you have access to UnitedHealthcare’s national network. Plus, you can use providers out-of-network at the same cost as in-network providers, as long as they participate in Medicare and accept the plan.
The Medicare Advantage National PPO Plan provides coverage for visiting doctors, clinics and hospitals in one plan. You can see doctors outside the network for the same costs as in-network providers. There is no referral needed to see a specialist. Medicare Part D prescription drug coverage is included in the Plan.

You can find a complete description of the UnitedHealthcare Medicare Advantage PPO at www.UHCgroup.net. (Fordham’s group number is 16143)

4. If I am a post-65 retiree, what alternatives do I have to the Fordham University Retiree Medical Plan?

- If you choose an option outside the Fordham University Retiree Medical Plan, the University will not provide or offer any subsidy or reimbursement for the cost of whatever alternative program you select.

- At the time of your retirement, you will receive information regarding your ability to elect COBRA coverage, at your expense, to continue participation in the Fordham University Medical Plan for a period following your retirement.

- www.medicare.gov is a site where you can explore alternatives to the Fordham Retiree Medical Plan. The site includes useful tools to compare plans, prices, and options as well as to search for individual companies offering these plans in your area.

- You can find and price other Medicare Part C policies on the site.

- These alternative policies might offer a better mix of doctors and benefits for your particular situation, although you will bear the full cost.

- Alternatives can also be explored on the www.medicare.gov site
  - For Medicare Part D policies, the site allows you to enter your current prescriptions. The site uses the information to provide an estimated annual cost for your specific situation.
  - For Medigap policies, you select a standardized level of coverage from level A to level N and the site provides you with companies and prices in your area.
5. I am a benefits-eligible Faculty member or Administrator, still actively employed and I am about to turn 65. Do I need to register for Medicare?

- Medicare offers the following plans:
  - Part A (Hospital Insurance) pays some of the cost of hospitalization, limited skilled nursing home care, home health services, and hospice care.
  - Part B (Medical Insurance) primarily covers physicians’ services, most outpatient hospital services, and certain related services. Long-term nursing care is not currently covered.
  - Part C (Medicare Advantage Plans) includes Health Maintenance Organization plans, Preferred Provider Organization Plans, Private Fee-for-Service plans, and Special Needs plans. These plans were formerly called Medicare + Choice.
  - Part D (Outpatient Prescription Drug Plans) is voluntary prescription drug coverage.

- You are eligible for premium-free Medicare Part A Hospital Insurance if you are age 65 or older and are eligible for any type of Social Security benefit. It is available on the first day you are age 65 and your enrollment is automatic if you are already receiving a Social Security benefit; otherwise, you will have to enroll to receive the coverage of Part A.

- When you enroll in Part A of Medicare you automatically enroll in Part B unless you decline it.
  - If you decline Part B when it is first offered to you because you are still employed and covered under the Fordham University Medical Plan, it will not adversely affect your entitlement to or your cost of coverages long as you enroll during the special enrollment period which follows your retirement.
  - Medicare allows you to enroll for Part B coverage while you are covered as an active employee but no more than 8 months after your coverage as an active employee ends. As long as you remain employed and are covered under your current employer’s plan or even your spouse’s plan any Medicare coverage, whether Part A or Part B, will be secondary.
  - Since the premiums for Part A Medicare coverage are free, you lose nothing by having that coverage as an active employee. On the other hand, Part B coverage requires a premium. Part B will be secondary to your coverage as an active employee and not likely to
provide any benefit at all, so you may want to wait until your coverage as an active employee ends before enrolling in Part B.

- Although this information is presumed to be current it is advisable that you contact Medicare for all up-to-date information at www.medicare.gov or 1-800-Medicare or TTY/TDD 1-877-486-2048 (for hearing or speech impaired) or State Health Insurance Assistance Program – varies according to State.

6. I am a benefits-eligible Faculty member or Administrator and my spouse/LDA has just turned 65. Can he/she continue to be on my current health insurance plan? Does he/she stay on my plan after I retire?

- Your spouse/LDA coverage through the Fordham University Medical Plan will remain primary (regardless of your spouse’s or LDA’s age) as long as you are covered under that plan.
- Your spouse/LDA will not automatically remain on your coverage when you retire. You have to elect to have that individual covered under the Retiree Medical Plan.

IV. Plan Information for the Fordham University Retirement Plan

1. Regulations regarding fund transfers prior to retirement:

There are no restrictions on fund transfers if they are made within the Fordham University Retirement Plan. If your investments held in annuity contracts with TIAA or Prudential, the annuity contracts may impose limitations on fund transfers, however.

Any transfer of funds out of the Fordham University Retirement Plan is subject to the Plan rules on distributions. Plan distributions may be subject to restrictions based on your age and/or your employment status. Contact your provider for more information on the distribution options available to you.

2. Contact Information for Investment Providers:

- TIAA: www.tiaa-cref.org/fordham. You can also call 800-842-2252 to speak with a representative.
- Fidelity Investments: www.fidelity.com/atwork. You can also call 800-343-0860 to speak with a representative.
- Prudential: www.retirement.prudential.com. You can also call customer service at 800-932-0342
3. **When may I start making withdrawals from my retirement account(s)? May I start making withdrawals while I am still employed by Fordham?**

While you are actively employed these are the ways you may receive withdrawals from the Fordham University Retirement Plan:

- **Plan Loan.** You can take a loan up to IRS limits, but you must pay back the loan plus the interest that will accrue on the outstanding balance.

- **Hardship Withdrawal.** You can take a hardship withdrawal, but you will have to show that you are experiencing an extreme financial hardship in accordance with Tax Code standards. The withdrawal you receive in this situation is subject to federal, state and local income taxes, as well as an excise tax of 10% if you are under age 59 ½ when you receive it.

- **In-Service Withdrawals.** If you are actively employed, you may take “in-service” withdrawals from your salary-deferral contributions after you have reach the age of 59 ½. University contributions are not eligible for in-service withdrawal, however.

4. **When must I start making withdrawals from my retirement account(s)?**

Once you have terminated employment and you have reached age 70-1/2, you must start taking minimum required distributions from your plan(s) the April 1 following the date you reach age 70-1/2. This is an IRS rule and the computation for the amount of money that you must take is usually completed by the provider with which you have your investments.

However, as long as you continue to work at Fordham University you will not have to take a minimum required distribution from the Fordham University Retirement Plan even if you have reached age 70-1/2. If you have any questions about minimum required distributions, contact TIAA, Fidelity or Prudential.

5. **What options do I have for my retirement accounts if I leave the University?**

In general, the Fordham University Retirement Plan permits a distribution on termination of employment. If you are invested in annuity contracts with TIAA or Prudential, the annuity contracts may contain limitations on fund transfers. Also, a distribution received **prior to age 55 may be subject to a 10% early withdrawal penalty.** If you “roll over” your distribution to an IRA or other tax-qualified retirement savings vehicle, you can avoid the early withdrawal penalty or taxable event.

Which option is best for you? Only you can decide. The Retirement Plan providers offer a variety of tools to help you make the investment decisions that are right for you, including online tools and one-on-one meetings with investment advisors. Fordham University’s Office of Human Resources Management cannot provide you with investment or tax advice.
Appendix A

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<th>Coverage for Post-65 Retiree</th>
<th>Faculty Retirement Calendar Year 2019*</th>
<th>Administrator Retirement Calendar Year 2019</th>
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<tbody>
<tr>
<td>Each Covered Member Monthly Amount</td>
<td>$160.60</td>
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*Benefits-eligible Faculty members and Administrators pay 44% of the applicable premium for the Medicare Advantage PPO. Faculty members, however, will not pay more than 15% of the highest cost option under the Fordham University Medical Plan for active employees in the year the Faculty member enrolls in the Retiree Medical Plan.

In addition, no benefits-eligible Faculty member retiring after December 31, 2014 will pay less than 32.5% of the applicable premium for the Medicare Advantage PPO option. In 2018, the highest-cost option under the Fordham University Medical Plan for active employees is the Enhanced Standard option and 15% of the monthly cost of this option is $169.07. As this amount is greater than 44% of the Medicare Advantage PPO premium benefits-eligible Faculty members will pay 44% of the Medicare Advantage PPO premium. That monthly cost is listed in the chart above.