

LAFAYETTE COLLEGE

***PLANNING FOR YOUR RETIREMENT
And
UNDERSTANDING YOUR BENEFITS***

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INTRODUCTION

This brochure provides an overview of the retirement preparation process and a summary of the retiree benefits and privileges provided by Lafayette College.

During this process, you may have some additional questions about your benefits or questions about other retirement related issues. The Office of Human Resource is available to assist you. Please feel free to call us at (610) 330-5060. ***You can also find a list of helpful contacts on page 13 of this brochure.***

It is recommended that non-faculty staff members give at least two months' notice to the College prior to your retirement. Pursuant to the Faculty Handbook, faculty members must give one year notice prior to their retirement date. This notice should be submitted to your department head or dean and also to the Office of Human Resources. Several steps included in the retirement process are time sensitive. These include, but are not limited to, notice to the Social Security Administration, life insurance conversion, and retirement plan distribution requests. Special attention should be paid to these areas, which require advanced notification prior to the processing of certain benefits.

ELIGIBILITY

A “retiree” is defined as: Any employee (with at least .75 FTE status) who has worked at the College for ten years in a continuous, full-time capacity and has reached the age of 55, who voluntarily ends employment with the College in good standing.

Although the classification of “retiree” is determined by the above conditions, eligibility for “retiree medical benefits” is further contingent on the employee’s having been hired **prior to July 1, 1996**. (See further details on page 7.)

FINANCIAL PREPARATION

Determining your retirement income and retirement expenses is an important “first step” in retirement planning.

Both TIAA and Fidelity Investments offer ways to determine your financial preparedness prior to your decision to retire. Retirement income illustrations and retirement savings tools are available by contacting TIAA and Fidelity Investments directly or by accessing these features from their associated websites.

<https://www.tiaa.org/public/tcm/lafayette>
<https://www.fidelity.com/>

Your Retirement Plan

Under the Lafayette College Retirement Plan, any person who has a “severance or termination of employment” may take any of the following actions:

1. Keep accumulations in the plan
2. Request a distribution from the plan
3. Request a rollover to another plan or financial vehicle

Various distribution options exist within TIAA and Fidelity. These options include: traditional or variable annuity, transfer payout annuity, interest only, systematic withdrawals, lump sum, and minimum distribution. (Availability may depend on the investment company rules or funds selected.)

Approximately three months prior to when you wish to begin receiving retirement income, you should contact TIAA or Fidelity Investments in order to request the appropriate retirement income distribution forms. Upon the completion of the income distribution forms, a representative from Human Resources must certify the date of termination/retirement. The completed forms should be mailed to TIAA or Fidelity Investments 60 days in advance of when the initial income payment is expected. Note: The retirement income start date may only occur after all final contributions have been made to the Lafayette College retirement account by both the employee and the College.

Social Security

Retirees who wish to begin receiving Social Security retirement income benefits should notify the local Social Security office three months prior to the expected begin date. You may also apply for these benefits on-line at www.ssa.gov. While normal retirement (also known as full retirement age) varies from age 66 to age 67 depending on your year of birth, you are eligible to receive reduced benefits as early as age 62. Benefits taken after a person's normal retirement date increases the monthly benefit. In any case, Social Security retirement income must begin no later than age 70.

RETIREE MEDICAL INSURANCE

Eligibility for Retiree Medical Benefits

In order to be eligible for the College's retiree medical benefits, the following criteria must be met:

Qualified retired employees are eligible to continue medical coverage under the College retiree medical insurance plan. For this purpose, the term "qualified retired employee" shall mean an employee who

- is formally retired (voluntarily resigned from employment in good standing) and is at least age 55 in accordance with the retirement policies of the College, and
- was employed by the College prior to July 1, 1996, and
- was employed by the College on a full-time basis for a period of not less than 10 consecutive years at the time of such retirement.

The spouse and dependents of an eligible retiree are also eligible for retiree medical coverage. However, any spouse or dependents acquired by a retiree after retirement from the College, by marriage, birth, or adoption are not eligible for coverage.

Upon the death of a qualified retiree, the surviving spouse and dependents continue to remain eligible for retiree medical coverage as long as the surviving spouse does not remarry, and the surviving dependent continues to meet the definition of dependent.

Retired employees and eligible spouses and dependents may defer their enrollment in the retiree medical plan until a later time. This typically occurs when the retiree is covered under a spouse's medical plan because of the continued employment of the spouse. The retiree medical coverage eventually offered, in this case, will be identical to that coverage offered to other qualified retirees at such time.

Plan Options

Pre-65 Retirees (Those not eligible for Medicare coverage)

Qualified retired employees (and their qualified dependents) who are less than 65 years of age may enroll in medical plans offered to active employees. Currently these include Capital Blue Cross Standard PPO and Low Deductible PPO. These have the same plan designs as those provided to active employees. The College will bill the retiree or surviving spouse on a quarterly basis for the premiums due. The premium is based on the same rates as applied to active employees.

Post-65 Retirees (Those eligible for Medicare coverage)

Note: It is required that all retirees and their spouses age 65 and over have both Part “A” and Part “B” of Medicare coverage in order to be covered under the Lafayette “Post-65” retiree medical plan. The local Social Security office should be notified **three months** prior to your retirement to obtain Part “B” coverage. There is no cost for Part A coverage. Medicare will deduct the premium for Part B coverage directly from your monthly Social Security check.

Retired employees (and their qualified dependents) who are age 65 or over, or otherwise eligible for Medicare, may enroll in the following plan, or choose Premium Reimbursement as described below:

a. Highmark FreedomBlue PPO

Freedom Blue PPO is a Medicare Advantage Preferred –Provider Organization (PPO) plan which offers comprehensive benefits and the freedom to use the medical provider of your choice, both inside and outside the network, without referrals. You will receive a higher level of benefits when you receive your care from network providers. You also have the ability to receive care from out-of-network providers, but you will share more financial and paperwork responsibilities.

Freedom Blue coverage replaces all Medicare coverage (both Part A and Part B). You will, however, still have to continue to pay your Medicare Part B premiums. The retiree and the spouse are enrolled separately. The College provides a premium “allowance” based upon what the College pays towards active PPO coverage. The retiree is responsible for any premium in excess of the allowance, and will be billed on a quarterly basis by the College.

b. Premium Reimbursement

Under this option, retirees may select other medical coverage outside of the College offerings. The retiree submits a receipt to the College reflecting the amount of premium paid for their outside coverage. Reimbursement is then made directly to the retiree by the College on a quarterly basis. The amount of the reimbursement from the College can vary from year to year based upon the full cost of the plan.

DENTAL BENEFITS

Dental coverage under the College's dental plan is available to retired employees and their dependents on the same basis as active employees. Plan design features are identical to those offered to active employees. Retired employees enrolled in the dental plan are required to pay the full premium for the coverage and will be billed quarterly by the College.

VISION BENEFITS

Vision benefits under the College's voluntary vision discount program are available to retired employees and their dependents on the same basis as active employees. Plan design features are identical to those offered to active employees. Retired employees enrolled in the vision plan are required to pay the full premium for the coverage directly to the provider. Note: *Freedom Blue PPO* offers coverage for annual vision exams and routine eye wear.

GROUP LIFE INSURANCE

All Group Life Insurance coverage through the College ceases on the last day of active employment prior to retirement. Upon retirement, some or all of your existing group life insurance coverage may be converted into an "individual whole-life" policy. Life Insurance conversion forms are provided to retirees at the time of their retirement. After electing life insurance conversion, you will be billed directly by the life insurance company for a premium based on age-banded rates. There is no additional medical underwriting required at the time of conversion.

Additional information and a "Life Insurance Conversion Form" will be sent to you following your formal written notice of retirement to the College.

TUITION BENEFITS

Retired employees and their eligible spouses may enroll in a Lafayette College course without payment of tuition. This privilege is available on the condition that the enrollment of the retiree, spouse does not prevent the registration of a regular student in the same course.

IDENTIFICATION CARD

Retired employees may retain their Lafayette College identification cards upon retirement. The card must be presented to allow for the use of on-campus services and facilities. These include:

- Use of the College library
- Attendance at athletic events
- Cultural events program
- Use of athletic and recreational facilities

FACULTY DINING ROOM

Retired employees may use the faculty dining room and may arrange for the use of other College meeting and dining facilities under the same guidelines as active employees.

PARKING

Specific to Emeriti Faculty, parking may be issued upon request.

Associated Retirees of Lafayette (AROL)

Participation in a network of Lafayette retirees is encouraged. Please contact the following AROL references for further information.

Bud Martin
Email: martinj@lafayette.edu
Regular Mail:
Associated Retirees of Lafayette (AROL)
Box 9477
Lafayette College
Easton, PA 18042

You are encouraged to provide your address, phone number, and email address to AROL in order to stay connected with other retirees and for retiree-related information and announcements.

ADDITIONAL INFORMATION FOR RETIRED FACULTY MEMBERS AND ADMINISTRATORS

Retired faculty members and administrators are encouraged to participate in the annual Commencement Exercises.

TELEPHONE NUMBERS AND WEBSITES

	<u>Telephone</u>	<u>Website</u>
<u>RETIREMENT PLAN</u>		
TIAA-CREF	1-800-842-2252	www.tiaa.org/public/tcm/lafayette
Fidelity Investments	1-800-835-5097	https://www.fidelity.com/
<u>HEALTH INSURANCE</u>		
Medicare	1-800-MEDICARE (1-800-633-4227)	www.medicare.gov
Capital BlueCross	1-800-962-2242 www.capbluecross.com	
Delta Dental	800-932-0783 deltadentalins.com	
Highmark Blue Shield FreedomBlue PPO	1-866-306-1061 www.highmarkblueshield.com	
<u>MISCELLANEOUS</u>		
Social Security Administration Easton Social Security Office 134 S. Fourth Street Easton, PA 18042	1-800-772-1213 1-866-964-5056	www.ssa.gov
Lafayette College Office of Human Resources	(610) 330-5060	https://hr.lafayette.edu/

GENERAL NOTICE

If there is any conflict or inconsistency between the material in this brochure, the booklets, certificates and other descriptive material and the contracts and agreements constituting the official written plan document, or with respect to any provision not discussed in the descriptive materials, the legal documents constituting the official plan document shall control.

The College's Board of Trustees reserves the right to amend or modify the Benefits Program at any time and for any reason, with respect to both current and former employees (including retirees) and their dependents. Such changes may include, but are not limited to, the right to (1) change or eliminate benefits (including benefits for retirees), (2) increase or decrease participant contributions, (3) increase or decrease deductibles and/or copayments, and (4) change the class(es) of participants and/or dependents covered by the Program. The College also reserves the right to terminate the Benefits Program, or any portion of the Benefits Program, at any time and for any reason by or pursuant to a written instrument executed by the College. No amendment, termination or partial termination of the Program will affect claims incurred for which items or services have been provided prior to the date of amendment, termination or partial termination.