



RETIREMENT INFORMATION GUIDE

For EDUCATORS retiring under MainePERS



What age can I retire?

- If you had ten years of service in the MainePERS system as of July 1, 1993 your normal retirement age is **60**
- Employees who did **not** have the 10 years of MainePERS service as of July 1, 1993 are eligible for normal retirement as of age **62**
- Those employees who had less than 5 years of service as of July 1, 2011 now have a normal retirement age of **65**

When should I contact MainePERS?

Call or e-mail MainePERS when you are within 6 to 12 months of your anticipated retirement date. This will give them time to prepare your estimated benefit. This also gives you time to review the information and meet with Retirement Services staff who can explain your options and assist you in completing your retirement paperwork.

How is my benefit amount calculated?

It is determined by using a formula specific to your plan. It is based on:

- Average of your three highest earnings
- Years of credible service
- Age at retirement

Contact Info:

PHONE: Retirement Services Dept. 1-800-451-9800

E-MAIL: teacher@mainepers.org

WEBSITE: www.mainepers.org



Full retirement age (also called "normal retirement age") had been 65 for many years. However, beginning with people born in 1938 or later, that age gradually increases until it reaches 67 for people born after 1959.

When should I apply for benefits?

Generally, you should apply for retirement benefits four months before you want your benefits to begin.

If you are planning to apply for Social Security, you can find more information or begin the process online or call your local SSA Office:

Please note: In addition to your MainePERS pension check you may (or may not) have an entitlement to receive Social Security benefits; however, you cannot (in most cases) collect a full retirement benefit from both the MainePERS System and the Social Security system. The following government provisions may require your Social Security payments to be reduced.

- **The Windfall Elimination Provision-** Under this provision, your Social Security benefit is figured using a modified formula. As a result, you receive a lower benefit than if you were not entitled to a MainePERS benefit. This provision reduces, but does not totally eliminate, your Social Security benefit.
- **The Government Pension Offset-** This provision applies to Social Security benefits you may be entitled to as a spouse or widow(er). This provision reduces your Social Security benefits by two-thirds of your MainePERS benefit amount.

For more information on both the Windfall Elimination Provision and the Government Pension Offset please go to the Social Security website.

Contact Info:

WEBSITE: www.ssa.gov

PHONE: Auburn Office: 1-866-627-6996

Augusta Office: 1-866-882-5422

Portland Office: 1-877-319-3076

Whether you're new to Medicare, getting ready to turn 65, or preparing to retire, you'll need to make several important decisions about your health coverage. If you wait to enroll, you may have to pay a penalty, and you may have a gap in coverage. Use these steps to gather information so you can make informed decisions about your Medicare:

Step 1: Learn about the different parts of Medicare

The different parts of Medicare help cover specific services. Medicare Part A (Hospital Insurance) covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care. Medicare Part B (Medical Insurance) covers certain doctors' services, outpatient care, medical supplies, and preventive services.

Step 2: Find out when you can get Medicare

There are only certain times when people can enroll in Medicare. Depending on the situation, some people may get Medicare automatically, and others need to apply for Medicare. The first time you can enroll is called your Initial Enrollment Period. Your 7-month Initial Enrollment Period usually:

- Begins 3 months before the month you turn 65
- Includes the month you turn 65
- Ends 3 months after the month you turn 65

Get an estimate of when you can enroll in Medicare. If you don't enroll when you're first eligible, you may have to pay a Part B late enrollment penalty, and you may have a gap in coverage if you decide you want Part B later.

Step 3: Decide if you want Part A & Part B

Most people should enroll in Part A when they turn 65, even if they have health insurance from an employer. This is because most people paid Medicare taxes while they worked so they don't pay a monthly premium for Part A. Certain people may choose to delay Part B. In most cases, it depends on the type of health coverage you may have. Everyone pays a monthly premium for Part B. The premium varies depending on your income and when you enroll in Part B. Most people will pay the standard premium amount which varies per year.

Contact Info:

WEBSITE: www.medicare.gov

PHONE: 1-800-633-4227



What will happen to my Health Insurance coverage when I retire?

One of the most important items you will need to consider when you are retiring is what will happen to your health insurance coverage. Since Medicare does not cover all medical expenses, retirees age 65+ can choose to enroll in a Medicare Advantage policy to supplement their Medicare coverage.

- Employees under age 65 and receiving retirement benefits from MainePERS may be eligible to transfer their Anthem Blue Cross/Blue Shield coverage to the retirement system. Retirees who choose the MEA Retirement plan (and are receiving their retirement from MainePERS) will continue to have a portion of their premium costs paid for by the State.
- Employees age 65+ who are eligible for Medicare and receiving retirement benefits from MainePERS may be eligible to transfer their Anthem Blue Cross/Blue Shield coverage to the retirement system. Retirees who choose the MEA Medicare Advantage plan (and are receiving their retirement from MainePERS) will continue to have a portion of their premium costs paid for by the State.
- You may also choose another vendor to manage your health insurance.

If you are keeping your coverage with Anthem Blue Cross/Blue Shield, an “*Application for Transfer of the Health Plan to Retirement Status*” will need to be completed.

What will happen to my Blue View Vision Insurance coverage?

If you are under age 65, Blue View Vision will continue to be included in the health insurance plan.

If you are age 65+ and are applying for the Medicare Advantage Plan, you will need to mail directly to Anthem the separate Vision coverage application contained in the booklet.

Contact Info

PHONE: 1-888-622-4418

WEBSITE: www.meabt.org



What happens to my Dental Insurance?

Once you retire you will receive a packet and enrollment forms directly from MSMA. If you qualify for MainePERS you have the option of having your premium deducted from your retirement check *or* be billed directly from MSMA.

Contact Info

PHONE: 1-800-660-8484



What happens to my Flexible Spending Account/Dependent Care Account?

If you participated in a Flexible Spending Account (FSA) and/or Dependent Care Account, you are encouraged to contact HealthEquity directly to review your options regarding these accounts.

Contact Info

PHONE: 1-877-924-3967

WEBSITE: www.healthequity.com/wageworks



What will happen with my voluntary Life Insurance policy with MainePERS?

If you have group life insurance coverage just prior to retiring and have participated in the Group Life Program for 10 years, you may take your basic coverage into retirement at no cost to you. To take advantage of this coverage in retirement, you must submit your Application for Retirement no later than 31 days after your termination from employment and you must have a retirement date within the same period of time.

Does my level of insurance coverage remain the same after I retire?

Your level of coverage will start at an amount equal to your average final compensation (AFC) at retirement and will reduce 15% per year on the anniversary of your retirement until it reaches 40% of the original value or \$2500, whichever is greater.

Contact MainePERS directly to discuss your best option.

Contact Info

PHONE: Survivor Services 1-800-451-9800

E-MAIL: SurvivorServices@mainepers.org



What will happen to my OMNI 403(b) or 457 account?

You have three options with your account:

- Keep the funds where they are (*no action needed*)
- Rollover the funds over into another retirement account (*work with your Financial Advisor*)
- Take a payout on the funds (*withdrawn funds could be subject to State and Federal taxes*)

Please discuss your options with your Financial Advisor at the vendor you chose to manage your account. (A full vendor contact list is available in Human Resources.) You may also contact OMNI directly.

Contact Info

PHONE: OMNI Customer Service 1-877-544-6664

WEBSITE: www.omni403b.com

FAQs

1. What is the "sick leave payout" (also known as Retirement Bonus)?

To receive the accumulated sick leave payout, you will need to notify your supervisor and/or Superintendent of your intent to retire in writing. Please see your individual union contract for important and detailed information:

Teachers: Article XIV - Leave Policy; section D

Paraprofessionals: Article IX - Sick Leave; section F

Administrators: Article XI - Benefits; section D - Retirement

IMPORTANT! You must notify your supervisor and/or Superintendent by the deadline outlined in the specified contracts in order to receive the payout. Failure to do so will require an exception from the Superintendent or possible non-payment of the accumulated sick leave.

2. How will I receive the payout?

The payout amount is included in your last paycheck. There are two options:

- Receiving the payout in "cash" (*funds are subject to State and Federal taxes*)
- Making a one-time contribution to your OMNI 403(b) account, thus making the contribution tax-deferred. (You will need to submit a Salary Reduction Agreement Form for this option.)

It is recommended that you contact our Payroll Specialist no later than 30-days prior to your last day of work to calculate the payout amount and help you best make the decision. If the OMNI Salary Reduction Agreement form is not received two weeks prior to your last paycheck, then the payout will be made as a "cash" payment. (This cannot be reversed once paid.)

**If you do not have a 403(b) account, it may be possible to get one opened quickly at the start of the 30-day window. Please see Human Resources for more information on how to set up an account.*