



Madison Metropolitan School District

Annual Retirement Seminar

December 10, 2024

December 11, 2024 &

December 16, 2024





PEOPLE

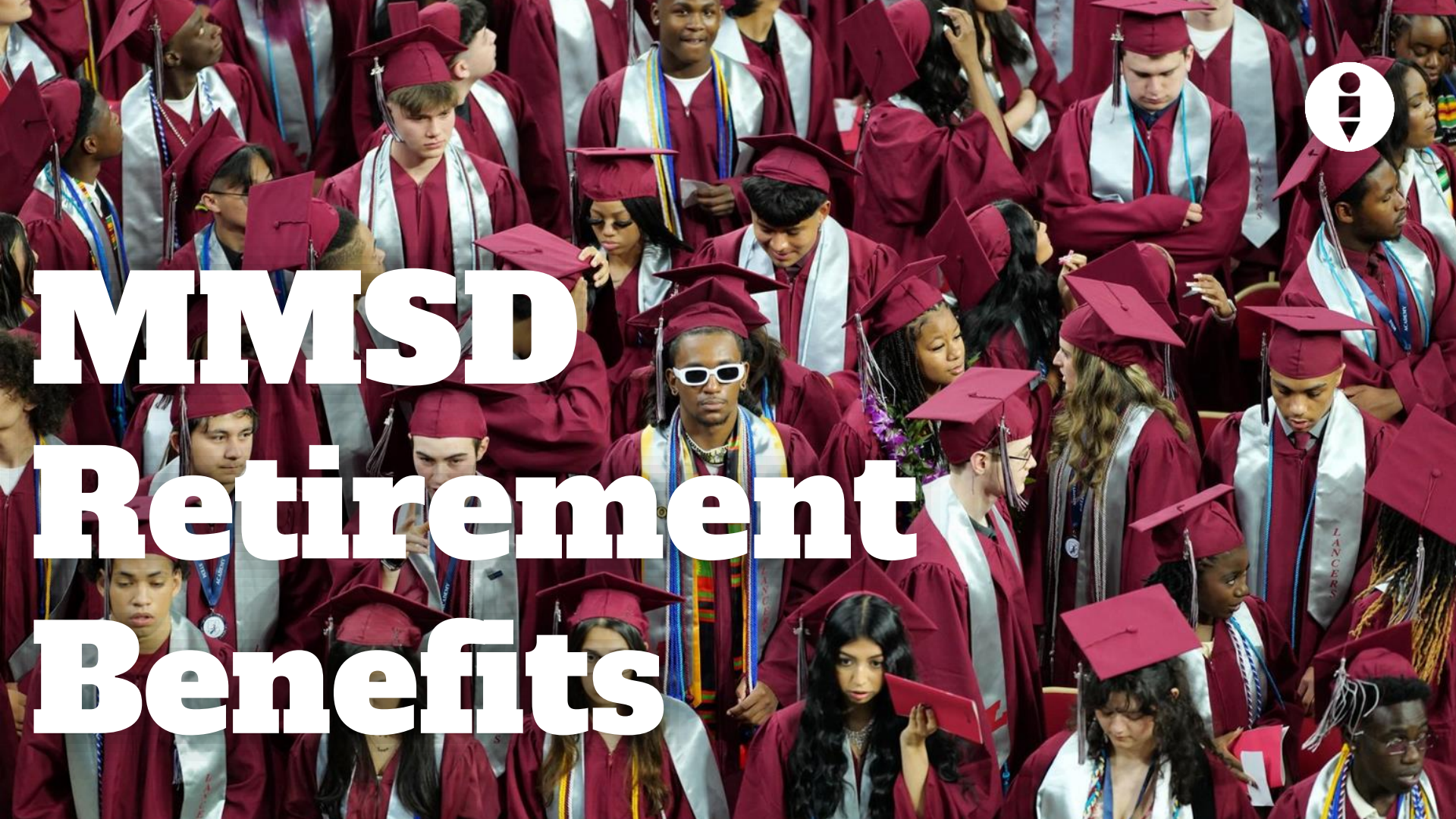


PURPOSE



PRIDE





MIMSD Retirement Benefits

It is just me



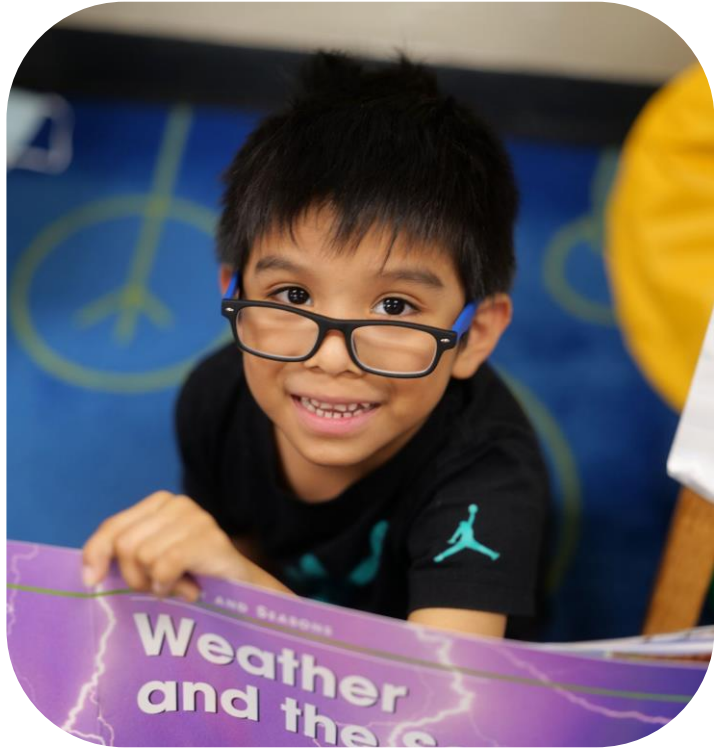
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(608) 663-1692 opt 2

First off, THANK YOU!!





- Thank you for your years of service to the district
- Your dedication & positive support have made a lasting impact on our scholars

Agenda

- Basic Information/Timeline
- Retirement Eligibility & Notification Requirements
- WRS
- Personal Illness Credits (PIC)
- Insurance Continuation
- TERP

Basic Information/ Timeline

Basic Timeline

Anytime 50+

- Estate planning, will, power of attorney, etc
- Meet with a financial specialist
- Consider starting “catch up” contributions to a [403b account](#) through MMSD



1-2 years before retirement

- Attend a Retirement Seminar
- Request a [Retirement Estimate](#) from ETF
- Review insurance options in retirement



6 to 9 months before retirement

- Request an MMSD official [Retirement Application](#)
- Get [Social Security](#) estimate if planning on receiving benefits

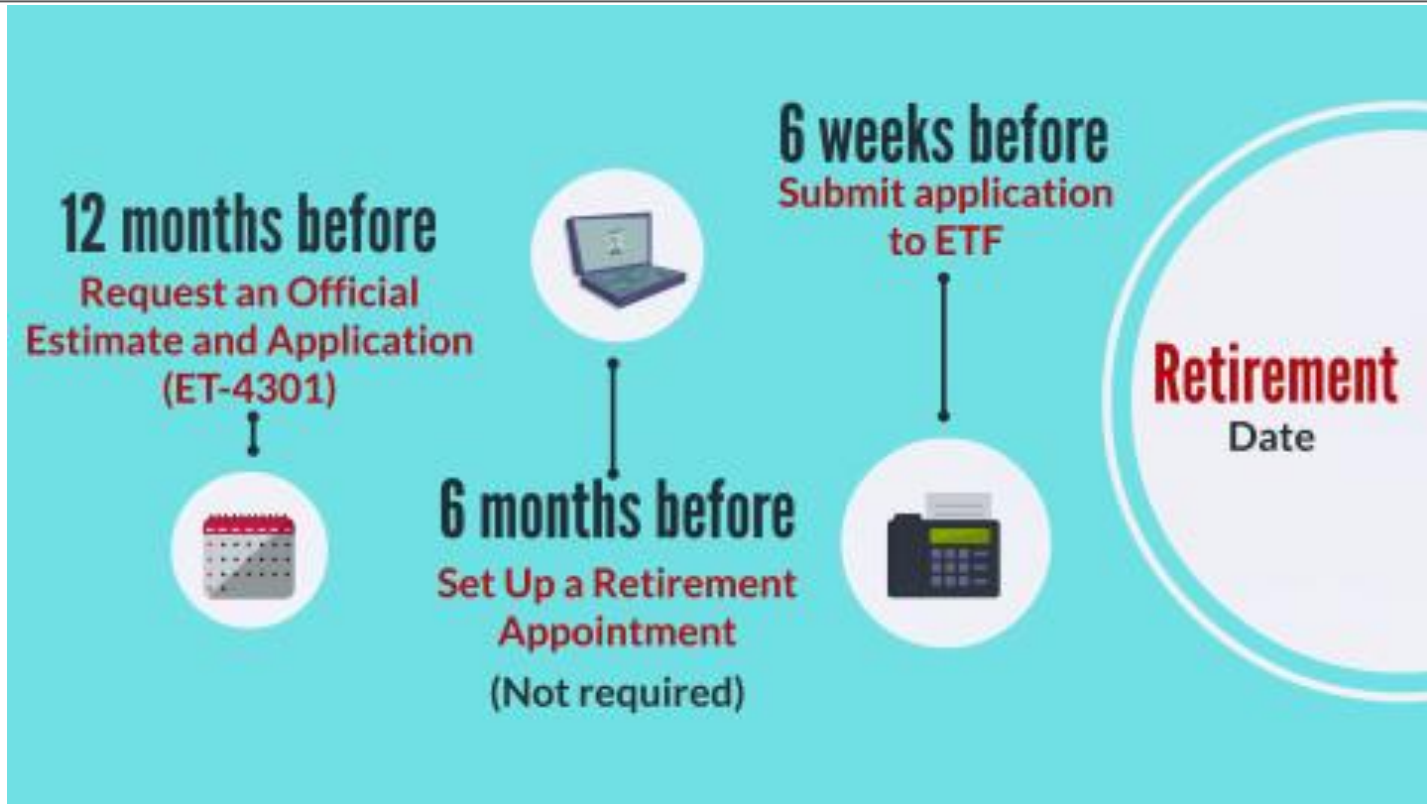


2 weeks to 4 months before retirement

- [Notify MMSD of your retirement](#) within applicable notification timeframe (will go over in next slides)

3 months before retirement: Apply for Social Security & Medicare benefits (if applicable)

Employee Trust Funds (ETF) Timeline





Retirement Notification & Eligibility

Administrator

- At least 55 years old
- Notification to retire is due no later than January 15; retirement date is July 1

Custodial

- At least 55 years old, WRS, or Social Security eligible
- Notification to retire is due no later than 4 weeks before your last day worked

Educational Assistant

- At least 55 years old, 10 years of service & WRS Eligible
- Notification to retire is due no later than 2 weeks before your last day worked

Supportive Educational (SEE & NUC)

- At least 55 years old & WRS Eligible
- Notification to retire is due no later than 4 weeks before your last day worked

Food Service

- At least 55 years old, WRS, or Social Security eligible
- Notification to retire is due no later than 2 weeks before your last day worked

Teacher

- At least 55 years old or have 30 years of service within the district (as a teacher)
- Notification to retire is due no later than February 15; retirement date is the last day of school

Professional & Professional Instructional

- At least 55 years old
- Notification to retire is due no later than 2 weeks before your last day worked

Trades

- At least 55 years old, 10 years of service, & WRS eligible
- Notification to retire is due no later than 4 weeks before your last day worked

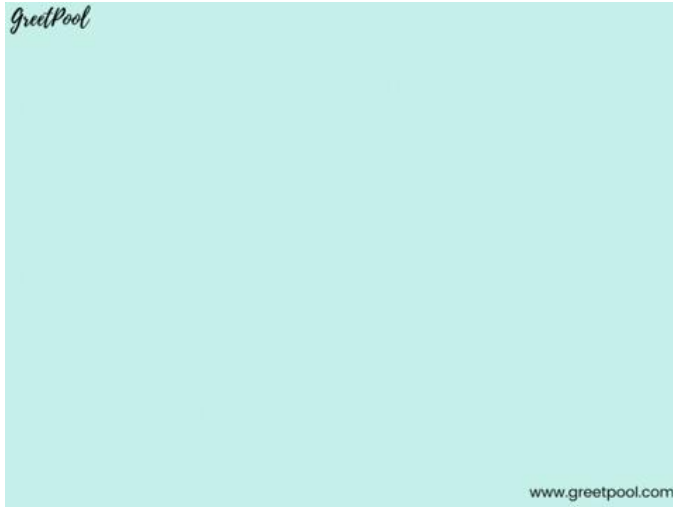
Security

- At least 55 years old, 10 years of service, & WRS eligible
- Notification to retire is due no later than 2 weeks before your last day worked



Wisconsin Retirement System

Wisconsin Retirement System



Contacting ETF

ETF Benefit Specialists are available from 7:00 a.m. to 5:00 p.m. (CST), Monday – Friday, Call 1-877-533-5020

- Administered through the Department of Employee Trust Funds (ETF)
- Pension fund for all public employees in Wisconsin (including public educators)
- You may request 1 retirement estimate per 12 months from ETF
- Any questions or concerns about your pension must go to ETF

Useful ETF Links

- [How to Read My Statement of Benefits](#)
- [WRS Contribution Rates](#)
- [Core Trust Fund & Variable Trust Fund](#)
- [When Can I Retire?](#)
- [Calculating Your Retirement Benefits](#)
- [WRS Estimate Calculator](#)
- [Applying for Retirement](#)
- [Other ETF Calculators](#)
- [Member Education](#) – TONS of great resources, videos, live webinars, etc.



Personal Illness Credits (PIC)

Personal Illness Credits (PIC)



- Credits you receive upon retirement
- Formula - Personal Illness hours/days X your highest hourly or daily rate
- *These are credits, have no cash value and do not gain interest*
- Are used to pay for insurance premiums
- **May be** used for medical-related non-premium purchases if selecting HRA option

**You can calculate an estimate at any point using the [Personal Illness Credit Calculator](#)

Personal Illness Credits Account Balance

Estimated Account Balance (calculation below): **\$84,226.42**

Retirement Insurance Account Calculation

Total PI/RIA Account Balance	
Current Personal Illness Balance:	180.02
Current RIA Balance (Teachers Only):	+ 40.02
<hr/>	
Total PI/RIA Balance:	220.04

Calculation for PI/RIA Balance under 1,600 hours/200 days

PI/RIA Balance under 1,600 hours/200 days:	200
Hourly/Daily Rate:	x \$401.04
<hr/>	
Total Balance (Under 1,600 hours/200 days):	\$80,208.00

Calculation for PI/RIA Balance over 1,600 hours/200 days

PI/RIA Balance over 1,600 hours/200 days:	20.04
Hourly/Daily Rate:	x \$401.04
Reduction Factor:	x 50%
<hr/>	
Total Balance (Over 1,600 hours/200 days):	\$4,018.42

Years of Service Adjustment (Custodial Only)

Total PI/RIA Balance:	
Hourly/Daily Rate:	x
Years of Service Adjustment:	x
<hr/>	
Total Years of Service Adjustment	

Personal Illness Credit Calculation Example

Credits are deposited into an account



- There are two different type of accounts (HRA or Escrow)
- Each have pros and cons
- Only have **one** account at a time
- Choice can be changed for qualifying life events (QLE) - ex. Medicare eligibility, dependent aging out, etc.

Escrow vs Health Reimbursement Arrangement

ESCROW ACCOUNT

- Monthly premium bills are paid by MMSD
- Receive statements 2 times per year
- Can pay health, dental, life & LTC premiums
- Informed when account runs out - can continue insurances by paying out of pocket

VS

HEALTH REIMBURSEMENT ARRANGEMENT

- Insurance carrier directly bills you - you pay them directly
- Account administered by Employee Benefits Corp - vendor that MMSD contracts with
- File claims to then be reimbursed for your out of pocket payment
- Also receive debit card that can be used for medical-related purchases, such as Rx drugs, copays, etc



MADISON METROPOLITAN SCHOOL DISTRICT

Other considerations for PIC Account

Escrow Account

- Administered by the District
- Only for District-sponsored insurance plans
- Pays for health, dental, life & long-term care
- Great choice for those who want insurance like when they were still working for the district

Health Reimbursement Arrangement (HRA)

- HRA can pay for *any* health, dental, and long-term care insurance premiums (including MMSD-sponsored insurance)
- Cannot be used for reimbursement of life insurance premiums
- The EBC Debit card used for [non-premium medical purchases](#) (e.g. prescription or over-the-counter drugs, eyeglasses, dental work, or copays) – comes from same account as insurance premiums

Additional HRA Information

- EBC offers a [recurring claim](#) form that can be submitted, will cover one calendar year. Claims will be paid out to your checking account automatically or checks sent in the mail
- EBC offers a [convenient app](#) to make filing claims easy, check your balance at any time, as well as track claims
- EBC website offers all the same information as the app
- You cannot return to the district in any capacity and have the HRA account – will be transitioned to an Escrow account until you are no longer with MMSD





Insurance Continuation

What is it?



- Amazing perk when retiring from MMSD
- As a retiree, you are responsible for covering the full premium
- Rates are likely to increase each year in July (ranges from 2-20%)

2024 to 2025 Premiums Example

Health Insurance Premiums
Effective July 1, 2024

	Dean		
	<i>HMO</i>	<i>POS</i>	<i>PPO</i>
Single	\$885.48	\$987.96	\$1,342.47
Family	\$2,328.81	\$2,598.33	\$3,530.70

	Quartz		
	<i>HMO</i>	<i>POS</i>	<i>PPO</i>
Single	\$799.19	\$1,158.55	\$1,284.93
Family	\$2,133.83	\$3,093.32	\$3,430.75

Dental Insurance Premiums
Effective July 1, 2024

	Delta Dental
Single	\$45.50
Family	\$116.15

Returning to Health & Dental Plans

“Upon retirement, an employee may switch their health and dental insurance coverage to that of a working spouse and return to coverage available under the collective bargaining agreement at such time as a qualifying event occurs. The retiree under this section must submit application for insurance, with evidence of the qualifying event, within thirty (30) days of the loss of family coverage as a result of the following qualifying events: (1) their spouse’s death; (2) their spouse’s termination; (3) divorce; (4) the reduction of one’s spouse’s hours of work which results in the loss of eligibility of health insurance via his/her employer; or (5) when the spouse of the employee who has carried the family insurance experiences a significant reduction in benefits.” – *MMSD Handbook*

Health Insurance

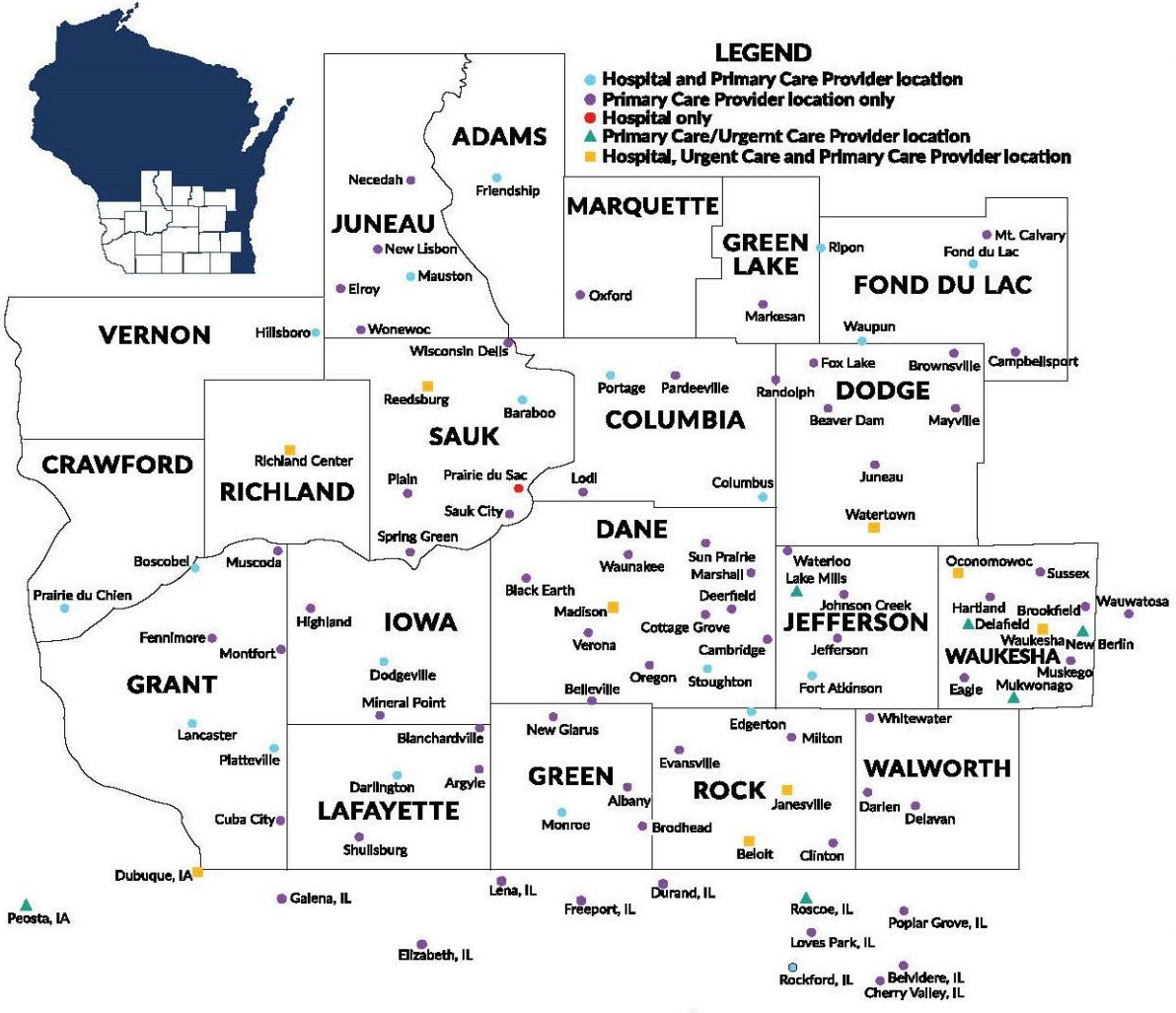
Health Insurance

Non-Medicare

- You may elect to continue our [group health coverage](#) (same coverage as active employees receive). Click on the link for information on this coverage.
 - Next slides show the will look at coverage areas for each insurance.
 - Both HMO plans provide Out-of-Area dependent coverage
- [Quartz](#) [Dean](#)
- Dependents who turn 26 may stay on MMSD group plans until December 31 of that year.
 - You and your spouse may stay on the group plans until you are Medicare-eligible
 - Confused about HMO vs. POS vs. PPO? View these flyers.

[Quartz Plan Comparison](#)

[Dean Plan Comparison](#)



Dean Coverage

Health Insurance

Under 65 at retirement

- Apply for Medicare Part A & B about 3 months before you or your spouse turn 65
- May need a [CMS-L564](#) form, which is completed by your employer to provide proof you were covered by a Group Health Plan until Medicare

Over 65 at retirement

- You may have already applied for Medicare Part A, need to apply for Part B
- Will need to complete a [CMS-L564](#) form
- Imperative you do not miss your Special Enrollment Period! Otherwise penalties apply!

Health Insurance

Medicare

- Once you are eligible for Medicare, you are no longer eligible for the District's health insurance. You must move to either a Medicare Advantage or Medicare Supplement plan
- MMSD contracts with the following providers to accept your MMSD Personal Illness Credits to cover premiums:

Quartz Medicare Advantage

Dean Medicare Select* Supplement

Quartz Medicare Select* Supplement

GHC Medicare Select* Supplement

Quartz Medicare Supplement

WPS Medicare Supplement

*Select means a more traditional HMO network, *not* a national network

Health Insurance

Non-Medicare Spouses

If you (retired employee) become Medicare-eligible before your spouse, the spouse and any eligible dependents will be moved to a Split group, which means they may retain MMSD (pre-Medicare) coverage while you are in a plan that coordinates coverage with Medicare.

Need Assistance? Have Questions about Medicare?

- MMSD contracts with M3, a Madison-based insurance broker to help us manage our insurance needs
- M3 has an amazing Medicare division that can help you!
- [Virginia Van Haren](#), has been working in Medicare for 20+ years
- MMSD & M3 also host Medicare 101 sessions! Find latest recording [here](#)



Dental Insurance

Dental Insurance

- You may continue your MMSD dental plan indefinitely, if your premium is paid each month
- Retirees are only eligible for the Basic plan, not the Buy Up plan
- Dependents may only continue the plan until the end of the year they turn 26
- You have access to the *entire* national Delta Dental network!

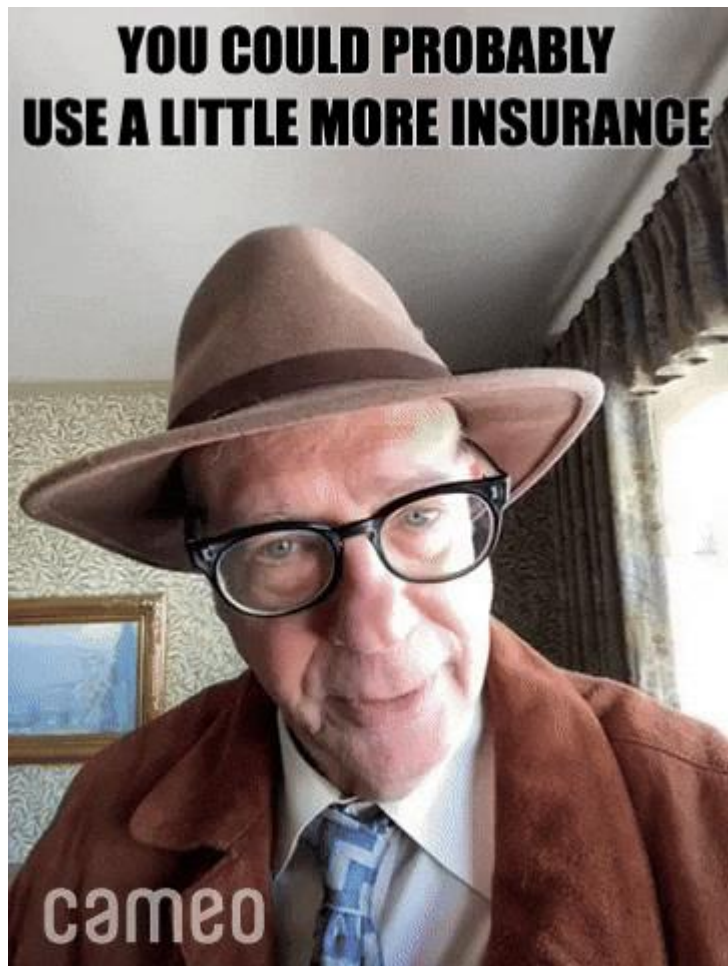
Leaving & returning to Dental Insurance

- If you voluntarily leave your MMSD dental plan at retirement or any other time and **do not** join a spouse's dental plan, you **may not** return to the District's dental plan later.
- If you leave your MMSD dental plan to join a spouse's plan, you may rejoin the MMSD dental plan later only if you have a Qualifying Life Event (such as divorce or your spouse losing dental coverage)

Long-Term Care (LTC) Insurance

- **VITAL:** To continue LTC for retirement, YOU MUST be enrolled *prior* to retirement.
- You can apply for LTC as an active employee at any time, but you must pass medical underwriting to be enrolled!

Life Insurance



Basics & Information

- The District has two different life insurance policies
- Only those with Basic + Retirement insurance may continue coverage into retirement
- Basic + Retirement was closed to new applicants as of January 1, 2019.
- Can't tell which one you have? Look at your paystub (if you see Life + Ret deducted, you've got it!
- You can continue the following Life Insurance:
 - Employee Coverage
 - Spouse Coverage
 - Dependent Coverage

Post-Tax Deductions:

FICA	301.41
MEDICARE	70.49
FED TAX	272.63
WI STATE TAX	177.38
LONGTERM DIS	
LIFE + RET	2.23

Life Insurance Information

- Escrow Account – your life insurance premium is paid by the District and deducted monthly from your account
- HRA – you will be directly billed by The Standard for a full year worth of premium and must pay out-of-pocket. Your premiums are not reimbursable from your HRA account.
- Death-only benefit
- At the time of your passing, your beneficiary(ies) should reach out to MMSD Human Resources (608-663-1692) to speak with a Benefits Specialist about filing a claim.

Age & Life Insurance

- You will be responsible for paying premiums on your life insurance policy until the month of your 65th birthday
- At this time, your policy is considered “paid up” and you will no longer owe any premium going forward
- However, your benefit is subject to a reduction factor once you turn 65 (see example to the right)
- Benefit will not reduce from age 72 until death

Coverage Reduction Factor

Under 65: \$77,000

65 – 67: \$57,750

68 – 71: \$38,500

72+: \$19,250

Supplemental (Voluntary) Life Insurance

- To continue any supplemental life insurance coverage into retirement, you must maintain your employee supplemental life insurance policy
- Supplemental Life Insurance coverage remains active until
 - The employee's 65th birthday
 - The spouse's 65th birthday
 - The dependent child's 26th birthday





Working After Retirement



Becoming a Rehired Annuitant

- To be eligible to return to *any* WRS employer, you **must** complete a 75 day “good faith retirement.”
- You may not apply or be speaking with a department about returning to work during this time.
- You are eligible to start applications on Day 76!
- As a Rehired Annuitant, you are subject to a restriction on the number of hours you may work in a calendar year: 880 hours
- MMSD *does not track* your hours for you but automatically reports your hours to ETF. [Simple tracker](#)
- The 880 hours is calculated for the first 12 calendar months after you return to work. After this, your hours are calculated on a rolling basis.

Paperwork – a necessary evil



What do you owe to who?

- **ETF**: Submit your Retirement Estimate & Application to them, along with any other supporting documentation they require
- **Medicare & Social Security**: Contact the Social Security Administration to determine what is necessary
- **MMSD Human Resources**: Here what you'll return:
 - Completed Retirement Application
 - Health Insurance Application Form
 - Dental Insurance Application Form
 - Life Insurance Beneficiary Form (if applicable)
- Make sure to keep all of us updated on any phone or address changes!

MMSD Paperwork Due Dates

- General rule of thumb – your paperwork is due by the date in which you must notify the District of your retirement (ex. Teachers – all MMSD paperwork for retirement should be submitted to HR by February 15)
- If you are a late retiree (get approval to retire after your notification date), paperwork should be turned in ASAP!
- Turning in paperwork late may result in a delay of processing, which could lead to a temporary coverage disruption

Questions?



A sunset over a beach with the time 10:00 overlaid in large white outline font. The sky is a mix of purple, pink, and orange, with scattered clouds. The ocean is visible in the middle ground, and the sandy beach is in the foreground. The time '10:00' is centered horizontally and vertically.

10:00



TERP

What is TERP?

- Teacher Emeritus Retirement Program or TERP is a teacher and teacher addendum group program that recognizes our staff who have given many years of dedication & service to the district
- Participation is voluntary if you meet the requirements
- A sum of money is awarded to you each month for 36 months after retirement (ex September 2025 until August 2028)
- TERP is real income, so it's important to make sure you log onto [ESS](#) before your retirement to update any W4s, if you choose
- Leave of Absences (LOAs) impact your years of service – keep this in mind

TERP Qualifications

- Age (as of August 30 the year of retirement)
+ Years of MMSD Teacher Service
= At least 75
- OR have 30 years of MMSD Teacher Service

How is TERP calculated?

- Highest Base Contract Amount
 - x .19
 - x 3 = total benefit over three years
 - / 36
 - = Total monthly benefit

Highest Actual Annual Contractual Salary:	\$76,378.92
Annual Benefit (Highest Contract x 19%):	\$14,511.99
Total Benefit (Annual Benefit x 3 years):	\$43,535.98
Monthly Benefit (Annual Benefit / 36 months):	\$1,209.33

Additional Information

- Part-time teachers may also retire with TERP, but must have worked 1.0 FTE within 10 years of retirement date
- TERP is paid out each month one of two ways
 - 1) Full amount via direct deposit (taxes are withheld), or
 - 2) Used to cover health & dental insurance premiums (pretax) and if any amount is remaining, is paid out via direct deposit
- TERP **cannot** be stopped or held, even if you return to MMUSD as a sub
- You have the option each year to decide if you want deductions for premiums or not for TERP

TERP Covers full Deductions	
TERP Amount	\$ 1,123.00
Single Quartz HMO Premium	\$ 799.19
Single Delta Dental premium	\$ 45.50
	\$ 278.31
*The \$278.31 would be paid out via direct deposit to you each month	
TERP does not cover full deductions	
TERP Amount	\$ 1,123.00
Family Quartz HMO Premium	\$ 2,133.83
Family Delta Dental premium	\$ 116.15
	\$(1,126.98)
**After applying your TERP amount to Family Health & Dental insurance premiums, there is still a balance of \$1,126.98, which is then taken from your Personal Illness Credits	

Questions?

