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## 8.17 Benefits Related to Retirement

Saint Mary's College of California

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## 8.17 Benefits Related to Retirement

### 8.17.1 TIAA-CREF Retirement Plan

The College offers through TIAA/CREF the opportunity to participate in a defined contribution plan as well as a tax deferred annuity plan. Please refer to the plan documents and summary plan descriptions available in the HR office and on the HR website.

### 8.17.2 Emeriti Retirement Health Solutions (Emeriti)

The Emeriti Retiree Health Plan for Saint Mary’s College of California is designed to help eligible employees pay for medical expenses after employment with College ends, beginning at age 55, in a tax-advantaged manner. It is also designed to provide eligible retirees with access to affordable nation-wide health insurance coverage beginning at age 65 throughout retirement. This program is being offered by the College through Emeriti Retiree Health Solutions (Emeriti), a collaborative arrangement of more than 50 institutions of higher education.

- **Contributions** – Under the program, the College contributes a flat dollar amount to an Employer Contribution Account for each benefits-eligible employee age 40 and older for up to a maximum of 25 years. Employees age 21 and older can also make after-tax contributions of any amount to an Employee After-Tax Contribution

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Account, as part of planning for medical costs in retirement. Employee contributions are immediately vested and contributions by the College are vested after five (5) years of continuous service. Employees can direct the investment in both accounts (the “Health Accounts”) through the plan’s administrator TIAA/CREF.

- ***Benefits Available in Retirement*** – Upon retirement (defined as age 55 or older and 5 years or more of continuous service), the Health Accounts can be used to reimburse eligible medical expenses, which include but are not limited to the cost of medical, dental, vision and long term care insurance premiums. Emeriti also provides access to a nation-wide health insurance plan with choice of coverage level and at group rates to Medicare-eligible employees at age 65, as well as to eligible dependents through Aetna. A participating employee who ceases employment prior to achieving five (5) years continuous service may still use, if he/she has made contributions to, an Employee After-Tax Contribution Account to receive uninsured reimbursement benefits upon attaining age 55. However, the contributions made by the College will be forfeited if the 5 year vesting period has not been met.
- ***Eligibility*** – An eligible employee hired prior to July 1, 2007 who:
  - retires on or after July 1, 2007,
  - has completed fifteen (15) or more years of full-time continuous service at the College as defined by the plan description,
  - has attained age fifty-five (55) at retirement, and
  - made the written election to participate in the program prior to July 1, 2007shall receive transitional support if the balance of the Employer contribution account for the employee, calculated at the time of retirement, is not at least equal to the projected 5 year contribution (see below). The amount of transitional support will be the amount necessary (if any) to bring the balance of the account equal to the projected 5 year cost.

Those hired after July 1, 2007 will be automatically enrolled in the Emeriti Health Retirement Solutions Plan upon attainment of age 40 and will continue the contribution for 25 years or upon termination or retirement. Those hired after July 1, 2007 and have

already attained age 40 the College will begin a contribution immediately and will continue contributions for 25 years or upon termination or retirement.

**Calculation for transitional benefit:**

Those who qualify for the transitional benefit will receive an amount equal to the College's employee only monthly contribution for health and dental benefits on the date immediately prior to the retirement date, multiplied by a factor of 73.22 minus the plan balance held in the employer VEBA accounts at the time of calculation. This lump sum distribution will be processed with the final paycheck and transmitted with the closest payroll transmission date but within 30 days of retirement. Those hired after July 1, 2007 will not be eligible for transitional support at retirement. In order to receive the transitional retirement benefit the employee must have retired and met the qualifications noted above.

- **For More Information** – This is a brief summary of the Emeriti Retiree Health Plan. The Summary Plan Description (SPD) provides a more detailed description of the plan and you may request a copy from the Human Resources Department. The HR department has other information on this Plan, plus general information about Emeriti is available at [www.emeritihealth.org](http://www.emeritihealth.org). This Handbook, the various websites and brochures and the SPD are only to provide you with general information about the Emeriti Retiree Health Plan; in the event of a conflict between the Handbook, the SPD or other descriptive sources and the Plan document, the Plan document will control.

**8.17.3 Five Year Retirement Medical Benefit**

If *not* enrolled in the Emeriti Retirement Health Solutions program (Emeriti), employees hired prior to July 1, 2007 may be eligible to receive limited health and dental benefits for up to five (5) years after full retirement at the same premium rates as similarly-situated active employees. Employees hired or re-hired on or after July 1, 2007 are automatically enrolled in the Emeriti program and are not eligible for the Five Year Retirement Medical Benefit.

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- **Eligibility** – To be eligible for the Retirement Medical Benefit, the employee at time employment ends must be at least 55 years of age, have completed 15 years of service, and be covered under the College’s health and dental programs at the time of retirement.
- **Benefit** – For eligible employees, the College will continue to pay the current applicable active single health and dental premium (which changes each year) for up to five (5) years based on the current benefit level rates. Once a retiree attains age 65, he/she will be required to enroll in a Medicare Supplement Program, and any premium charges above the allotted active employee rates paid by the retiree, billed on a monthly basis and will be terminated for non payment.

### 8.17.4 Social Security/Medicare

All employees (excluding student workers during the academic year) are required to contribute to Social Security and Medicare which are designed to provide retirement payments as well as medical, disability and survivor benefits in retirement. The College also contributes an amount for each employee; the level of employee and College contributions are determined by federal law. Prior to retirement, employees should contact their local Social Security Administration office to receive a detailed benefit illustration.

### 8.17.5 Supplemental Retirement Annuities

Voluntary additional contributions, known as Supplemental Retirement Annuities, can be made on a tax-deferred basis. Although the College permits the voluntary selection of alternative carriers for employee contributions, it will not contribute to any carrier except TIAA-CREF.