



Shenendehowa
Central Schools

When it's Time, Are You READY?

An Outline for Teacher Retirement

January 2016

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An Outline for Teacher Retirement

INTRODUCTION - PURPOSE

The decision to retire is a major event in one's life. Because of this, employees who are considering retirement are urged to take advantage of:

1. Personal Consultations and Pre-Retirement Planning Seminars offered by the New York State Teachers Retirement System (NYSTRS); a copy of the Retirement Systems' Pre-Retirement Planning Seminars schedule is posted in each building and in the District Office; and
2. Programs offered by Shenendehowa Teachers' Association (STA) and New York State United Teachers (NYSUT)

Retired employees and members of STA have noted that reaching retirement decisions are difficult and often can be very emotional to the individual and his/her family. Recent retirees advise developing a retirement strategy early in one's career. Early planning helps to overcome uncertainties attached to this major life decision. It is hoped that this outline will stimulate your thought process and help you to evaluate your individual situation.

This outline also includes a timeline for retiring from the Shenendehowa Central School District. We have included due dates, your benefit rights and special considerations that exist under our present contract.

The Shenendehowa Central School District and the Shenendehowa Teachers' Association have developed this guide to suggest ideas and to assist teachers in developing individual plans for approaching retirement.

Even though this outline consolidates important District information in regard to retirement from Shenendehowa, by no means is it intended to replace retirement seminars and/or planning sessions offered by the New York State Teachers Retirement System or various other organizations.

ARE YOU READY?

*You have reached that age and are thinking about retirement. What should you do?
What steps should you take? Where do you start?*

Planning Ahead

It is important to do advance planning. Your goal is to develop a solid foundation for retirement. Start planning ... Now.

Getting the Facts - New York State Teachers' Retirement System

Contact the New York State Teachers' Retirement System concerning eligibility requirements. Make sure you have received credit for all of your past teaching service. Develop a complete understanding of your retirement benefits. On an annual basis, you should receive a statement and supportive information from the retirement system. The Benefit Profile statement comes in November. Retirement system phone numbers are (518) 447-2900 **or** 1 (800) 348-7298, or visit their website at www.nystrs.org. As legislative changes occur, be mindful of contacting the retirement system with any questions that you might have.

Financial Planning – Evaluating Your Goal

- ✓ Maximize your 403(B) (7) (Tax Sheltered Annuity). Investigate the “catch-up” provision with your financial planner.
- ✓ Evaluate IRA's - For some, these tax-deferred investments can really grow.
- ✓ Reduce your indebtedness - Retirement planners stress being debt-free by retirement should be a major goal for everyone.
- ✓ Calculate your expenses - Many retirement guides offer forms which will help you calculate your present day expenses and project future expenses.
- ✓ Calculate your net worth - This is important in order to develop a complete picture of your individual situation.
- ✓ Develop an inventory of your investments - Can annuities be of value in your situation? How long do you plan on working? Should your investments be defensive or aggressive? Beware of scams.
- ✓ Long range retirement plans - Have you developed plans for retirement activities? You should quickly come up with ten activities which you would like to pursue once you retire. The advice offered by some experts is to remain flexible. It is hard to predict future circumstances. Buying property for retirement living that will occur years from now should be carefully evaluated.
- ✓ Health costs – Calculate the impact of health costs on your budget and know how they relate to Medicare and Social Security benefits.
- ✓ A source for help - Contact New York State United Teachers (NYSUT)

member benefits at (518) 213-6000. You can receive information about financial planning or be referred to NYSUT Retirement Plan representatives.

ARE THINGS SET IN PLACE? *You're getting closer to retirement.*

New York State Teachers' Retirement System Consultation

Visit the New York State Teachers' Retirement System (NYSTRS) for a personal consultation of the benefits you may expect upon retirement. The retirement consultant will be happy to assist you in generating your maximum estimated retirement and the estimated amounts under various options offered to retirement system members. Be sure you have a complete understanding of the rules and regulations regarding your particular retirement tier. The retirement system number is (518) 447-2900.

Pre-Retirement Seminars

Group seminars are offered locally by the STA and NYSUT. At various times during the year, the NYSTRS provides a similar service. The NYSTRS seminars are open to any member over forty-five (45) years of age and you may bring one guest with you. Sign up early, as those sessions fill up fast. The schedule is posted on the retirement system website www.nystrs.org/main/retirement-planning/preplan-seminars.

Social Security

Contact Social Security Administration at (800) 772-1213 to request a free Earnings and Benefit Estimate Statement (SSA 7050-F4). Once you have sent in this request, the Social Security Administration will provide a total employment history for you. Your employment history should be reviewed for completeness and accuracy. Beware of changes in the Social Security law affecting retirement age and benefits.

Locate All Vital and Important Papers

Birth certificate, deeds, mortgages, Social Security number, wills, marriage license, medical records, stocks, etc. should be kept in a safe place. Consideration should be given to the safe storage of documents. However, in the event of an untimely illness or death, it may be difficult for family members to access them. Individuals should consider letting family members know the exact location where documents are being stored and allow authorized access by a spouse or family member to these documents. In addition, original wills should not be stored in safe deposit boxes, as they will be sealed upon the death of the individual and not opened until processing through probate court.

Figure Retirement Expenses

Evaluate your future life style. Will you have increasing or decreasing expenses in the future? Will you be traveling extensively? Will you start your own business?

Talk Over Your Plans with Someone

Did you miss something?

Is Relocation in Your Future?

Are you planning a big move, or will RV travel be in your future? Retirement planners suggest a visit or vacation in an area over a period of time prior to making a permanent retirement move. Consider the tax implications of relocation, if applicable.

Your Health

Will your contract-based coverage for health including prescription and dental costs be the same when you retire? Is long-term care a concern?

A New Job

Will you seek a new career? As a retiree, you may have an unlimited income without affecting your NYSTRS retirement benefit in the following cases:

- Private or federal employment;
- Public employment outside of New York State;
- As an elected official, inspector of elections, poll or ballot clerk, commissioner of deeds, juror or notary public;
- Working as a consultant for a NYS public employer if your date of membership is prior to 5/31/1973, and your contract has been received and approved by NYSTRS; or
- In the year you turn 65 (and from then on) any employment, including NYS public service.

If your post-retirement employer is a public employer in New York State, including a school district, there are restrictions on receiving your pension while you work. The New York State Retirement and Social Security Law (RSSL) regulate post-retirement employment for all members. The rules and restrictions differ depending upon individual circumstances. For more details about working in retirement, please visit NYSTRS publication entitled "Working in Retirement" www.nystrs.org/main/library/working or contact NYSTRS Member Services at (800) 356-3128 ext. 6150.

Leisure Activities

If life is one long summer vacation, will you become bored? Have you developed hobbies and/or interests that will keep you occupied in retirement?

Re-evaluate Your Investments

Should you change your investment strategies? Investigate trusts, living wills and insurance.

Your Body is Ready - Is Your Head?

Retiring involves a number of emotional decisions. Having a plan for the future relieves a great portion of the stress.

When Do You Get Your First Retirement Check?

This is a case-by-case situation and relative to retirement dates, completion of forms, notification, etc. You will need to establish that date with NYSTRS. The retirement system encourages members to file their retirement application at least thirty (30) days in advance of their retirement date, so they can be included on the first eligible payroll after their retirement.

Just Before You Go ...
Your Final Year. What Are Your Benefits? A Time Line To Retirement.

Benefits Offered to Retiring Teachers by the Shenendehowa School District

The current contract between the STA and the District provides benefits for retirees that should be considered when planning for retirement.

STA Retiree Benefits {as extracted from Article XIV §14.1 (l) of the Agreement by and between the Board of Education of the Shenendehowa Central School District and Shenendehowa Teachers' Association (July 1, 2014 – June 30, 2018)}

Employees who retire during the term of this Agreement shall receive the contribution by the District, specific to the school year of retirement, of the premium cost of individual coverage for health and prescription drug insurance.

District Contribution

January 1, 2016	Eighty-six percent (86%)
July 1, 2017	Eighty-five percent (85%)

The retiree may elect to apply the District contribution to the cost of couple or family coverage. Should the retired employee predecease his/her spouse, the survivor would be entitled to the same percentage of coverage enjoyed by the employee at time of death, unless the surviving spouse is already covered under other employment at equal or better coverage. The surviving spouse is entitled to single coverage only.

Members of the bargaining unit who retire during the period of this agreement, and who select Capital District Physician's Health Plan (CDPHP) medical insurance program for two-person or family coverage shall receive such medical insurance coverage with the District contributing fifty percent (50%) of the two-person premium rate of such plan toward the payment of such medical insurance coverage.

Dental insurance can be kept at full premium cost. If you elect to cancel dental insurance upon retirement, you **cannot** re-enroll at a later date.

Count Down to Retirement

Months to Retirement

Ask
NYSTRS for
Retirement
Estimate
(Form EST-
35.1)

18

Attend a
Pre-
Retirement
Seminar

12

Review
Other
Retirement
Income

8

Prepare a
Retirement
Budget
** Submit
retirement
letter no
later than
January 29,
2016 if
eligible for
RETIREMENT
INCENTIVE

6

Submit
your
retirement
letter to
the Office
of Human
Resources
by March
1, 2016 for
all STA
members
who wish
to retire in
June. If
you
qualified
for the
incentive
you do not
have to
resubmit
your letter.

Review
Your
Health
Insurance
Coverage

4

**File a
Retirement
Application
with
NYSTRS 30
to 90 days
before your
Retirement
Date (Form
RET-54)**

3-2

**Retirement
Date for
Shenendehowa
June 30th
Date for TRS
July 1
depending on
your
circumstances**

1

FREQUENTLY ASKED QUESTIONS (FAQs)

- 1. A Spouse is Still Employed and I Am covered by his/her health insurance policy. Do I Lose My Benefit?**
 - a. No, the health insurance benefit can be deferred. You must elect to defer your health and prescription coverage and provide proof of alternate continuous coverage under your spouse's insurance in order to re-enroll in the District's health insurance and prescription plans. Dental insurance is excluded.

- 2. Can I defer my dental coverage until a later date?**
 - a. No, if you elect not to enroll or cancel your dental coverage, you are not able to rejoin the dental plan.

- 3. Can Health Insurance Coverage Be Changed After Retirement?**
 - a. Yes, you may change your health insurance during open enrollment periods. The District will notify you, in writing, as to the date(s) of open enrollment. Typically open enrollment occurs during the month of December. You are also able to change your health insurance as a result of a qualifying event. Some examples of qualifying events are loss of coverage, moving out of the coverage area, etc.

- 4. Payment of Unused Sick Leave at Retirement**
 - a. Under the present contract, any unit member may be paid additional compensation in recognition of the accumulated days upon retirement.
 - b. In order to receive additional compensation, written notice of the intent to retire must be submitted to the Superintendent of Schools at least four (4) months prior to the date of retirement.
 - c. Should a teacher elect to notify the District in the year preceding his/her year of retirement, the teacher's contract salary will include payment for accumulated sick leave up to a maximum of thirty (30) days. Such additional allowance shall be paid at the current day rate of compensation of such teacher in the year of retirement. During the last year of service, such employee shall have available for use as sick leave, the sick leave days which accrue during the year of his/her retirement and his/her accumulated sick days, less the thirty (30) days thereof for which payment is made.

- 5. How is the Sick Leave Amount Determined?**
 - a. The sick leave benefit is one two-hundredth (1/200) of the teacher's contract salary. This benefit does not include salary for clubs, coaching, etc.

- 6. Can I continue participation in the Life Insurance Program?**
 - a. Yes, upon your official retirement, the District will communicate, in writing, the right to convert to an individual policy of life insurance. This communication will be in the form of an inquiry as to whether the retiree wants to continue the life insurance. If the retiree elects to continue the life insurance, the individual will pay the full premium directly to the insurance company.

7. How will I be billed for my monthly premiums?

- a. The insurance premiums will be due the 1st of the month for which coverage is being paid for, and it may be paid by automatic deduction from your bank account or by any other acceptable means (cash, check, etc.) Checks should be made payable to Shenendehowa Central School District, for the health and prescription coverage and a separate check needs to be made out for dental coverage.

8. If I am 65 years of age or older and retiring who do I call?

- a. In addition to contacting NYS TRS and notifying the District, you must contact Medicare at (800) 633-4227 and explain that you are preparing to retire and would like to enroll in Medicare Part A & B. In order to remain on the District health insurance, you must also enroll in Medicare once you become eligible.

9. Is the payment for incentive days combined with the payment of up to 30 unused sick days per the STA contract in one check? How is it distributed?

- a. Yes, the payments will be combined in one check however, the retirement incentive will be distributed over the course of two (2) calendar years, if applicable. The first installment (one-half) of the retirement incentive will be paid on or about July 30, 2016 with the payment for up to 30 sick days per STA contract. The second installment (one-half) of the retirement incentive will be paid on or about January 30, 2017.

10. What form needs to be completed for the retirement options and can more than one option be selected? (health insurance, Tax Shelter Annuity)

- a. A letter will be sent out with the options for you to select. You may select more than one option for payment. All forms must be returned to the Office of Human Resources by May 1, 2016.

11. Is the Tax Shelter Annuity (TSA) or 403(B) pre-tax or post - tax?

- a. TSA is pretax. It is the only pre-tax option.

12. Do the payouts for up to 30 unused sick days per STA contract and the retirement incentive include stipends or other monies? (stipend, coaching, extra-curricular)

- a. The payout per diem is based upon contract salary only. The payouts do not include stipends.

13. Who do I contact at Shenendehowa CSD if I have questions about retirement?

- a. **Employee Benefits**
 - Sue Tocco - toccsusa@shenet.org
 - Mollie Smith - smitmoll@shenet.org
- b. **Office of Human Resources**
 - Jill A. Bush - bushjill@shenet.org or
 - Michele Mastrianni - mastmich@shenet.org