

Retirement Process Q&A

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When will I be eligible to retire and continue my insurance benefits?

Under current state law, if you were retired from or employed in a benefits-eligible position with The Texas A&M University System on August 31, 2003, you are eligible for the employer contribution toward your premiums as a retiree when:

- you are at least age 55 and have at least 5 years of TRS or ORP service credit, or your age plus years of service equal at least 80, or you have at least 30 years of service and,
- 3 of those years of service are with the A&M System,
- the A&M System is your last state employer, and
- you have an intact TRS or ORP account.* If you left A&M System employment before September 1, 2003, but you met the above criteria as of August 31, 2003, you qualify for retiree benefit coverage under these criteria.

If you were hired by the A&M System in a benefits eligible position after August 31, 2003, or if you left A&M System employment before August 31, 2003, and did not meet the criteria listed above as of August 31, 2003, you are eligible for the employer contribution as a retiree when:

- you are at least age 65 and have at least 10 years of TRS or ORP service credit, or your age plus years of service equal at least 80 and you have 10 years of service credit, and,
- 10 of those years of service are with the A&M System, or you have a combined total of 10 or more years of service with the A&M System, UT System and ERS and the A&M System has the most years of service, or the A&M System has the same amount of service as the other highest system and A&M is your last employer, and
- you have an intact TRS or ORP account.*

* An intact TRS account is one that has not been with-drawn. An intact ORP account is a 403(b) account containing funds that can be tied to your Texas ORP account. The 403(b) account must meet the vendor's minimum balance requirement. An IRA is not a 403(b) account. Transferring funds after retirement to other types of investments or types of funds such as an IRA or receiving a lump- sum distribution will not affect your eligibility to continue receiving insurance benefits as a retiree.

How are my A&M System insurance benefits impacted?

In general, your health coverage will be the same as that provided to employees, and you may cover yourself and eligible dependents. Details for all coverages are disclosed in [A Look Ahead: A Guide to Retiring from the A&M System](#).

What happens to my dependent's coverage in the event of my death?

If a retiree predeceases his or her insured eligible dependents, the surviving spouse will be permitted to continue A&M System sponsored medical, dental and/or vision coverage indefinitely and eligible dependents may continue coverage subject to the age maximum, provided that premiums are paid. However, the survivor will not be eligible for the employer contribution that the retiree receives toward the health insurance premium. Thus, the medical premium increases significantly.

What if I want to change my A&M System insurance benefits?

You may make changes during any Open Enrollment period (each July) and the change will be effective September 1. Or, you may make changes within 60 days of a valid Change In Status. Common changes during retirement are dependents gaining/losing benefits due to a job change or Open Enrollment period, you or your spouse gaining or losing Medicare/Medicaid or marriage.

Am I required to enroll in Medicare?

You will need to enroll in Medicare if you are age 65 or older at time of retirement as Medicare will become your primary coverage the first of the month following your retirement date.

After your Initial Enrollment Period is over, you may have a chance to sign up for Medicare during a Special Enrollment Period. If you didn't sign up for Part B (or Part A if you have to buy it) when you were first eligible because you're covered under a group health plan based on current employment (your own, a spouse's, or a family member's (if you have a disability)), you can sign up for Part A and/or Part B:

- Anytime you're still covered by the group health plan
- During the 8-month period that begins the month after the employment ends or the coverage ends, whichever happens first. Usually, you don't pay a late enrollment penalty if you sign up during a Special Enrollment Period. This Special Enrollment Period doesn't apply to people who are eligible for Medicare based on End-Stage Renal Disease (ESRD). It also doesn't apply if you're still in your Initial Enrollment Period.

Please be aware that you and your spouse (if applicable) should enroll in Medicare Part A upon attaining age 65; however, each of you may delay enrollment in Medicare Part B since you continued working and were both enrolled in health coverage through your active employer. If that is the case, you will each need to enroll in Part B as Medicare will become primary the first of the month following your retirement date. The Benefits Office will provide you with Request for Employment Information forms confirming that each of you have had group health coverage through your active employer so you will not be penalized as a late enrollee for Medicare Part B. You will each need to submit this form to the Social Security Administration along with the Medicare Part B application. The suggested time frame for applying is about 2-3 months prior to your retirement date.

Will I have to pay an Income Related Monthly Adjustment Amount for my Medicare Part B and Medicare Part D?

Most people will pay the standard premium amount. If your modified adjusted gross income is above a certain amount, you may pay an Income Related Monthly Adjustment Amount (IRMAA). Medicare uses the modified adjusted gross income reported on your IRS tax return from 2 years ago. This is the most recent tax return information provided to Social Security by the IRS. Information regarding your Medicare costs is available at [Medicare.gov](https://www.medicare.gov). The Social Security Administration will notify you if you are subject to the IRMAA.

How do I determine if the A&M Care health plan or Medicare is my primary coverage?

If and when you or a dependent are eligible for Medicare (age 65 or 24 months after becoming eligible for Social Security if disabled), the A&M System's health coverage becomes secondary to Medicare coverage (meaning Medicare pays first), unless you work for the A&M System after retirement a certain number of hours and length of time during the year.

How do I pay my insurance premiums as a retiree?

Any out-of-pocket premium payment for your retiree insurance coverage will be collected by Texas A&M University System Benefits Administration Insurance Billing Office.

Teacher Retirement System participants can elect to have premiums deducted from their monthly TRS Annuity **OR** pay by bank draft. Optional Retirement Program participants can elect to pay by bank draft.

If you do not complete either the [TAMUS Deduction from TRS Annuity for Retiree Insurance Premiums](#) form or [Bank Draft Authorization for Group Insurance Payment Election](#), you will receive a paper bill each month and can make payment via check (SBA Insurance Billing Office will not be able to handle cash, credit/debit cards, or payment by phone).

What if I change banks or get a new account number?

If you change banks or have a change in your routing and/or account number, complete and submit a [Bank Draft Authorization for Group Insurance Payment Election](#). If you are a TRS participant and this impacts the deposit of your monthly annuity payment, you will need to submit a completed [TRS 278 - Direct Deposit Request Form](#) directly to TRS.

How do I request a Teacher Retirement System retirement packet and what is the time frame for receiving the packet?

The TRS "Request for Retirement Estimate or Packet" can be submitted:

- via paper form, [TRS 18 - Request for Estimate of Retirement Benefits Form](#);
- online at [MyTRS](#). If you have not already done so, click on [Register now](#) to set up your MyTRS User ID and password; or
- by calling TRS at 800-223-8778 to request the packet.

It takes up to 90 days to receive the packet once you have placed the order with TRS.

When can I expect to receive my first Teacher Retirement System annuity payment?

Your first annuity check will typically be two months after the last day of the month you retire. For example, if your retirement date is January 31, the Payroll Office confirms and processes final pay in February and forwards the TRS 7 on or before the 10th of the following month, in this case, March 10. TRS sends your first annuity check March 31. This check includes February 1 and March 1 back-payments. Please keep this process in mind when planning for the transition to retiree status. Example:

Official Retirement Date January 31
Payroll Final Processing February
TRS 7 Form sent to TRS March 10
First Annuity Check March 31

IMPORTANT: About 4-6 weeks following your retirement date, you will receive a letter from TRS stating your retirement has been processed, your monthly annuity payment and when payments will begin. A copy of this letter must be submitted before you can be set up to have your retiree insurance premiums deducted from your TRS annuity payment. In addition, **this letter is required for your insurance file in order for retiree insurance benefits to continue.**

I am a Teacher Retirement System participant. Am I subject to return to work restrictions?

Yes, a TRS participant who retires is subject to a full calendar month break prior to returning to work half-time or less. Refer to the TRS [Employment After Retirement](#) brochure for full details.

I am a Teacher Retirement System participant and am not eligible to retire. How can I apply for a refund of my TRS contributions?

In order to end TRS membership and withdraw your account, you must submit an [Application for Refund](#) form (TRS 6) to TRS. You may print a copy of this form from the TRS website. You will only receive your employee contributions. TRS requires that you acknowledge that you are forgoing (waiving) future retirement benefits if you have at least five years of service credit by taking a refund. The waiver is included as part of the refund application. Your account will be refunded after TRS receives all required, completed forms and termination of your employment is confirmed or the final deposit is received from your employer and posted to your account.

I am an Optional Retirement Program participant. Am I subject to return to work restrictions?

No, an ORP participant who retires may return to work without any restrictions regarding a break in service or percent effort.

I am an Optional Retirement Program participant. Am I required to make withdrawals from my ORP account?

You are not required to make withdrawals from your ORP account unless you are subject to required minimum distribution based on federal regulations.

I am an Optional Retirement Program participant and am not eligible to retire. How can I access my ORP account?

To gain access to your Optional Retirement Program account, you will need to complete an [ORP Notification of Change in Employment Status](#). After the form is forwarded to your vendor(s), you will be eligible to access the funds in your account.

What happens to my accrued vacation?

Upon termination or retirement, you have the option to allocate all or a portion of your lump-sum vacation pay for deposit in a 403(b) Tax-Deferred Account or a 457(b) TexaSaver Deferred Compensation Plan account (Social Security and Medicare taxes and applicable federal income tax withholding will be deducted). Deferrals are subject to the federal annual maximum contribution limits.

Are there additional retiree privileges or benefits? (Note: The following items are most applicable to retirees located in the Bryan/College Station area).

Retiree Identification Card: Review [instructions](#) and coordinate with your HR Contact regarding submission of The Aggie Card Office Faculty/Staff/Retiree I.D. online form.

Campus Parking: Transportation Services may be contacted at (979) 845-9700 for information pertaining to your retiree parking privileges. You must present a retiree ID card and you may be entitled to a refund of some employee parking fees if you are retiring mid-year and you have paid in advance. *Note: A working retiree will be required to pay for a regular parking pass during the time they are in a working retiree status.*

Library Privileges: Retirees may present their retiree ID card at the circulation desk of Evans Library and Annex, West Campus, Policy Sciences & Economics and/or the Medical Sciences Library for continuation of library privileges. [Contact numbers](#) for each library information desk are available online.

Recreational Activities: Retirees may purchase and participate in recreational activities through [Rec Sports](#) on the same basis as active faculty or staff members. For more information, call (979) 845-7826. *Note: Football Ticket Purchase Priority is unaffected by retirement.*

What is the difference between retiring and resigning?

Eligibility for the A&M System retiree insurance benefits drives the terminology of 'retirement'. If you are not eligible for the retiree insurance, you will be resigning, rather than retiring. This means that your separation will be handled the same as any other employee who is terminating employment.