



Madison Metropolitan School District

Annual Retirement Seminar

December 10, 2024

December 11, 2024 &

December 16, 2024





PEOPLE

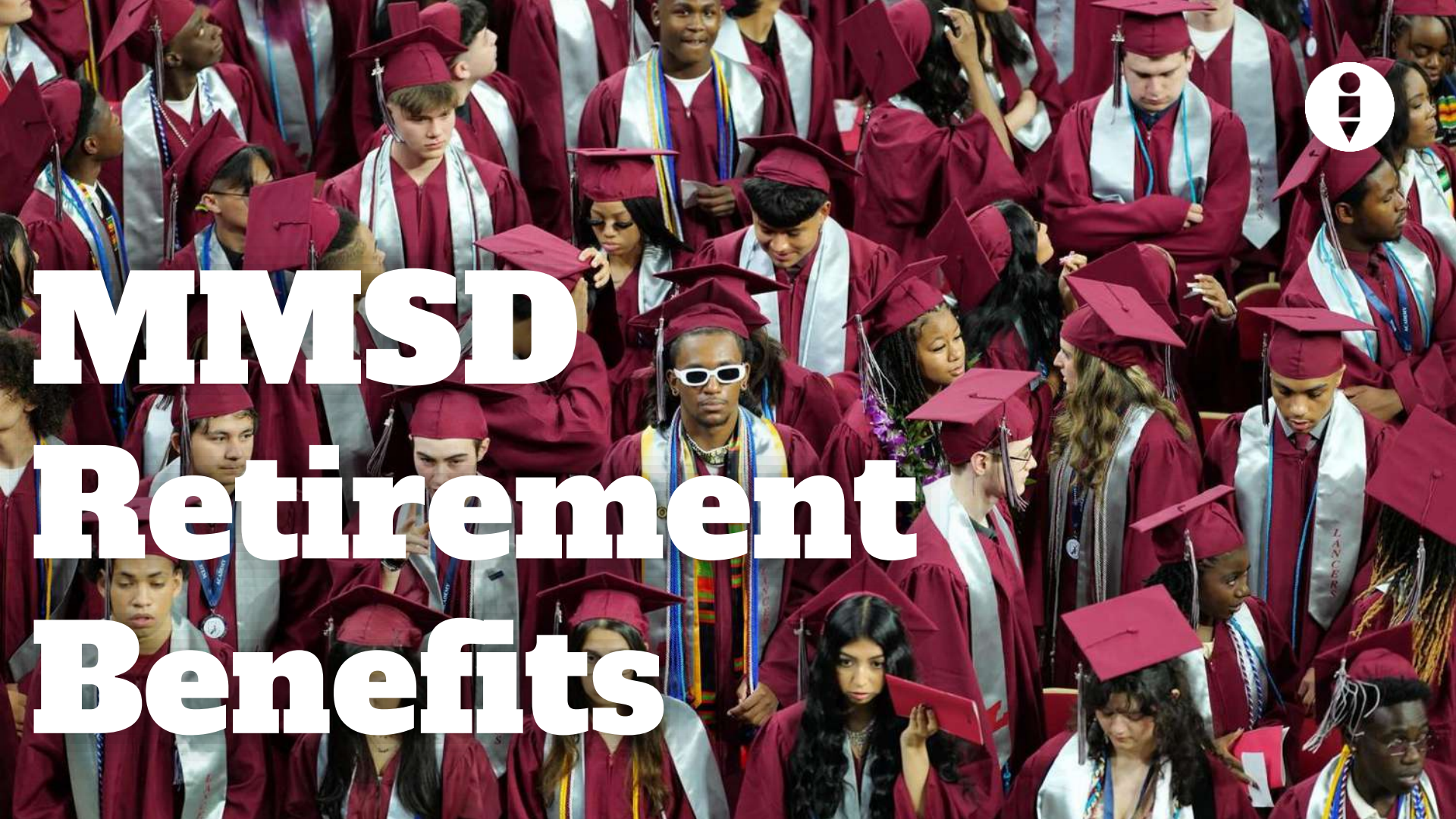


PURPOSE



PRIDE





MIMSD Retirement Benefits



It is just me



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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

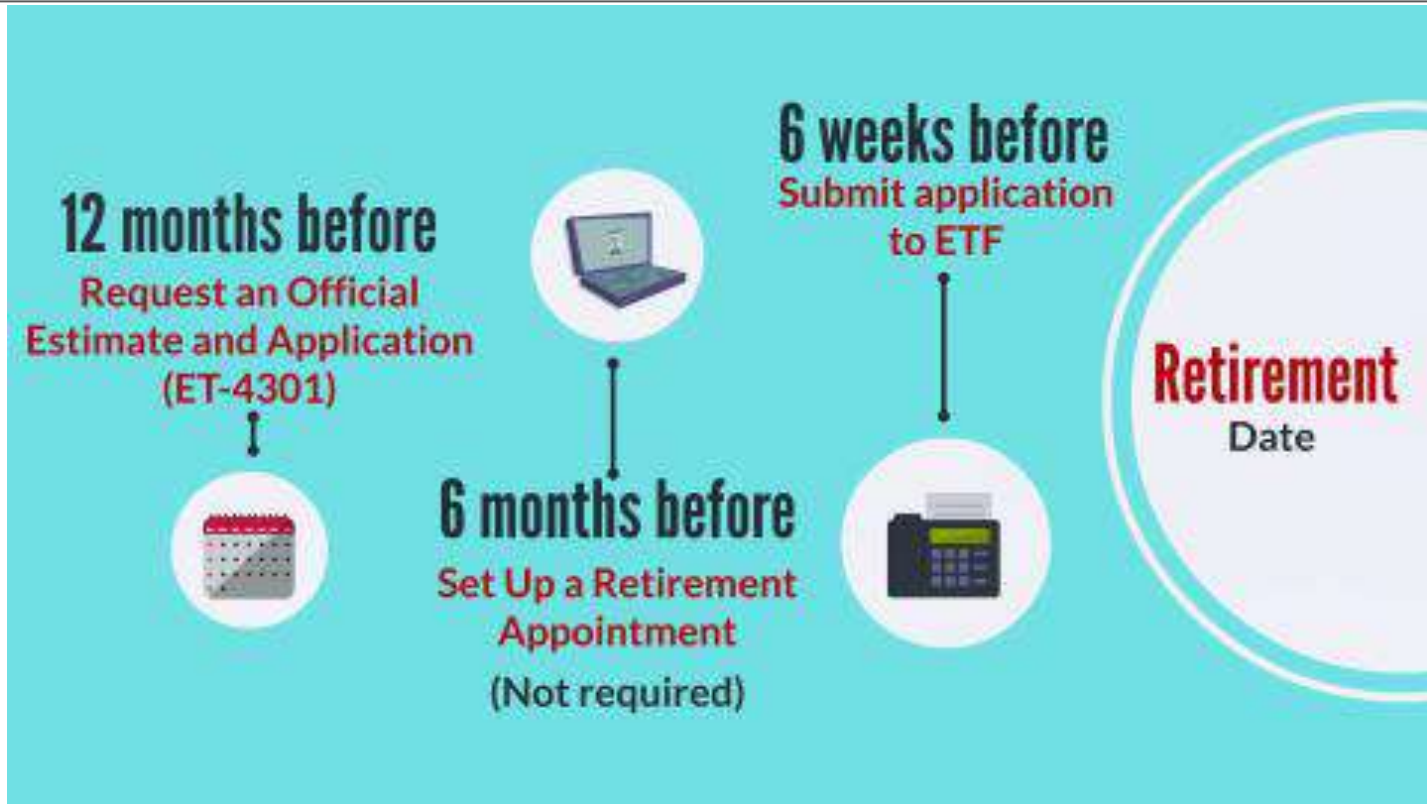


2 weeks to 4 months before retirement

- [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

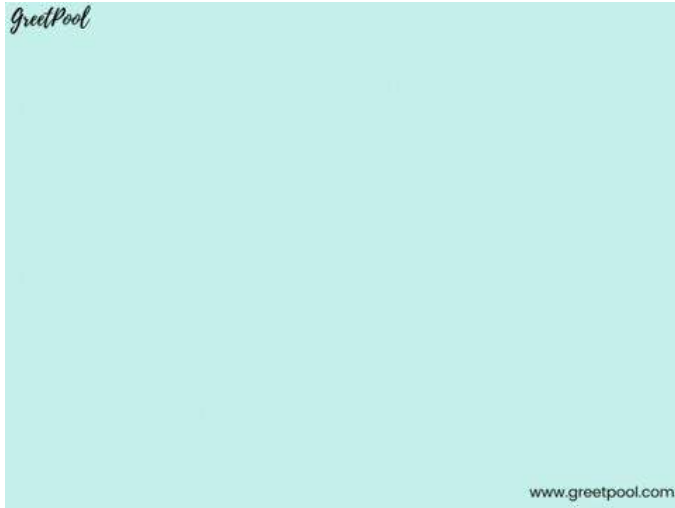
Security

- 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
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
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%
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
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



2024-2025

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 MMSSD
- 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](#)

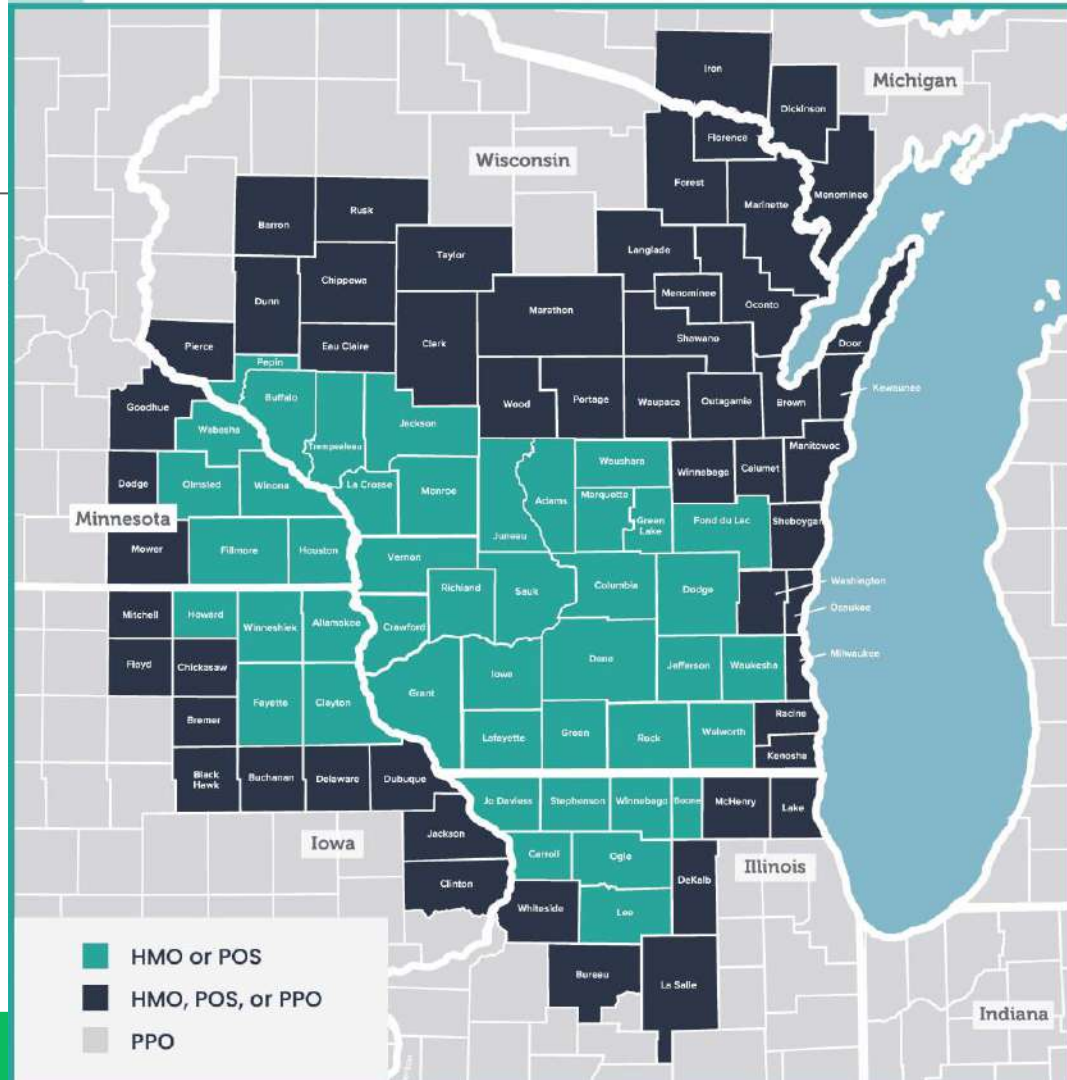
[Dean](#)

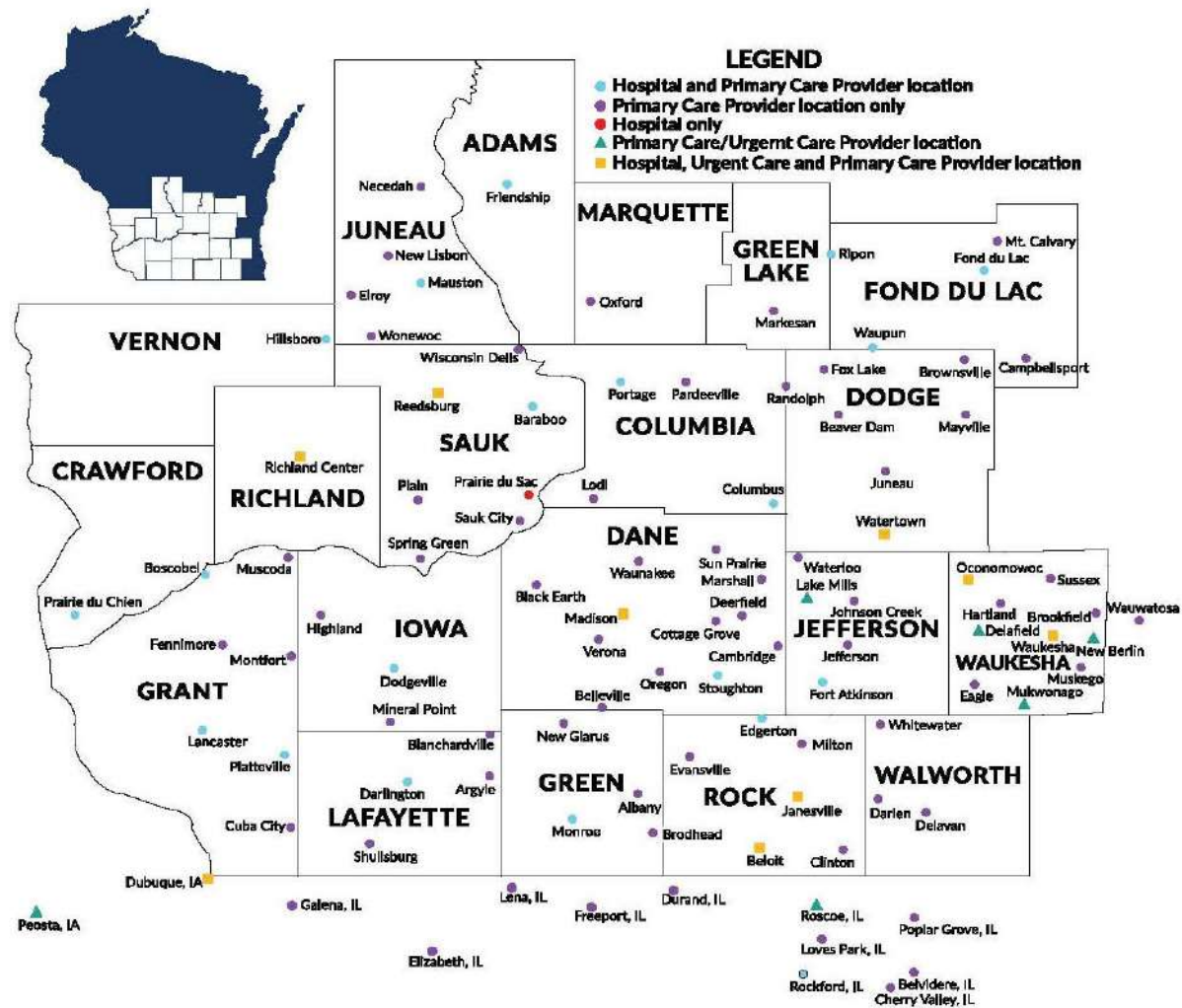
- Dependents who turn 26 may stay on MMSD group plans until December 31 of that year.
- You and your spouse may stay on the group plans until you are Medicare-eligible
- Confused about HMO vs. POS vs. PPO? View these flyers.

[Quartz Plan Comparison](#)

[Dean Plan Comparison](#)

2024-2025





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?



10:00

A serene landscape photograph of a beach at sunset or sunrise. The sky is a mix of soft pinks, purples, and oranges, with scattered clouds. The ocean is visible in the middle ground, with gentle waves washing onto the shore. The foreground shows the wet sand of the beach, reflecting the warm colors of the sky. Overlaid in the center of the image is the time '10:00' in a large, white, minimalist sans-serif font. A thin white horizontal line is visible at the very bottom of the frame, likely a UI element from a mobile device.



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?

