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# Planning for your UNM Retirement

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BENEFITS OFFERED TO UNM RETIREES

MODULE 2 OF 3

*UNM Benefits Department, Division of Human Resources*

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# Purpose

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Overview of the benefits offered to retirees under the New Mexico Educational Retirement Board (NMERB) and the Alternative Retirement Plan (ARP).

At the conclusion of this presentation, Module 2 of a 3 part series, you will be provided with additional contact and resource information.

# Course Objectives

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- Review UNM policy and procedures related to obtaining Post-Retirement benefits
- Provide information about continuation and termination of benefits
- Provide an overview of additional benefits offered at retirement

# Disclaimer

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The information provided in this presentation is a summary of your UNM retiree benefits and is not intended to take the place of or change official Plan Documents or policies in any way. In the event of any discrepancy between the information in this presentation and official Plan Documents, the Plan Documents will prevail.

As a UNM employee, *regardless of your leave status or your active working status*, it is your responsibility to read and become familiar with the more detailed Plan Documents that govern UNM's benefit plans, as well as UNM University Administrative Policies (UAP) relating to your benefits and retirement, including but not exclusive to Policies 3600 and 3625.

<http://policy.unm.edu/university-policies/3000/>

Benefit Plan Documents and UAP policies may be viewed during normal business hours at the HR Service Center or may be accessed via UNM Human Resources website at <https://hr.unm.edu>

UNM reserves the right to modify, change, or discontinue any benefit provided to employees or retirees at any time and at its sole discretion, by appropriate action of the Board of Regents or other persons designated by the Board of Regents.

# Terms

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- **Voluntary Employee Beneficiary Association (VEBA)** The VEBA is a trust established to fund certain health benefits for UNM retirees. For more details, see <https://hr.unm.edu/retiree/benefits/veba>.
- **New Mexico Educational Retirement Board (NMERB)** – The New Mexico Educational Retirement Board is the statutory state entity responsible for administering the New Mexico Educational Retirement Act (ERA) to qualifying institutions in the State of New Mexico.
- **Alternative Retirement Plan (ARP) Provider** – An authorized provider of the Alternative Retirement Plan, a defined contribution plan. Current providers for this plan are TIAA and FIDELITY INVESTMENTS. A former provider is VALIC.
- **Confirmation of Benefits letter** – A letter mailed to UNM retirees by UNM Benefits Department, confirming UNM retiree benefits such as medical, dental, life insurance, or long term care insurance.
- **Elected benefits** – UNM medical, dental, or life insurance benefits that an *eligible* UNM retiree chooses to continue into retirement. Existing long term care insurance may also be continued directly with the carrier within 90 days of retirement.
- **COBRA Benefits** – Department of Labor requires UNM to offer continuation of existing employee medical, dental, vision and/or Health FSA coverage. (To avoid double coverage issues, retirees enrolled in post-retirement medical and/or dental coverage should not apply for COBRA.)

# Voluntary Employee Beneficiary Association (VEBA)

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*Effective July 1, 2013, UNM “Benefits-Eligible” employees hired before July 1, 2015 must continuously contribute to VEBA in order to access UNM “Post-Retirement” benefits:*

- Employees accumulate service credits as they participate in the plan each year via payroll deduction.
- The amount of service credits in the VEBA fund for the employee dictates the level of UNM’s premium contribution for post-retirement benefits.
- If an employee Opts-out of VEBA, they forfeit their right to post-retirement benefits (see Policy 3600 for opt-in eligibility).
- An employee must elect desired benefits at retirement and maintain benefits continuously in retirement to remain eligible for UNM’s premium contribution.
- For more information, see Policy 3600, linked on Contacts & Resources slide.

# UNM Retiree Benefits Overview



# UNM Post-Retirement Benefits Policy 3600, Section 3.6

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**“Benefits-Eligible” Employees hired on or after 7/1/2015, employees who have opted out, and/or who are ineligible for VEBA:**

Eligible faculty and staff retiring from UNM may elect post-retirement medical and/or dental coverage prior to retirement. To be eligible for these benefits, the criteria below must be met and process below should be followed prior to retirement:

- Eligible to retire and apply for retirement under NMERB or ARP retirement plan
- Contributed to VEBA for five continuous years prior to retirement (or be grandfathered and contribute up to retirement date).
- Elect retirement benefits at least 60 to 90 days prior to retirement and maintain continuous benefit coverage thereafter.
  - *If age 65+* on the retirement effective date, retiree is eligible to elect a UNM Medicare Plan and dental coverage.
  - *If age pre-65* on the retirement effective date, the retiree is eligible to elect UNM medical and/or dental coverage.

**Note 1:** Employees who are enrolled in life insurance and long term care insurance immediately prior to retirement may elect to continue coverage.

*It is important to understand the policy that governs access to UNM retiree benefits for UNM retirees. This policy may be updated and is subject to change.*

# UNM Benefits for other UNM Retirees

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**“Benefits-Eligible” Employees hired on or after 7/1/2015, employees who have opted out, and/or who are ineligible for VEBA:**

Eligible faculty and staff in these categories may elect to continue life insurance and/or long term care insurance into retirement, but not medical and dental insurance. To be eligible, these criteria must be met prior to the retirement effective date:

- Eligible to retire and apply for retirement under NMERB or ARP retirement plan.
- Enrolled in life insurance for one year prior to the retirement effective date to continue the life insurance benefit.
- Enrolled in long term care insurance immediately prior to retirement in order to qualify.

*It is important to understand the policy that governs access to UNM retiree benefits for UNM retirees. This policy may be updated and is subject to change.*

# Coverage for Dependents

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- Retiree must be enrolled in a benefit in order to enroll a spouse, qualified domestic partner or other dependent in that coverage
- Covered spouses/dependents of Benefits-Eligible employees participating in VEBA may continue to be covered by “Post-Retirement” medical and dental benefits, and UNM will contribute a portion of the benefit premiums according to the retiree’s age (pre-65 or 65+).
- Eligible non-covered spouses/dependents *can be added* to “Post-Retirement” medical and dental coverage upon retirement, during annual Open Enrollment, or due to a Qualifying Life Event (spouse’s change in or loss of coverage, marriage, divorce, domestic partnership, etc).
- Spouse or qualified domestic partner can be eligible for a different health care plan than the retiree (aka “Split Plan”) ONLY if one of the two is younger than age 65 and the other is age 65 or older. **Example:** Retiree is 65+ and spouse is pre-65. Retiree will enroll in a UNM Medicare plan. Spouse will enroll in a pre-65 UNM medical plan. Both can enroll in the same UNM dental plan option, at the 65+ dental rates.
- Age 65+ employees and dependents may remain on active employee plan coverage until employee retires.

# Benefits Available at Retirement to “Qualified UNM Retirees

Access to Elect or Continue Existing:	Qualified VEBA Participant	Not a VEBA Participant
UNM Post-Retirement Medical and Dental Benefits	✓	
UNM Life Insurance (if enrolled for 1 year, at a modified amount)	✓	✓
UNM Long Term Care Insurance (if enrolled prior to retirement)	✓	✓
Tuition Remission (Limited for Spouse/Domestic Partner)	✓	✓
Continue Existing Dependent Education Scholarship	✓	✓
UNM Discount (Popejoy, Lobo Athletic Tickets, LoboPerks, etc)	✓	✓
Employee Assistance Services (CARS, EOD, EHP, EOHS, and Speech and Hearing Center)	✓	✓
UNM Facilities (Computer Access, Golf Course, Library Services, Museum Stores, Recreational Services and Facilities, UNM Childcare, UNM Parking Discounts)	✓	✓

**Please Note:** *UNM reserves the right to modify, change, or discontinue any benefit provided to employees or retirees at any time and at its sole discretion.*

# Benefits Terminating at Retirement

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The following benefits will terminate at Retirement:

- Vision Service Plan(VSP) \*
- Flexible Spending Account (FSA) \*
- Accidental Death and Dismemberment (AD&D)
- Long-term and Short-term Disability
- Spousal and Child Life Insurance

*\*Continuation of coverage can be extended through COBRA for a period of up to 18 months.*

**Please Note:** *Continuation of Life Insurance and Long Term Care Insurance is not automatic. Retirees must elect to continue Life Insurance prior to retirement or benefits will be terminated. Retirees must submit a Long Term Care insurance conversion form directly to the carrier to continue coverage.*

# Pre-65 Retiree Benefits

# Pre-65 Retiree Benefits Overview

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The type of benefits available will depend upon the retiree's age and age of any enrolled dependents at the time of retirement.

- Pre-65 Benefits-Eligible retirees participating in VEBA and their covered dependents below age 65 remain on the same medical and dental coverage as an active employee.
- Pre-65 Medical and Dental Plan information is available on the HR website under Retirees/Retiree Benefits/Pre-65 Retirees. Click on Medical Insurance or Dental Insurance at <https://hr.unm.edu/retiree/benefits>
- % of UNM's premium contribution is based on the VEBA Pre-65 Premium Contribution Rate Schedule, available on the HR Website under Retirees/Retiree Benefits/Pre-65 Retirees/Contribution Rate at <https://hr.unm.edu/retiree/benefits/pre-65-contribution-rate>

# Pre-65 Retiree Medical Plans

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- Presbyterian Health Plan
- UNM Health Plan
- Blue Cross Blue Shield

*Same health plans available to active employees, but at different rates.*

For Pre-65 Medical Rates, see the HR Website under Retirees/Retiree Benefits/Pre-65 Retirees/Medical Insurance. Click on Pre-65 Medical Rates or visit: <https://hr.unm.edu/docs/benefits/pre-65-retiree-monthly-medical-rates-2016-2017.pdf>.

For more about Pre-65 Medical Plans, see the HR Website under Retirees/Retiree Benefits/Pre-65 Retirees/Medical Insurance. Scroll down and click on [medical insurance page](#) at <https://hr.unm.edu/benefits/medical>.



# Pre-65 Retiree Dental Plans

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- Delta Dental PPO (lower premium option)
- Delta Dental Premier (higher premium option)

*Same dental plans available to active employees, but at different rates.*

For Pre-65 Dental Rates, see the HR Website under Retirees/Retiree Benefits/Pre-65 Retirees/Dental Insurance. Click on Dental Rates or visit: <https://hr.unm.edu/docs/benefits/pre-65-retiree-monthly-dental-rates-2016-2017.pdf>

# Pre-65 Life Insurance

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*Life insurance coverage in retirement is based on retiree's age, the level of coverage elected at retirement, and the maximum amounts allowed under the Group Term Life policy with the Pre-65 life insurance carrier (The Standard).*

- Life insurance can be continued into retirement whether an employee is participating in VEBA or not.
- Coverage is based on salary and *life Tier* at retirement, not to exceed 3X salary. (Review group life policy for age-based reductions)
- Should elect to continue life insurance coverage on the UNM Benefit Election form 60 to 90 days prior to retirement effective date.
- Coverage not continued upon retirement will be terminated.
- If not enrolled prior to retirement, employee must work directly with the Life Insurance provider for application and approval. (Underwriting approval may be required)

# Pre-65 Long Term Care Insurance

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The cost of long term care insurance coverage in retirement is based on the later of retiree's age on the effective date of your initial UNM-sponsored enrollment or your age on the effective date of provider-approved additional coverage (if applicable), the level of coverage elected at retirement, and the maximum amounts allowed under the Group Long Term policy with the Pre-65 insurance carrier (UNUM Provident).

- Long Term Care insurance can be continued into retirement whether or not an employee is participating in VEBA.
- Coverage is based on....
  - Election to continue existing long term care insurance coverage directly with the provider at retirement.
  - Coverage not continued upon retirement will be terminated.
  - If not enrolled prior to retirement, employee must work directly with the long term care insurance provider for application and approval. (*Underwriting may be required*)

# 65+ Retiree Benefits

# Age 65+ Retiree Medical Plans

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## In-Network Providers in New Mexico:

- **UNM** Presbyterian Medicare Advantage with Prescription Drug (MAPD) HMO-POS
  - a. Select Plan (Rx coverage gap, aka “Donut Hole”)
  - b. Premier Plan (no Rx coverage gap)
- **UNM** BCBS Medicare Advantage with Prescription Drug (MAPD) HMO
  - a. Plan II (Rx coverage gap, aka “Donut Hole”)
  - b. Plan I (no Rx coverage gap)

## In-Network Providers in New Mexico and Nationwide:

- **UNM** BlueCross BlueShield Medicare Advantage Plan with Prescription Drug (MAPD) PPO
- **UNM** AARP Medicare Supplement Plan “F” with MedicareRx Preferred Prescription Drug (These two UNM AARP plans *must* be purchased together)

For details on 65+ Medical Plans, view the Enrollment Guide on the HR Website under Retirees/Retiree Benefits/65+ Retirees/ Medical Insurance at

<https://hr.unm.edu/retiree/benefits/65-plus-enrollment>

# Age 65+ Retiree Dental Plans

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- Delta Dental PPO (aka “lower premium plan”)
- Delta Dental Premier (aka “higher premium plan”)

*Same dental plans as available to active employees, but at different rates.*

For details about Age 65+ Dental coverage rates, click on “65+ Medicare and Dental Insurance Plan Rates” on the HR Website under Retirees/Retiree Benefits/65+ Retirees at <https://hr.unm.edu/retiree/benefits/65-plus-enrollment>

# Age 65+ Medical and Dental Plans & Rates and Resources

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For details on Age 65+ Medical and Dental Plans, see *the Age 65+ Enrollment Guide* on the HR Website at Retirees/Retiree Benefits/Medical and Dental Plan Enrollment at <https://hr.unm.edu/retiree/benefits/65-plus-enrollment>

For details about Age 65+ Medical Insurance and Dental plan rates, click on “65+ Medicare and Dental Insurance Plan Rates” on the HR Website under Retirees/Retiree Benefits/Medical and Dental Plan Enrollment at <https://hr.unm.edu/retiree/benefits/65-plus-enrollment>

# Age 65+ Medical and Dental Benefits Overview

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*At the time of retirement, **action is required** by a benefits-eligible employee (if participating in VEBA) to enroll themselves and/or their dependents (if age 65+ at the time of the employee's retirement) in a UNM-sponsored Medicare and/or dental plan, in order to receive UNM's contribution toward premiums.*

- **Age 65+** employees must complete a UNM Benefit Election Form for age 65+ retirees and submit it (along with a copy of the NMERB Retirement Application Form or the ARP Distribution Form) to UNM Benefits.
- Within 7 business days, UNM Benefits will contact qualified VEBA participants who have completed a UNM Benefit Election Form and are Medicare-eligible, or who have Medicare-eligible covered dependents, and will provide general information about enrolling in Medicare Parts A & B.



# Age 65+ Medical and Dental Benefits Overview (cont.)

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- Upon request from retiree, UNM Benefits will assist retirees and/or Medicare-eligible dependents to complete a CMS “Request for Employment Information” form to avoid penalties for enrolling in Medicare Part B after age 65, due to working beyond this Medicare age deadline.
- Benefits-eligible employee participating in VEBA and/or Medicare-eligible dependents must submit a copy of their Medicare card showing BOTH parts A and B to enroll in a UNM-sponsored Medicare plan.

**Please Note:** [Module One](#) provides more details about the timeline and process for retirement, enrollment in Medicare, and enrolling in UNM Benefits.

# Age 65+ Medical and Dental Benefits Overview (cont.)

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- Age 65+ benefits-eligible retirees participating in VEBA, and their covered dependents age 65+, must elect to enroll in one of UNM's Medicare Advantage Plans *or* elect UNM's AARP Medicare Supplement Plan F and AARP MedicareRx plan (purchased together). See Slide 20 for which plans have providers only in New Mexico vs. nationwide.
- Age 65+ Medical and Dental Plan information is available [on the HR website](#)
- UNM's current 30% premium contribution is based on the [VEBA Premium Contribution Rate for 65+ Retirees](#)
- **Reminder:** Spouses, qualified domestic partners, or pre-65 dependents can be eligible for a different health care plan than the retiree ("Split Plan") ONLY if *either* the retiree *or* dependent is under age 65 and the other is age 65+.
  - **Example:** Retiree is 65+ and spouse is pre-65. Retiree will enroll in a UNM Medicare plan. Spouse will enroll in a pre-65 UNM medical plan. Both can enroll in the same UNM dental plan option, at the 65+ dental rates.

# Pre-65 vs 65+ Retiree Life Insurance

*Life insurance coverage changes at age 65 for retired employees. The life insurance benefit available in retirement is based on a retiree's age, the level of coverage elected at retirement, and the maximum amounts allowed under the Group Term Life policy provided by the insurance carrier for Age 65+ retirees.*

<b>Term Life Insurance Coverage Level</b>	<b>Pre-65 Coverage Amounts</b>	<b>65+ Coverage Amounts</b>
Basic Life (Minimum)	1x Annual Salary (at retirement, up to plan max)	<b>\$4,000</b>
Basic Life + Additional Life Tier 1	1x Annual Salary (up to plan max) + 1x Annual Salary	<b>\$6,000</b>
Basic Life + Additional Life Tier 2	1x Annual Salary (up to plan max) + 2x Annual Salary	<b>\$10,000</b>
Basic Life + Additional Life Tier 3 (Maximum)	1x Annual Salary (up to plan max) + 3x Annual Salary	

# Other UNM Retiree Benefits

# Long Term Care Insurance

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*If, at the time of retirement, the UNM employee is participating in UNM Long Term Care benefits, the employee may elect to continue the benefits by paying the premium costs directly to the Long-Term Care Insurance provider:*

- Up to three or six years toward expenses of care in a Long-Term Care facility or for in-home care. Level of coverage available depends upon the existing amount of benefit in force at the time of retirement.
- UNM Benefits will mail Long-Term Care continuation paperwork to the employee along with a Confirmation of Benefits Letter the first week of retirement.
- Retiree must complete and mail forms to the UNM group Long-Term Care Insurance provider within 90 days of separation.

# Retiree Education Benefits

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## Tuition Remission

### Covers the cost of tuition for:

- Unlimited retiree undergraduate, graduate, and professional academic credit courses, subject to course space availability.
- Unlimited retiree professional development courses from the UNM Division of Continuing Education or University departments.
- Retiree tuition for New Mexico State University for up to a maximum of six (6) credit hours each fall or spring semester, and three (3) during the summer semester.
- Retiree spouse or domestic partner is eligible for up to four (4) credit hours of academic credit each semester.

**Note:** Retirees will receive a 1099 for tuition remission, as required by the Internal Revenue Service (IRS), for the applicable tax year.

For more information, [see University Policy 3700.](#)

# Retiree Education Benefits (cont.)

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## Tuition Remission (cont.)

### Health, Fitness, and Personal Enrichment Courses

- Retirees are eligible for up to three (3) credit hours per calendar year for health, fitness, and personal enrichment courses.
- Level of benefit for Continuing Education Courses is based on the type of course elected (personal enrichment, non credit, etc.).

### Dependent Education Scholarship

- Retirees are *not* eligible for the Dependent Education Scholarship. However, if an employee retires and has a dependent currently in the Dependent Education Scholarship program, that dependent may continue in the program until there is either a break in semesters, the dependent obtains an undergraduate degree, or completes eight (8) semesters in the scholarship program.

**Note:** Retirees will receive a 1099 for tuition remission, as required by the Internal Revenue Service (IRS), for the applicable tax year.

For more information, [see University Policy 3700.](#)

# The UNM Lobo Card

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- Retirees can obtain a Retiree Lobo Card to access many UNM retiree benefits, such as parking, discounts, continuing education, etc.
- During Separation Check-out with HR Service Center, an employee can request a Retiree Lobo Card approval form.
- Employee will submit their old Lobo Card with Retiree Lobo Card approval form to the Lobo Card Office in the lower level of the UNM Student Union Building (SUB).
- The Lobo Card Office issues the Retiree Lobo Card.
- Retirees who worked at a campus other than Main must contact their campus to obtain a Retiree Lobo Card.



# Additional UNM Retiree Benefits

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Must present UNM Lobo Retiree Card to access these UNM Retiree discounts:

- Popejoy, Lobo athletic tickets, community discounts (LoboPerks), UNM Parking
- UNM facilities (Computer Access, Golf Course, Library Services, Museum Stores, Recreational Services and Facilities, UNM Childcare, UNM Parking)
- Employee Assistance Services (CARS, EOD, EHP, EOHS, and Speech and Hearing Center)

# Reminder

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- You have completed Module 2 of a three-part online UNM Retirement Overview series
- To learn more about UNM Retirement, complete Modules 1 and 3

# Questions, Contacts, and Resources

## [University Administrative Policy 3600](#)

Eligibility for Employee, Retiree, and Dependent Benefit Plans

## [VEBA Post-Retirement Health Benefits](#)

UNM Benefits

505-277-6947(MyHR) or [visit the UNM website](#)

New Mexico Educational Retirement Board (NMERB)

[NMERB website](#)

Albuquerque, 505-888-1560

Santa Fe/Toll Free, 866-691-2345

## [Alternative Retirement Plan \(ARP\) Information](#)

## [Social Security Administration Website](#)

Toll Free, 800-772-1213

Thank You