



# **CITY OF RACINE EMPLOYEE'S RETIREMENT GUIDE**

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## CITY OF RACINE RETIREMENT PROCEDURE CHECKLIST

Begin the following steps at least six (6) months before anticipated retirement date;

- Check with the following providers to make sure you have the funds to cover expenses after retirement, and to determine timing of benefits;
  - Wisconsin Retirement System – (877) 533-5020
  - Social Security – (800) 772-1213
  - Deferred Compensation Plan
    - Nationwide – (414) 477-5299
    - RPA (The Standard) – (608) 531-0190
    - Wisconsin Deferred Compensation Program – (877) 533-5020
- Send your written notice of retirement to your supervisor and/or Administrative Manager specifying your retirement date. You must submit your retirement notice no later than two weeks prior to your last day of work. You can find an example of a retirement letter on the “Employee Resources” page at <https://www.cityofracine.org/Departments/Human-Resources/Employees-and-Retirees/Forms-and-Policies/>
- To be considered a retiree, you must apply for a retirement annuity within sixty (60) days of your last day paid. If Employees who retire prior to age 65 but not before age 55 or who become totally disabled and by retirement or disability are eligible for at least the minimum Wisconsin Retirement Fund and/or Social Security retirement or disability benefits, shall be allowed to participate in the City’s medical insurance plans until they become eligible for Medicare coverage.
- Ask your Supervisor or Administrative Manager to turn in an “Employee Separation Form” that can be found on CORI.
- You must turn in any City of Racine property (i.e. cell phone, laptop, keys, ID badge, etc.) no later than the last day you work. You will turn these materials into the Human Resources Department or your direct Supervisor or Administrative Manager.
- Contact the Benefits Coordinator at (262) 636-9474 to schedule an appointment to discuss conversion to benefits into retirement.
- If you have Casual Days, these must be used prior to your retirement. You must work your scheduled shifts two weeks prior to your retirement date. Employees who retire with a two week working notice or on disability shall be entitled to a sum equal to fifty percent (50%) of his/her daily wage for each of the first one hundred and forty (140) days of accumulated paid sick leave days to his/her credit (excluding members under contract with the Fire Union). Employees who retire under the Wisconsin Retirement Plan prior to December 31, or employees who are unable to work due to a disability, shall be entitled to any unused scheduled and earned vacation not taken during the calendar year of retirement or disability.

## **INSURANCE INFORMATION**

### **Health Insurance**

An employee who elects to retire and is at least 55 years of age and has the combination of age and full years of service totaling 75 may remain on the City's health plan and is required to pay the premium contribution in effect at the time of retirement. An employee retiring from the Police or Fire Union must be at least 50 years of age with twenty years or more of continuous service. An employee retiring from the Water or Wastewater Utility must be at least 55 years of age and have 25 years or more of continuous service. Retired employees will receive the same insurance benefits as active employees and will be subject to the same plan changes as active employees. Employees hired on or after January 1, 2007 will not be allowed to remain in the health plan upon reaching the age of Medicare eligibility. An employee hired into the Police Union on or after January 1, 2010 will not be allowed to remain in the health plan upon reaching the age of Medicare eligibility. An employee hired into the Water or Wastewater Utility on or after May 1, 2007 will not be allowed to remain in the health plan upon reaching the age of Medicare Eligibility.

Retirees are required to enroll in Medicare Part B and the City will continue to provide insurance and pay for Medicare Part B. Employees hired on or after January 1, 2007 are not eligible for Medicare Part B payments. Employees hired into the Police Union on or after January 1, 2010 are not eligible for Medicare Part B payments. Employees hired into the Water Utility or Wastewater Utility on or after May 1, 2007 are not eligible for Medicare Part B payments.

If an employee retires with a single health insurance policy, this retiree will not be allowed to add any spouse or children after retirement. An employee who retires with a family policy will be allowed to add a new spouse or children after retirement.

The following is a Preferred Provider Plan that is administered by United Healthcare;

The prescription coverage is through CVS Caremark, and all prescription costs that you pay will go towards the deductible. A quarterly invoice is mailed to retirees. You may use your deferred compensation account to pay for your health insurance premiums throughout retirement. Please contact your deferred compensation provider to speak with them about this process.

	In-Network	Out-of-Network
Individual Deductible	\$3,000	\$6,000
Family Deductible	\$6,000	\$12,000
Telemedicine Benefit	\$49 charge until deductible is met	N/A
Hospitalization	100% after deductible	80% after deductible
<b>Copay Status-after deductible is met</b>		
Emergency Room	\$200 copay after deductible (waived if admitted)	
Urgent Care	\$75 copay after deductible	80% after deductible
Office Visit Primary Care	\$30 copay after deductible	80% after deductible
Office Visit Specialist	\$60 copay after deductible	80% after deductible
Preventative	100% no deductible	80% after deductible
Prescription Drugs	<b>30 Day Supply</b>	<b>90 Day Supply</b>
Generic	\$10 copay after deductible	\$25.00 copay after deductible
Preferred Brand	\$35.00 copay after deductible	\$87.50 copay after deductible
Non-Preferred Brand	\$50.00 copay after deductible	\$125.00 copay after deductible
Specialty Medications	\$150 copay after deductible	N/A
Individual Out-of-Pocket Maximum	\$4,000	\$8,000
Family Out-of-Pocket Maximum	\$8,000	\$16,000
Coinsurance	100%	80%

## Dental Insurance

Dental Insurance ends at the end of the month you retire. If you are enrolled in the dental insurance coverage upon retirement, you will be offered dental insurance coverage through COBRA. The City will mail you a COBRA Notice.

## Vision Insurance

Vision Insurance ends at the end of the month you retire. If you are enrolled in the vision insurance coverage upon retirement, you will be offered vision insurance coverage through COBRA. The City will mail you a COBRA Notice.

## Life Insurance

The Life Insurance Policy is through Employee Trust Funds. The Basic Unit and each Additional Unit of life insurance is equal to your highest annual earnings throughout your employment at the City of Racine. The Unit amount stays the same starting at retirement, until the age of 65. The Basic Unit and Additional Unit premiums will be deducted out of your pension check. The City will reimburse you on a quarterly basis for the Basic Unit premium. Once you turn 65, the Additional Units of Life Insurance (if applicable) will automatically be

dropped from your policy, so you will be left with the Basic Unit of Life Insurance. At age 65, 66, and 67 the worth of that Basic Unit of Life Insurance will decrease by 25% each year. Example: If you have \$83,000 in coverage at retirement at age 62, this will stay the same until you turn age 65, where the coverage will be worth \$62,250 (decreasing by 25%). At age 66, the policy will be worth \$41,500 (50% of original value, dropping an additional 25%). At age 67, the policy will be worth \$20,750 (25% of original value, dropping an additional 25%). The original value of the Basic Unit of Life Insurance will drop 75% total by the age of 67. You will keep the remaining amount for the rest of life. Spouse and Dependent Units of Life Insurance will end at retirement unless you convert it to a whole life policy within 31 days.

### **AFLAC Policies**

You may be able to continue certain policies after retirement. Call AFLAC at (800) 992-3522 for more information.

## WISCONSIN RETIREMENT SYSTEM

You will need to place a call to the Wisconsin Retirement System, (877) 533-5020 to request a retirement packet. It often takes up to two months to receive this packet, which contains all of the necessary forms and estimated amounts for the various retirement annuity options. When you request this packet from WRS, you will need to provide them a projected date of retirement that is less than one year in the future. This is not a date that you will be held to – it is merely a date used for the computations.

Retirement paperwork must be returned to the Wisconsin Retirement System a minimum of 60 days prior to your effective retirement date in order to get the first check in a timely fashion. You cannot return the retirement package to WRS any earlier than 90 days before the effective retirement date.

The Wisconsin Retirement System uses two methods of computing your retirement benefits. The first method is a formula calculation that takes your highest three calendar years of pay times a factor times the number of years you have made contributions to WRS. The WRS uses one factor for service before 2000 and another factor for service in 2000 and later. The second method is a money purchase benefit calculation, which uses the total funds (contributions and earnings) that have been accumulated into your WRS account and your current age. You receive the larger of the two calculations. WRS has booklets available that describe the two calculations in detail. You can also visit the Employee Trust Funds website (<http://etf.wi.gov/>) and use calculators that compute estimated retirement payments.

You have the ability to purchase prior service that you may have forfeited earlier. You also have the opportunity to purchase certain other governmental service. Contact the Wisconsin Retirement System for a booklet and details.

If you have military service, you will need to provide the Wisconsin Retirement System with a copy of your DD214 at any time. WRS will keep it on file for the calculation when you retire. This service will not show up on any year-end statements showing years of service. It is only used when you retire and your retirement benefit is being calculated.

At the above ETF website, you can click on the “Retirement” tab and the “Applying for Retirement” section, and you will find a Retirement Planning Checklist and a WRS Retirement Benefits Calculator that you can use to help calculate what your benefits would look like today.

## **FREQUENTLY ASKED QUESTIONS**

### **What age do I have to be in order to retire?**

Aside from disability, you can retire at age 55 as long as age plus your years of service equal 75 years. An employee retiring from the Police or Fire Union must be at least 50 years of age with twenty years or more of continuous service. An employee retiring from the Water or Wastewater Utility must be at least 55 years of age and have 25 years or more of continuous service.

### **What happens with my Health Savings Account (H.S.A.) when I retire?**

If you are still covered by a High Deductible Health Plan, you are eligible to continue funding your HSA account. Most people begin Medicare at age 65 and are no longer eligible to fund their HSA account at that point; however, your HSA account can continue to be used for qualified medical expenses during retirement.

### **Will I receive an invoice for my health insurance premium?**

Yes, you will receive an invoice in the mail each quarter for your health insurance premium. The address to send the payment to will be listed on the invoice.



## PROVIDERS CONTACT SHEET

<b>PROVIDER NAME</b>	<b>CONTACT</b>	<b>PHONE NUMBER</b>	<b>EMAIL</b>	<b>WEBSITE</b>
AFLAC	Jenny Davies	(262) 308-7274	Jenny_davies@us.aflac.com	www.aflac.com
Human Resources	Main Line	(262) 636-9175	humanresources@cityofracine.org	www.cityofracine.org
CVS Caremark	Customer Service	(855) 559-5102	N/A	www.caremark.com
Employee Trust Funds (ETF)	Customer Service	(877) 533-5020	N/A	www.etf.wi.gov
MetLife Dental	Customer Service	(800) 438-6388	N/A	www.metlife.com/mybenefits
Nationwide	Michael Hawes	(414) 477-5299	Hawesm1@nationwide.com	www.nationwide.com
The Standard (RPA)	Dan Dodd	(608) 531-0190	ddodd@retirementplanadvisors.com	www.retirementplanadvisors.com
United Healthcare	Customer Service	(877) 769-7303	N/A	www.myuhc.com
Wisconsin Deferred Compensation Program	Customer Service	(877) 457-9327	wdcquestions@empower-retirement.com	www.wdc457.org
Wisconsin Retirement System (WRS)	Customer Service	(877) 533-5020	N/A	https://etf.wi.gov/retirement/wrs-retirement-benefit

## RETIREMENT RESOURCES

- Calculate your potential retirement benefits here;

<https://etf.wi.gov/resource/calculating-your-retirement-benefits>

- Apply for retirement through the Wisconsin Retirement System;

<https://etf.wi.gov/resource/applying-your-retirement-benefit>

- Update your Beneficiary Form directly through Employee Trust Funds;

<https://etf.wi.gov/resource/beneficiary-designation-alternate>

- You can still access Employee Self Service throughout your retirement! Visit;

<https://selfservice.racinenet.org/MSS>

\*If you need your login information, please contact Human Resources at (262) 636-9175.

- Social Security Administration

[www.ssa.gov](http://www.ssa.gov)

- Medicare Website

[www.medicare.gov](http://www.medicare.gov)

- City of Racine Health Insurance Information

<https://cityofracine.org/HR/HCChanges/Retiree/>