

ROCHESTER INSTITUTE OF TECHNOLOGY

Retirement Information

Eligibility for Retirement*

Age, years of service, and date of hire determines an employee's eligibility for retirement from RIT. The eligibility rules are as follows:

For employees hired prior to July 1, 1990:

- ◆ **Age:** At least 50
- ◆ **Service:** At least 5 years of full-time or 10 years of extended part-time service
- ◆ **Age plus Service:** At least 70 points

For employees hired on or after July 1, 1990 but before January 1, 1995:

- ◆ **Age:** At least 50
- ◆ **Service:** At least 10 years of full-time or 15 years of extended part-time service
- ◆ **Age plus Service:** At least 70 points

For employees hired on or after January 1, 1995:

- ◆ **Age:** At least 55
- ◆ **Service:** At least 10 years of full-time or 15 years of extended part-time service
- ◆ **Age plus Service:** At least 70 points

Retirement Plan

Retirement payments are made by TIAA-CREF and/or Fidelity. Employees should contact TIAA-CREF and/or Fidelity two to three months prior to retirement to request information and forms. TIAA-CREF's number is (800) 842-2776 (voice) and (800) 842-2755 (TTY); Fidelity's number is (800) 343-0860 (voice) and (888) 259-9743 (TTY). You can also check TIAA-CREF and/or Fidelity web sites as follows: <http://www.tiaa-cref.org> and <http://www.fidelity.com>.

Social Security

Your retirement age for Social Security depends on your year of birth as outlined below. Generally, the earliest age at which individuals can retire and collect reduced benefits is age 62

Year of Birth	Reduced Benefit at Age 62	Full Retirement Age
1937 and earlier	80.0%	65
1938	79.2%	65 and 2 months
1939	78.3%	65 and 4 months
1940	77.5%	65 and 6 months
1941	76.7%	65 and 8 months
1942	75.8%	65 and 10 months
1943-54	75.0%	66
1955	74.2%	66 and 2 months
1956	73.3%	66 and 4 months
1957	72.5%	66 and 6 months
1958	71.7%	66 and 8 months
1959	70.8%	66 and 10 months
1960 and later	70.0%	67

Employees who will be retiring on or after age 62 should contact Social Security two to three months prior to the retirement date to request information and any necessary forms. You can contact the

Social Security Administration at (800) 772-1213 (voice) and (800) 325-0778 (TTY). Regardless of your age and your retirement date, it is always a good idea to get a *Personal Earnings & Benefit Statement* from Social Security to verify the information they have in their records for you. You can call the phone number above or check their web page at <http://www.ssa.gov>.

Those who work past their Full Retirement Age (FRA) can work **and** collect Social Security benefits without a reduction in the benefit amount. Contact Social Security for more information.

Medicare

Medicare is a federal insurance program and is administered by the Centers for Medicare and Medicaid Services. Medicare is generally available at age 65 for those who are retired. Those who continue to work past age 65 can continue to be covered under the active employee plan. Medicare has two parts: 1) *Part A* (hospitalization), and 2) *Part B* (medical). There is no premium for the Part A coverage (you have paid for that coverage through your active employment as part of the FICA tax). There is a premium for the Part B coverage; this premium (generally \$96.40 per month in 2009; *a higher amount may be charged based on income*) is deducted from your Social Security check.

For more information about Medicare, contact the Social Security Administration at (800) 772-1213 (voice) and (800) 325-0778 (TTY); or, go to the Medicare web page at <http://www.medicare.gov>.

If You Retire Before You Are Eligible for Medicare (generally before age 65)

If you retire before you (and/or your spouse/partner) are eligible for Medicare (generally before age 65), you are eligible for the pre-Medicare plans that RIT offers active employees (some plans may not be available due to geographic restrictions).

Approximately three months prior to turning age 65, you should contact your local Social Security office and enroll in Medicare Part A (hospitalization) and Part B (medical). Please note that if you enroll late, you may have higher Part B premiums. You will also need to make a change at that time in your RIT coverage; the insurance carrier will send information directly to you about three months before you turn age 65. See the following section for details on your coverage once you become eligible for Medicare.

When You are Eligible for Medicare (generally after age 65)

When you (and/or your spouse/partner) are eligible for Medicare (generally the first of the month in which you attain age 65), you are eligible for the Medicare complementary plans that RIT offers to retirees and surviving spouses (some plans may not be available due to geographic restrictions). The benefits coverage under these plans may be different from the plan you have prior to becoming eligible for Medicare.

If you retire after you (and/or your spouse/partner) are eligible for Medicare, Medicare should have automatically enrolled you in Medicare Part A (hospitalization). Approximately three months prior to retirement, you should contact your local Social Security office and enroll in Medicare Part B (medical) effective the first of the month on or after your retirement date. Please note that if you enroll late, you may have higher Part B premiums. The Social Security Administration will require an RIT Human Resources representative to verify your coverage under an employer group plan so you can avoid paying late Part B premiums if your late enrollment is due to your working past your 65th birthday.

If you Retire When You OR Your Spouse is Eligible for Medicare But the Other is NOT

If either you **OR** your spouse is eligible for Medicare at retirement (one of you is under age 65 and the other is age 65 or older), the person who is not eligible for Medicare will participate in one of the

pre-Medicare plans and the one who is eligible for Medicare will be participate in one of the plans for Medicare eligible individuals as described below.

Medical Insurance Plans

A retiree's (and spouse's/partner's) eligibility for Medicare and whether they remain in the Rochester area determine the medical plans that are available.

Pre-Medicare Plans

The same plans that are available to active employees are currently available for pre-Medicare retirees and their pre-Medicare spouses/partners and/or children, under the same rules regarding geographic access as outlined below. These plans are provided by Excellus BlueCross BlueShield Rochester Region.

Point of Service (POS) Plans (if you live within the 31-county service area)

Blue Point2 POS A
 Blue Point2 POS B
 Blue Point2 POS B No Drug

Traditional Indemnity Plan (available in and outside Rochester area)

Blue Cross Blue Shield Comprehensive

Preferred Provider Organization (available only if you reside permanently outside the POS area)

Blue PPO

Medicare-Eligible Plans (Medicare primary)

When the retiree (and/or spouse/partner) is eligible for Medicare, the Medicare-eligible person will need to change plans because the Medicare plans are different than the pre-Medicare plans. There are Medicare rules regarding geographic access as outlined below:

Please note that the prescription drug coverage will be provided as part of the medical plan. The prescription drug coverage will be similar to your current coverage under RIT Rx, but it **WILL CHANGE**, based on the RIT Medicare medical plan you elect. **You will no longer have RIT Rx through Medco.** Refer to the document called Information on *Medical and Rx Plan Changes Due to Medicare Eligibility* for details.

HMOs (available only if you do not move permanently from the Rochester area)

Medicare Blue Choice
 Preferred Care Gold

Traditional Indemnity Plan (available in and outside Rochester area)

Blue Cross Blue Shield Comprehensive

Preferred Provider Organization (available only if you reside permanently outside the Rochester area)

Blue PPO

NOTE: Plan choices if you have two person coverage when one of you is eligible for Medicare and the other is not: the person who is not eligible for Medicare will participate in one of the pre-Medicare plans and the one who is eligible for Medicare will be participate in one of the plans for Medicare-eligible individuals. You need to participate in the same type of plan, as follows:

Pre-Medicare (Under 65) Person	Medicare Eligible (Over 65) Person
Blue Point2 POS A, B or B No Drug	Medicare Blue Choice or Preferred Care Gold
Blue PPO	Blue PPO
BCBS Comprehensive	BCBS Comprehensive

Medical Insurance Cost Sharing

The cost sharing rules for retiree medical insurance vary based on your age, your date of hire and when you retire. For those who meet the eligibility for retirement from RIT (see page 1), the cost sharing rules are as follows.

For employees hired before January 1, 2004 who are age 35 and over on January 1, 2008

The retiree contribution toward the medical insurance premium will change as the retiree's age changes, as follows (see page 1 for retirement eligibility):

- ◆ **Age 50 to 54:** Retiree pays 100% of the medical insurance premium
- ◆ **Age 55 to 64:** Retiree contributes toward the cost of the medical insurance premium as though he/she were an active employee
- ◆ **Age 65 and over:** Retiree contributes toward the cost of the medical insurance premium for the *Benchmark Plan* (defined annually; for 2008 it is Medicare Blue Choice and Preferred Care Gold inside Rochester and Blue PPO outside Rochester).

If the retiree chooses a plan that costs more than the *Benchmark Plan*, the retiree will pay the Benchmark Plan contribution as well as the difference between the Benchmark Plan and the plan the retiree elects.

The retiree is responsible for all out of pocket costs, including deductibles, co-insurance, co-payments, and the Medicare Part B premium.

Cost sharing when the spouse/partner is under age 65 and the retiree is over age 65: The total contribution amount will be based on two components: the contribution amount for the Medicare-eligible retiree under the Benchmark Plan rules plus the contribution amount for the pre-Medicare spouse/partner based on the pre-Medicare cost sharing rules (same amount active employees pay).

Cost sharing when the retiree is age 55 to 64 and the spouse is over age 65: The total contribution amount will be based on two components: the contribution amount for the Medicare-eligible spouse/partner under the Benchmark Plan rules plus the contribution amount for the pre-Medicare retiree based on the pre-Medicare cost sharing rules (same amount active employees pay).

Cost sharing when the retiree is under age 50 and the spouse/partner is over age 65: The contribution amount will be the sum of the total premium for the pre-Medicare plan for the retiree plus the total premium for the Medicare plan that the spouse/partner has. When the retiree attains age 55, the total contribution amount will be based on two components: the contribution amount for the Medicare-eligible spouse under the Benchmark Plan rules plus the contribution amount for the pre-Medicare retiree based on the pre-Medicare cost sharing rules (same amount active employees pay).

For employees hired on or after January 1, 2004 OR hired before January 1, 2004 AND under age 35 on January 1, 2008

The retiree participates in the Retiree Medical Account (RMA) and information on the RMA is provided separately. The cost sharing information described above is not applicable to these individuals.

Administration of Retiree Medical Insurance

RIT has retained the services of **Q&F Benefit Administration, Inc.** to administer benefit programs for retirees, surviving spouses and those receiving LTD benefits. Q&F sends an invoice to those

retirees who pay for their medical insurance coverage. Invoices are mailed on or about the 25th of each month for the next month's coverage and your payment would be due by the 15th of the month.

Checks should be made payable to RIT, but they should be sent directly to Q&F. The Q&F contact information is as follows:

Q&F Benefit Administration, Inc.

349 W. Commercial St.
Suite 2525
East Rochester, NY 14445-2402

Telephone: (585) 383-8520

Or, toll free: (800) 687-0578

Coverage Changes After Retirement

Access to coverage is one of the guiding principals for RIT's retiree medical benefits. This means that you can elect medical coverage at retirement or you can waive coverage at retirement. If you waive coverage at retirement, you will continue to be eligible for coverage under RIT's program in the future (when you can enroll, cancel, or change coverage is described below).

In addition, you can add eligible family members to your coverage after retirement. If they were your family members at the time of your retirement, the cost sharing for the coverage will be as described above. If, however, on or after January 1, 2005, you add a family member who was not your family member at the time of retirement (e.g., you were single when you retired and later married), you can add this new family member, but RIT will not subsidize the cost of the coverage. In other words, you would pay the full cost for the additional coverage.

When You Can Make Changes

Each fall, RIT holds its annual Open Enrollment for retirees when retirees can make changes in their medical insurance coverage. Changes include a change in the medical plan in which you participate (e.g., Blue Cross Blue Shield Comprehensive to Blue Point2 POS A) and a change in the level of coverage (e.g., change from individual coverage to two person coverage). You may also cancel coverage or enroll in coverage (if you did not elect coverage at retirement or canceled coverage at some time after retirement).

Generally, the Open Enrollment period is the only time when you can make a change unless you have a qualified family or employment status change during the year. A family or employment status change includes marriage, divorce, birth or adoption of a child, death of a spouse or dependent, or a change in employment (e.g., spouse gaining or losing employment). If you have one of these events and you want to elect, cancel or change the level of coverage, you must notify RIT's administrator, Q&F Benefit Administration, **within 31 days of the event**. Otherwise, you must wait until the next Open Enrollment for a January 1 effective date. Please remember that the event must be consistent with the change you want to make (e.g., changing from individual coverage to two person coverage is not consistent with a spouse gaining employment) and must be allowed under IRS rules. Also remember -- you cannot change insurance plans during the year (e.g., Blue Point2 POS B to Blue Point2 POS A) even if you have a change in family or employment status.

There are two exceptions to the qualified family or employment status change rules described above. If you move out of the POS service area permanently, you will need to change plans. Please notify RIT's administrator, Q&F Benefit Administration prior to your move so you can complete the necessary paperwork. In addition, if you (and/or your spouse/partner) are not eligible for Medicare at retirement, you will need to change plans when you become eligible for Medicare. This information is described in an earlier section of this document called *When You are Eligible for Medicare*.

Your Spouse/Partner's Medical Coverage

Your spouse is eligible for coverage in the same manner you are – that is, before Medicare eligibility, the RIT coverage would be your spouse's primary coverage, even if you are not eligible for

Medicare; and, after Medicare eligibility, Medicare would be your spouse's primary coverage, even if you are not

eligible for Medicare. The rules and process discussed above are the same for your spouse as they are for you.

Vision Care Coverage

If you are enrolled in the Vision Care Plan, you may continue this coverage into retirement. Retirees pay the full annual premium each fall during the open enrollment period for the upcoming calendar year. Therefore, in order to continue coverage into retirement, you will need to pre-pay the remaining contribution for the calendar year in which you retire. If you do not, your coverage will end the last day of the month in which you retire.

To continue coverage into retirement, you may

- Elect to have the remaining calendar year contributions deducted from your paycheck(s) prior to retirement on a pre-tax basis; OR
- Pay RIT by check (after-tax basis) for the remaining premium for the calendar year in which you retire.

If you would like to pre-pay your remaining contributions on a before-tax basis through payroll, simply complete the *Vision Care Plan Retiree Continuation Form* and return to your Benefits Assistant in Human Resources. Please note that you must complete and return this form at least a month ahead of your retirement date to ensure there is time to set up the extra contribution. If you miss the deadline, you can submit a check to pay the remaining amount.

Retirees elect the Vision Care coverage annually during the open enrollment period held each fall. Coverage does not automatically continue.

Dental Insurance

Coverage under the active employee plan ends the last day of the month in which the employee retires. Retirees may elect to continue the same dental coverage for up to 18 months under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) by paying the full cost plus a 2% administrative charge, as allowed under current law. There are no waiting periods for any services to be covered.

The monthly COBRA rates (including the 2% charge) for 2009 are as follows:

Individual	\$24.52
2 Person	\$57.53
Family	\$87.60

You may elect to continue at the same level of coverage you had as an active employee or a lower level of coverage. For example, if you had two person coverage while an employee, but you do not need dental insurance in retirement, but your spouse does, you can elect individual coverage for your spouse. Or, you can elect individual coverage for yourself and no coverage for your spouse (if he/she does not need coverage). You are not required to continue for the entire 18 months of COBRA. You may cancel the continuing coverage at any time.

Please Note: If you do not enroll in the COBRA dental coverage or if you cancel coverage before the 18 months of COBRA has ended, you cannot re-enroll in this plan at a future date.

At the end of the 18-month COBRA period, there are no other dental benefits available from RIT. We recommend you review the dental coverage available from AARP. You can check their website at www.aarp.org or call them at (888) 687-2277/v.

Beneflex

Beneflex (Health Care and Dependent Care Spending Account) participation ends at retirement. You may submit claims with dates of service up to your retirement date. Retirees may continue participation under the Health Care Spending Account for the remainder of the calendar year in which the retirement occurs under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) by paying the full cost plus a 2% administrative charge, as allowed under current law (this would allow the retiree to submit claims with dates of service after the retirement date to withdraw funds that had been contributed but not reimbursed).

Life Insurance

Life Insurance ends at retirement. Retirees have three options to continue this insurance and would pay any premium directly to the insurance company.

1. *Continue the term insurance under the portability feature.* You would be eligible to pay for the insurance at group rates which are usually lower than purchasing individual term insurance. Under New York State law this insurance ends at age 75. There is no cash value with term insurance. You may continue coverage in an amount up to the amount you currently have (Basic plus Supplemental). To illustrate the cost, below is the monthly cost for \$10,000 of coverage. (NOTE: billing is done on a quarterly, semi-annual or annual basis).

<u>Age</u>	<u>Non-Smoker</u>	<u>Smoker</u>
50-54	\$4.80	\$11.50
55-59	\$7.30	\$16.00
60-64	\$9.90	\$19.70
65-69	\$19.92	\$34.40
70-74	\$35.50	\$56.60

rates are subject to change by the insurance company

2. *Convert the term insurance to an individual whole life insurance policy.* This coverage can continue until your death and it does build cash value. The cost for whole life can vary, but would be quite a bit higher than the amounts shown in number 1 above.
3. *Continue the term insurance for one year, then convert the insurance to an individual whole life insurance policy.* This coverage can continue until your death and after the first year, it does build cash value. The cost for whole life can vary, but would be quite a bit higher than the amounts shown in number 1 above.

Disability and Workers Compensation Coverage

Disability and Workers Compensation coverage end at retirement.

Education Benefits

During retirement, tuition waivers (courses taken at RIT) continue in the same manner as when the employee was last actively working. Waivers for the retiree are automatic. Waivers for family members are processed after the retiree completes the *Tuition Waiver Form – Family Member Information*. As with active employees, this form must be completed once per academic year. Tuition Assistance, Tuition Scholarship, and Tuition Exchange end at retirement (if retirement occurs in the middle of the academic year in which a child is receiving Tuition Exchange, the Tuition Exchange will continue for the remainder of that academic year).

Vacation and Sick Time Accrual

Employees (staff and 12-month faculty) who retire will receive compensation for the unused portion of accrued vacation time as soon as administratively possible after the retirement date. Any unused sick time (non-exempts only) is not paid out (unless the individual retires on June 30). Grandfathered sick time is not paid out.

Length of Service Allowance

Employees who were full-time employees prior to July 1, 1975 are eligible for a Length of Service Allowance upon retirement from RIT. The Length of Service Allowance is a lump sum cash payment based on service through June 30, 1975, and the salary rate in effect on that date. For eligible employees, the Length of Service Allowance is calculated as follows:

- For employees with less than five (5) years of service on June 30, 1975, RIT will pay one-half of the monthly equivalent of the salary in effect June 30, 1975.
- For employees with at least five (5) years but less than 10 years of service on June 30, 1975, RIT will pay one month's equivalent of the salary in effect June 30, 1975.
- For employees with at least 10 years but less than 15 years of service on June 30, 1975, RIT will pay two times the monthly equivalent of the salary in effect June 30, 1975.
- For employees with at least 15 years but less than 25 years of service on June 30, 1975, RIT will pay three times the monthly equivalent of the salary in effect June 30, 1975.
- For employees with at 25 or more years of service on June 30, 1975, RIT will pay four times the monthly equivalent of the salary in effect June 30, 1975.

If there has been a break in regular service at RIT, the Length of Service Allowance will be based on actual service prior to June 30, 1975, not an adjusted service date.

Retiree ID Card

You may obtain a Retiree ID card at the Registrar's Office located on the first floor of the George Eastman Building.

Facilities and Services

By using your Retiree ID Card, you have access privileges to RIT facilities and services, such as the Student Life Center, Wallace Library, and Barnes & Noble @RIT (including the 10% discount on eligible items). You may also continue with your e-mail account provided you stay "connected" with RIT (e.g., attend the annual RITiree picnic and/or other RIT functions, volunteer, etc.). Please note that annually, from the first time your retiree e-mail account is activated, you will receive an e-mail from ITS confirming that you want to continue your RIT e-mail account. If you want to keep the account, simply follow the instructions in the e-mail.

Other Programs

As a retiree, you continue to be eligible for discounts under RARES, the Marsh @WorkSolutions program (auto/homeowner's insurance), Long Term Care Insurance. In addition, you continue to be eligible for the Group Legal Services Plan and the Vision Care Plan and can enroll during the annual Open Enrollment period.

The Osher Lifelong Learning Institute

The Osher Institute (formerly the Athenaeum) is an innovative educational program dedicated to the enrichment of adults over the age of fifty who believe learning is a lifelong process. Founded in 1987 as an affiliate of RIT, the Osher Institute is run for and by its members. People with broad interests and inquiring minds will find pleasure in extending their knowledge and broadening their understanding of the works around them.

Regular members may participate in any and all activities appropriate to their interests and personal schedule. Benefits include courses, social events, travel, tours, and field trips, and audiology services. The audiology services include hearing evaluation as well as hearing aid service and purchase at a reduced rate from RIT's National Technical Institute for the Deaf (NTID), September through mid-May. The audiology services, including discounts on hearing aids, are available only to those who purchase a regular Osher Institute membership. Those who purchase a trial membership are not eligible for those services.

The regular annual membership cost is currently \$265. There is a special Trial Membership for first-time members for only \$150 for one term (audiology services NOT included in trial membership).

For more details or to request a catalog, contact The Osher Institute directly ((585) 292-8989/v) or refer to their website (<http://www.rit.edu/osher>).

Questions

Check out the HR web page at <http://finweb.rit.edu/humanresources/benefits> for more details. For questions, send an e-mail message to the Benefits Electronic Receptionist at benefits@rit.edu; or, contact your benefits representative in the Human Resources Department based on the first letter of your last name as follows [TTY (585) 475-2420].

YOUR LAST NAME	CONTACT	TELEPHONE	E-MAIL ADDRESS
A-L	Valerie Liegey	(585) 475-5346	valpsn@rit.edu
M-Z	Brett Lagoe	(585) 475-5983	blpsn@rit.edu

* You may be ineligible for certain retiree benefits if your employment at RIT is terminated for cause (you would remain eligible for your retirement plan income). Refer to the eligibility section of the Medical Plan summary for details.

The information in this document is a summary of the benefits as they currently exist. If there is any confusion or conflict regarding plan features, the plan document/contract will be the final authority.

RIT reserves the right to change, modify, discontinue, or terminate benefits at any time for any reason.