



From: Human Resources Benefits Department

To: GC Retiring Employee

RE: A Personalized ORP Retirement Consultation Invitation

PRE-RETIREMENT PACKAGE

CONTACT HR BENEFITS FOR A CONSULTATION:

Prof Tech, Faculty and Admin employees:

By Phone: 409-944-1280

By Email: jlandry@gc.edu

In Person: M-203 Moody Building

Things you should do Before ORP Retirement Consultation

- Decide on your retirement date and provide a retirement letter to your supervisor, requesting that he/she prepare a Personnel Action Request (PAR).
- Make an appointment for a Retirement Consultation with HR Benefits at least a month before retirement
- Contact your ORP agent(s) to begin planning ORP distributions
- Confirm whether you are eligible for ERS retiree medical and related benefits by reviewing the requirements on the next page.
- **If you are retiring at or after age 65 and have not yet applied for Medicare Part B, you should do so immediately since there may be a month or more delay before the coverage is effective. You need it to be in place the first of the month of your retirement because ERS coverage will become secondary to Medicare Part B.**

Things you should do during ORP Retirement Consultation

- Discuss elections and complete **TRS/ORP/Direct Pay Retiree Initial Insurance Enrollment Form**, if eligible, for ERS retiree medical and related coverage

- HR Benefits will determine eligibility, help with elections and send enrollment to ERS
- Form is located at <http://www.ers.state.tx.us/Forms/GI-1183.pdf>
- Request Information regarding steps to access your ORP funds. Vesting letters no longer give blanket access to funds. You must specify exactly what action you are taking with regards to your funds *in writing* and supply the name of your provider if you are rolling over funds into an IRA. The information is required by new IRS regulations.
- Discuss Medicare and ERS retiree coverage interaction
- Discuss how ERS will bill you as a retiree
- Discuss vacation payout after retirement, if applicable
- Discuss Payflex if applicable and fact that card may not be used after term
- Discuss Dental coverage

Things to do after ORP Retirement Consultation

- Update your email address in ERS Online from office email to home if you have one and provide ERS with your new address, if applicable

Retirement with group insurance benefit

Under current law, when you enroll in health coverage as a retiree, the State pays health premium for *you only*. You also receive 50% of the cost of health coverage for your eligible dependents. You are responsible for paying the remaining cost of health coverage for your dependents and for other optional coverage's you may choose. If you elect the same retiree coverage's you have as an active employee, your monthly charges will remain unchanged until ERS changes rates or coverage's, typically each fiscal year.

If you wish to retire before age 65 and have 10 years of service but do not meet the Rule of 80, you will not be eligible for health insurance through the GBP until age 65. COBRA coverage would be available for 18 months fully at your cost. Interim insurance is also available from ERS, although the cost is quite high.

Here's the full text on Retiree Insurance Eligibility:

Link is: <http://www.ers.state.tx.us/Retirement/InsuranceEligibility.htm>

Eligibility for GBP Insurance at Retirement

You are eligible to enroll in the State's insurance program as a retiree if you fulfill **all five** of the following requirements:

1. Service Credit - General Requirement

You have at least 10 years of service credit in ERS, TRS, the Optional

Retirement Program (ORP), or any entity that participates in the state retirement program. You may also apply service credit from the Texas Municipal Retirement System (TMRS), the Texas County and District Retirement System (TCDRS), Judicial Retirement System Plans I & II, City of Austin Retirement System, El Paso Fireman & Policeman's Pension Fund or the El Paso City Employees' Pension Fund as part of your 10 years, if you are eligible for a [proportionate retirement](#) with these systems and ERS or TRS.

2. Service Credit - Group Benefits Program Participation Requirement

Of the required 10 years service credit in #1 above, employees hired after 8/31/01 must have 10 years of *actual service* in a GBP-participating agency or institution to qualify for retiree health insurance. Employees hired prior to 9/1/01 are grandfathered under the old rule, which required 10 years of service, but only three years of actual service with a GBP-participating agency.

There are two exceptions: If you are a former state employee who had 10 years of service with three or more years of state service with a GBP-participating agency on 8/31/01, you can qualify for retiree health insurance under the old rule. In addition, any member who has purchased five years of military service and also has five years of state service prior to 9/1/01 can qualify for retiree health insurance.

3. Age or Rule of 80 Requirement

You are at least age 65 or retire under the Rule of 80. If you do not retire under the Rule of 80 and are less than age 65 with at least 10 years service credit at the time of retirement, you will not be eligible for GBP health insurance until you reach age 65. For details, see [How Insurance Works for Retirees Less Than Age 65](#). If you retire under the CPO/CO program, you must meet the age and service requirements for retirement in the program from which you are eligible to receive a retirement annuity.

4. Employment Status I

You have terminated employment from all state agencies and institutions that participate in the state insurance program or are no longer eligible for the program as an employee.

5. Employment Status II

Your last place of public employment prior to retirement was with an

agency or institution participating in the State's insurance program. This is not required if you are eligible to receive an ERS retirement annuity.