

RETIREMENT

PLANNING GUIDE

HAVE QUESTIONS?

You can access additional retirement planning resources and information by contacting Stacy Saravo, Senior Benefits Administrator, Northeastern University Human Resources Management (HRM), at **617.373.5378** or **s.saravo@northeastern.edu**.

This guide is intended to summarize benefits and services for Northeastern University retirees, and while it has been carefully prepared, the Summary Plan Descriptions and Plan Documents will govern should there be any conflicts or ambiguity.

YOU'VE EARNED IT. MAKE SURE YOU'RE WELL PREPARED TO ENJOY IT.

The decision to retire marks an important milestone in your life. As you think about your future, you should ask yourself the following questions:

»»» When should I retire?

The answer to this question is different for everyone. Because your age at retirement will affect your eligibility for programs such as Medicare and Social Security, it's important to learn how your age will impact your ability to take advantage of different benefits. **See page 2 for more information.**

»»» What are my health and dental insurance options in retirement?

Your options—remaining on one of Northeastern's medical and/or dental plans, enrolling in a spouse's plan, or enrolling in Medicare and selecting a "supplemental" health insurance plan—largely depend upon your age at retirement and whether you need individual or family coverage. **Learn more about your options on pages 2–7.**

»»» What should I consider from a financial perspective?

It's important to understand what you need to do to manage your sources of income—so they can last as long as your retirement does. We encourage you to meet with Fidelity or TIAA to understand the required minimum distribution rule and its impact on your taxes. You'll also want to take into consideration other sources of income such as Social Security, any personal savings, and, if applicable, your spouse's income. **See pages 8–9 for more information.**

»»» Where can I get help navigating my retiree health insurance options?

You can access several independent resources, including the Massachusetts state program Serving the Health Insurance Needs of Everyone (SHINE). **Learn more about SHINE's services on page 10.**

»»» Which Northeastern benefits will I be able to access once I retire?

From full-tuition scholarships to free tickets, Northeastern provides a selection of benefits for qualified University retirees and their immediate families. **Learn more about retiree benefits on pages 11–12.**

Read on for answers to these questions and to learn more about your resources and options.

»»» Q: When should I retire?

Deciding when to retire is a deeply personal decision that's based on a number of factors, but at Northeastern, you may be able to retire with benefits as early as age 55. Read on to learn more about eligibility requirements, along with the difference between "early retirement" and "regular retirement."

ELIGIBILITY FOR RETIREMENT

If you're a faculty or staff member in good standing, you're eligible to retire from Northeastern once you are 55 or older and have at least 10 years of continuous benefits-eligible service immediately preceding your date of retirement (a three-month or shorter break in service is allowed).

Early retirement is for individuals who are 55 or older, but not yet 65. Regular retirement is for individuals who are 65 or older.

»»» Q: What are my health and dental insurance options in retirement?

At Northeastern, your health and dental benefit options in retirement are largely based on whether you take early or regular retirement.

EARLY RETIREE MEDICAL AND DENTAL INSURANCE BENEFITS

For retirees ages 55–64

Early retirees and, if applicable, their spouses, domestic partners, and eligible dependents are eligible to remain enrolled in one of Northeastern's medical or dental plans until the retiree attains age 65 (at that time, the options will change). Northeastern provides a fixed-dollar premium contribution equal to 50% of the cost of the Core Medical Plan, as long as both you and your spouse or domestic partner are under age 65 at the time of your retirement.

If you are currently covered under one of the University's group medical and/or dental plans, your coverage will automatically continue through the end of the month in which you retire. Northeastern's third-party administrator, which manages the retiree medical plan, will mail a coupon book to your home address so that you can continue coverage by paying your portion of the premiums. Once the administrator receives your first payment, your coverage will be reinstated.

If you do not wish to continue your coverage through Northeastern, please send a letter indicating your wishes to this address:

Senior Benefits Administrator, Human Resources Management
Northeastern University
716 Columbus Avenue, Suite 250
Boston, MA 02120

Open enrollment: Your once-a-year chance to make changes

If you’re enrolled in the University’s medical and/or dental plan(s), you will receive information from HRM/Benefits when you retire and from the third-party administrator each subsequent year during the open enrollment period held each fall. During open enrollment, you will have the opportunity to make changes to your coverage, which will take effect on January 1 of the following year. In order to make changes to your medical and/or dental coverage at any other time during the year, you must experience a qualifying event (such as marriage, birth, death, or divorce).

What happens when you turn 65

Approximately three months prior to your 65th birthday, you will receive a letter from the third-party administrator outlining your coverage options as of the first day of the month in which you turn 65. Once you turn 65, unless you are still employed in a benefits-eligible position, you are no longer eligible for enrollment in Northeastern’s health and dental plans. Please review “For retirees age 65 and older” on the next page.

Spousal / domestic partner benefits

If you have a spouse or partner who is younger than 65 when you retire

If your spouse or domestic partner is under 65 when you retire, he or she may remain on Northeastern’s medical and/or dental plan(s) until age 65. If you and your spouse are both under 65 at the time you retire, your family rate will be 50% of the total family premium.

If you turn 65 before your spouse or domestic partner, he or she may remain on Northeastern’s medical and/or dental plan(s) until age 65; the cost is 100% of the total premium.

Approximately three months prior to your spouse or partner’s 65th birthday, he or she will receive a letter from the third-party administrator outlining coverage options available on the first day of the month in which she or he turns 65.

If you have a spouse or partner who is age 65 or older when you retire

If your spouse or domestic partner is 65 or older when you retire, he or she will no longer be eligible to participate in Northeastern’s medical and/or dental plan(s). Please review “For retirees age 65 and older” below.

Dependent children benefits

When you reach age 65 and enroll in Medicare, your dependent children may remain on Northeastern’s medical and/or dental plan(s) until age 26. Your cost is 100% of the total premium.

REGULAR RETIREE MEDICAL AND DENTAL INSURANCE BENEFITS

For retirees age 65 and older

If you retire at 65 or older, you will no longer be eligible to participate in one of Northeastern’s medical and/or dental plans. Instead, you may elect one of the following two options:

OPTION 1. Enroll in Medicare Parts A and B and/or a supplemental health plan

OPTION 2. Elect COBRA continuation

Helpful tip: The Social Security Administration defines retirement as no longer going to work. Therefore, the special enrollment period for Medicare Part B begins when you stop working, not when COBRA ends. If you elect COBRA medical insurance coverage and do not enroll in Medicare Part B, you will be required to wait until the general enrollment period to enroll in Part B. The general enrollment period is from January through March of each year, with Medicare Part B coverage becoming effective July 1 of that year. **In addition, you will also be assessed a 10% penalty for each year you were eligible to enroll but chose not to.** For more detailed information, please contact your local Social Security office. To find an office near you, call 1.800.772.1213 or visit the Social Security website at ssa.gov.

Option 1. Enroll in Medicare Parts A and B and/or a supplemental health plan

The Social Security Administration is responsible for enrolling retirees in Medicare health insurance. Part A is free if you or your spouse has worked and paid the Medicare payroll tax for at least 40 quarters (10 years) and you are at least 65 years old. Medicare is a two-part program covering approximately 80% of inpatient and outpatient services:

Part A (hospital insurance) is premium-free as long as you or your spouse has worked the required number of quarters.

Part B (medical insurance)—which includes doctors' services, preventive care, durable medical equipment, hospital outpatient services, laboratory tests, X-rays, mental health care, and some home health and ambulance services—carries a monthly premium per individual. This premium is either deducted from your monthly Social Security check or billed quarterly. It is not necessary to have Part B of Medicare until you retire, if you have health coverage through an employer.

To enroll in Medicare Parts A and B, be sure to contact Medicare approximately three months prior to the date you want coverage. Read on to learn about the three enrollment periods, as mandated by the Social Security Administration.

Medicare enrollment periods

» Initial enrollment period: age 65 and not actively at work

If you are not actively employed, you and your spouse or domestic partner must enroll in Medicare Parts A and B at age 65, if eligible. If you are already receiving early Social Security retirement payments, Medicare will be an automatic process. A Medicare card will be mailed to your home approximately three months before your 65th birthday. The coverage becomes effective on the first day of the month you turn 65, and premium payments are automatically deducted from your Social Security check. If you're not receiving early Social Security retirement payments, you will need to contact your local Social Security office to apply for full Medicare coverage three months prior to your 65th birthday in order to avoid penalties.

» Special enrollment period: age 65 and actively at work

If you are still working at or after age 65 and are covered by your or your spouse's employee-based health plan, you may stay on that health plan and are not required to apply for Medicare until you retire. A special enrollment period is set up for employees or spouses retiring and/or losing employer health coverage after age 65. It allows individuals to enroll in Medicare without a penalty; coverage begins the first month the individual is not working. The Social Security Administration recommends that you contact Social Security two to three months before you need coverage. At that time, documentation will be requested from the employer.

» General enrollment period

If you failed to enroll during either the initial or the special enrollment period, you'll need to enroll during the general enrollment period, which extends from January through March every year. Part B coverage then becomes effective July 1 of that year, with a 10% penalty for every year you chose not to enroll.

Helpful tip: Visit the Social Security Administration website at ssa.gov for the location and hours of your local Social Security office, as well as benefit estimates.

Consider Medicare Part D (prescription drug coverage)

- » You select a prescription drug plan and pay a monthly premium.
- » You pay the first \$250 toward your prescriptions (called a deductible).
- » Your prescription plan (including co-pays) will cover up to \$3,310 in prescriptions.
- » After the plan has paid \$3,310, it will pay approximately 50% of the full cost of prescriptions up to \$4,850 in out-of-pocket costs plus discounts.
- » Once you reach \$4,850 in out-of-pocket costs, Medicare will pay about 95% of prescription drug costs.
- » Medicare Part D is not required. To determine which Medicare D plan may be right for you, first itemize any prescriptions that you and/or your spouse require. This will help you determine how much of what you need is covered.

» You can learn more about or enroll in a Medicare supplemental health plan, such as Medex or Medicare HMO Blue, by contacting one of the following health plan representatives:

Blue Cross & Blue Shield Medex	1.800.258.2226
Harvard Pilgrim Health Care	1.877.909.4742
Tufts Health Plan Medicare Preferred	1.800.246.2400
AARP Health Care Options	1.800.523.5800

Helpful tip: Some Medicare supplemental health plans (such as Medex) may charge more if you do not enroll when you initially become eligible for Medicare Part B. Be sure to explore the applicable fee schedules as well as any restrictions or exclusions when you speak with your health plan representative.

Option 2. Elect COBRA continuation

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allows you to continue your current health and/or dental insurance coverage for up to 18 months once you separate from service or reach age 65. When you turn 65, you will receive a COBRA election form from our third-party administrator. To ensure uninterrupted medical and/or dental coverage, be sure to complete the election form and return it to Benefit Concepts as soon as possible. Please note that you will also be assessed a 10% penalty for each year you were eligible to enroll but chose not to.

»» **Q: What should I consider from a financial perspective?**

Preparing for a financially secure retirement takes careful planning. Along with Social Security, your Northeastern retirement plan account is likely to make up a portion of your income in retirement. Read on to learn how you can maximize this valuable benefit.

RETIREMENT PLAN ASSETS

Distributions and withdrawals

When you retire, you may choose to leave your retirement funds in your account for future use, or to withdraw or annuitize some or all of the funds.

To learn more about your options at retirement, we encourage you to arrange a one-on-one appointment with a counselor from TIAA and/or Fidelity Investments:

- » TIAA **1.800.732.8353**
- » Fidelity Investments **1.800.642.7131**

About required minimum distributions

It is important to note that you are not permitted to keep retirement funds in your account indefinitely. Generally speaking, you will be required to start taking required minimum distributions (RMDs) from your retirement account when you reach age 70½. The beginning date for your first RMD is April 1 after the later of two events:

- » You reach age 70½
- or
- » You retire

An RMD is the minimum amount you must withdraw from your retirement account each year. You can withdraw more than the minimum required amount, but remember: any withdrawals of pretax contributions and resultant earnings will be included in your taxable income.

Calculating your RMD

The required minimum distribution for any year is the account balance as of the end of the immediately preceding calendar year divided by a distribution period from the IRS's Uniform Lifetime Table. For each subsequent year, you must withdraw your RMD by December 31.

The first year following the year you reach age 70½, you will generally have two required distribution deadlines: an April 1 withdrawal (for the year you turn 70½), and an additional withdrawal by December 31 (for the year following the year you turn 70½). To avoid having both of these amounts included in your taxable income for the same year, you can make your first withdrawal by December 31 of the year you turn 70½ instead of waiting until April 1 of the following year.

Don't go it alone

Be sure to contact a representative from TIAA or Fidelity to learn how to comply with the minimum distribution rules in a manner that best meets your needs. You can also explore your options on TIAA's and Fidelity Investments' plan websites. To access these features, you'll first need to create an ID and personal identification number (PIN). To do so, please visit or call:

- » TIAA: [tiaa.org](https://www.tiaa.org) or **1.800.842.2776**
- » Fidelity Investments: mysavingsatwork.com or **1.800.343.0860**

Social Security income

Your monthly Social Security benefit amount is largely based on the age at which you begin to receive benefits. It's important to consider your options before you start receiving benefits. In general, early retirement provides similar total Social Security benefits over your lifetime, but in smaller monthly amounts to take into account the longer period during which you receive benefits.

The Social Security Administration recommends that you contact Social Security approximately three months prior to the month in which you would like your benefit payments to begin. Learn more at ssa.gov or by calling **1.800.772.1213**.

»» Q: Where can I get help navigating my retiree health insurance options?

Need help understanding your health insurance options? Consider contacting Serving the Health Insurance Needs of Everyone (SHINE).

SHINE COUNSELORS

To get help understanding your health insurance options, consider contacting your local Serving the Health Insurance Needs of Everyone (SHINE) office. A state health insurance assistance program, SHINE assists elders and individuals with disabilities in understanding their Medicare benefits and health insurance options. The SHINE program ensures that individuals with Medicare (and their caregivers) have access to accurate, unbiased, and up-to-date information about their health care options.

SHINE counselors provide a number of services, including these:

- » Offering education about Medicare and other health insurance coverage, such as prescription drug coverage
- » Evaluating health insurance needs
- » Reviewing current health coverage to maximize benefits
- » Providing information about prescription drug coverage options
- » Helping with health benefit claims or billing problems
- » Assisting in completing applications for health benefit programs

You can reach SHINE by calling **1.800.AGE.INFO (1.800.243.4636)** or **TTY 1.800.872.0166**.

»» Q: Which Northeastern benefits will I be able to access once I retire?

As a retiree of Northeastern, you're entitled to range of valuable benefits and privileges, including free tickets to events, a lifetime email address, tuition remission, and free University parking. You'll need a retiree identification (ID) card to access many of Northeastern's retiree benefits and services; you will need to turn in your current faculty/staff ID card to obtain the retiree ID card. For a full list of benefits for retirees, visit northeastern.edu/hrm.

RETIREE BENEFITS AND PRIVILEGES

Retiree email

As a retiree, you have the option to continue using your Northeastern email address. To access your email, you must log in through Office 365 using your current email login credentials.

If you have additional questions about email, please contact the Information Technology Services help desk at help@neu.edu or **617.373.4357**.

Homeowners and automobile insurance program

Northeastern's group discounts through MetLife Insurance Company apply to retirees as well as active employees. After your retirement date, MetLife will bill you directly at your home address. To learn more, contact your MetLife representative at **1.800.GET.MET1**.

Life insurance

Your University-paid life insurance coverage and any optional life insurance you've purchased through Northeastern will cease on your date of retirement. However, you may elect to "port," or "convert," your University life insurance coverage to an individual policy. Please note, however, that you'll need to make this election within 30 calendar days following your retirement date. At the time of retirement, you will receive complete information in your Retiree Benefits Summary, including rates and applications to port your life insurance coverage.

Tuition remission

» **For Retirees:** You are eligible to take two courses per term at any of Northeastern's colleges and graduate schools according to the normal Northeastern rules and regulations that are in effect. For more information, please refer to the full tuition policy on the HRM website at northeastern.edu/hrm.

» **For Your Spouse or Domestic Partner:** Your spouse or domestic partner (provided a Domestic Partner Certification is on file in the Benefits Office) is eligible to take two courses per term at any of the University's colleges and graduate schools according to the normal Northeastern rules and regulations that are in effect. For more information, please refer to the full tuition policy on the HRM website at northeastern.edu/hrm.

» **For Dependent Children:** Your dependent children who qualify for admission to one of the programs leading to a degree in any of Northeastern's colleges or graduate schools are eligible for a full tuition scholarship according to the normal Northeastern rules and regulations that are in effect.

Parking pass

As a retiree, you can obtain a parking pass that allows you to park at no cost in University lots. At the time of your retirement, you will receive a retiree parking pass application.

Library access for emeritus professors

Emeritus professors have special online access to the library. Rather than accessing the online library resources through myNEU, however, you will access them directly by visiting <http://library.northeastern.edu/gateways/faculty-emeriti>.

This link allows you to access the following resources:

- » Scholar OneSearch
- » E-journal Finder
- » A-Z list of databases

To log in, enter your myNEU username and password, the same credentials you used while you were actively working at the University. If you have additional questions, please contact University Libraries staff at **617.373.8778** or library-help@neu.edu.

myNEU access

After your retirement date, your myNEU services will be limited to your pay stubs and tax forms. All other access ceases at the end of your last day of employment. If you continue performing work for Northeastern after your last day of full-time employment and find that you need additional myNEU services, please ask your work department to sponsor an account for you.

EARLY RETIREE CHECKLIST for individuals ages 55–64

At least three months prior to your planned date of retirement:

- ☐ Schedule an appointment with Stacy Saravo, Senior Benefits Administrator, to discuss all aspects of planning for retirement. You can ask questions not covered in this guide, review your retirement benefits from Northeastern, and be put in touch with representatives at TIAA and/or Fidelity regarding your retirement account(s). You can reach Stacy at **617.373.5378** or **s.saravo@northeastern.edu**.
- ☐ Schedule an appointment with Northeastern's representative from TIAA and/or Fidelity Investments.
TIAA: **1.617.441.1320** Fidelity Investments: **1.800.642.7131**
- ☐ If you are not currently receiving Social Security payments, you should contact Social Security to determine your eligibility as well as obtain a benefit estimate and payment starting date. Learn more at **ssa.gov** or by calling **1.800.772.1213**.
- ☐ If your spouse or domestic partner is 65 or older and currently covered under the University's medical and/or dental insurance plan(s), it is imperative that he or she contact the Social Security Administration to enroll in Medicare Parts A and B effective the first day of the month following your date of retirement. To ensure uninterrupted coverage, your spouse or partner should make sure that the appropriate Medicare supplement is in effect on the same date.
- ☐ Notify your college dean, department chair, manager, or department head (as appropriate) in writing of your decision to retire and the date you wish to do so.
- ☐ Please also send a copy of your written notification to the attention of Stacy Saravo in the Benefits Office at CP 250 or 716 Columbus Place, Suite 250, Boson, MA 02120.

REGULAR RETIREE CHECKLIST for individuals 65 and older

At least three months prior to your planned date of retirement:

- ☐ Schedule an appointment with Stacy Saravo, Senior Benefits Administrator, to discuss all aspects of planning for retirement. You can ask questions not covered in this guide, review your retirement benefits from Northeastern, and be put in touch with representatives at TIAA and/or Fidelity regarding your retirement account(s). You can reach Stacy at **617.373.5378** or **s.saravo@northeastern.edu**.
- ☐ Schedule an appointment with Northeastern's representative from TIAA and/or Fidelity Investments. **As part of the discussion, review the required minimum distribution rules and the implications for your taxes and choice of retirement date.**
TIAA: **1.617.441.1320** Fidelity Investments: **1.800.642.7131**
- ☐ If you are not currently receiving Social Security payments, you should contact Social Security to determine your eligibility as well as obtain a benefit estimate and payment starting date. Learn more at **ssa.gov** or by calling **1.800.772.1213**.
- ☐ Contact Social Security to enroll in Medicare Parts A and B effective the first day of the month following your date of retirement.
- ☐ Learn about and consider enrolling in a Medicare Part D plan effective the first day of the month following your date of retirement.
- ☐ Depending on his or her age at the time of your retirement, your spouse or domestic partner may need to contact the Social Security Administration to enroll in Medicare Parts A and B, as well as Medicare Part D (if needed), effective the first day of the month following your date of retirement.
- ☐ Notify your college dean, department chair, manager, or department head (as appropriate) in writing of your decision to retire and the date you wish to do so.
- ☐ Please also send a copy of your written notification to the attention of Stacy Saravo in the Benefits Office at CP 250 or 716 Columbus Place, Suite 250, Boson, MA 02120.