# Table of Contents

HOW TO INITIATE YOUR RETIREMENT ........................................................................................................... 2

TUSD Deadlines .................................................................................................................................................. 2

RETIREMENT ...................................................................................................................................................... 2

Pension ............................................................................................................................................................... 2

  ASRS and Normal Retirement.......................................................................................................................... 3

  ASRS and Early Retirement: ............................................................................................................................ 3

MEDICAL ....................................................................................................................................................... 4

COBRA.............................................................................................................................................................. 4

ASRS ................................................................................................................................................................. 4

Medicare........................................................................................................................................................... 4

Other Options.................................................................................................................................................. 4

Good News for Arizona State Retirement System Retirees .............................................................................. 5

COBRA in Depth.............................................................................................................................................. 5

ACCRUAL PAYOUT ....................................................................................................................................... 8

  Employee Agreements ................................................................................................................................ 8

  TUSD Separation Pay ................................................................................................................................... 8

SOCIAL SECURITY .......................................................................................................................................... 9

  Social Security Pension ................................................................................................................................. 9

  Medicare...................................................................................................................................................... 9

PIMA COUNCIL ON AGING (PCOA) .................................................................................................................. 10

WORKING AFTER RETIREMENT ...................................................................................................................... 10

  Three Kinds of Retirees and Applicable Restriction Periods ...................................................................... 10

  How the Restrictions Work: ........................................................................................................................... 11

  Timing the Restrictions: ................................................................................................................................. 11

TUSD Retirement Checklist ................................................................................................................................ 12
HOW TO INITIATE YOUR RETIREMENT

To separate from employment, complete the Intent to Separate form on the HR Forms intranet page and give it to your supervisor or administrator. Your department or school office will attach the form to an ePAR and submit to Human Resources for processing.

TUSD Deadlines

The TEA Consensus agreement, the ELI Meet and Confer agreement, and the Exempt Administrators agreement all stipulate deadlines by which you need to notify the district that you are retiring if you want to receive the payout for your unused accruals. Psychologists, Research Project Managers, and employees covered by other agreements do not have deadlines by which they must notify the district of the Intent to Separate. They may separate at any time and still receive termination pay if they otherwise qualify for it as defined by their agreements.

Deadlines are:

**TEA Consensus:**

November 1 is the deadline for retiring at the end of the first semester.

February 1 is the deadline for retiring at the end of the second semester.

**ELI Administrators and Exempt Administrators:**

November 15 is the deadline for retiring at the end of the first semester.

January 15 is the deadline for retiring at the end of the second semester.

RETIREMENT

Benefits in retirement may include Pension, Medical, Accrual Payout and Social Security, which are all discussed in this Retirement Guide.

Pension

The Arizona Retirement System (ASRS) will determine your monthly pension based upon their pension formula. You may estimate your pension amount by first setting up your personal ASRS account at www.azasrs.gov.
Once you set up your account, you can identify an expected date for retirement, and the system will adjust the monthly pension to reflect that date. If you change the date, you will see how that changes the monthly pension. Your personal account page also notes other information, such as the dates for normal retirement.

**ASRS and Normal Retirement**

Although you may qualify to take early retirement through ASRS, if you wait until your normal retirement age, you will be able to receive the full benefit of your retirement pension. Normal retirement is considered as follows:

**ASRS members hired on or before June 30, 2011, normal retirement can begin**

- At age 65 with any ASRS service time
- At age 62 with 10 or more years of credited service
- At any combination of years of credited service and age totaling 80 points

**ASRS members hired on or after July 1, 2011, normal retirement can begin:**

- At age 65 with any ASRS service.
- At age 62 with 10 or more years of credited service
- At age 60 with 25 or more years of credited service
- At age 55 with 30 or more years of credited service

**ASRS and Early Retirement:**

ASRS offers an early retirement option for those who qualify. If you are at least age 50 with 5 or more years of credited service, you may retire before you reach normal retirement.

For ASRS information, call (520) 239-3100 or go to [www.azasrs.gov](http://www.azasrs.gov).

The ASRS office in Tucson is located at 4400 E. Broadway, Suite 200. An appointment is required in order to meet with an ASRS representative, so call before you go there.
MEDICAL

There are a number of options for retirees who are interested in medical benefits:

- COBRA
- ASRS
- Medicare
- Other Options

COBRA

For those with TUSD coverage in effect one month prior to retiring, COBRA benefits will be available. Please find the COBRA in Depth section in this document for more detailed information. Retirees may be eligible for a subsidy from ASRS.

ASRS

If you have at least five years of ASRS service, any of these three choices may qualify you to receive an insurance supplement from the ASRS. Under that program, ASRS would help you pay for insurance by providing an insurance stipend, which is in addition to your monthly retirement pension. Please visit the ASRS website. It will provide you with the latest rates and benefit profiles for the ASRS insurance.

Medicare

See Medicare Social Security benefits (below) for additional information.

Other Options

Individual insurance policies are available directly from insurance companies. Those companies or independent insurance agents would be able to provide costs and coverage information. Furthermore, extensive insurance information is available at www.healthcare.gov/health-insurance-marketplace
Good News for Arizona State Retirement System Retirees

ASRS will help you pay for your insurance if you retire with ASRS and choose

- to continue your insurance though COBRA
- to take the insurance offered by ASRS, or
- to combine the COBRA insurance with the ASRS insurance

If you choose one of those three, then ASRS will provide you an insurance stipend as long as you have had at least 5 years of ASRS membership.

If you are the only person covered by the insurance, then the maximum stipend will be $150.00 per month. If you and one or more dependents are covered by the insurance, then the maximum stipend will be $260.00 per month. The stipend (the “premium benefit”) varies depending upon the number of years you have had as an active ASRS member, your age, and who else is covered by the insurance.

It takes ASRS, CONEXIS, TUSD, and the insurance companies about five months to get everything into place so that the subsidy can be applied. Therefore, be prepared to pay the total cost of the insurance for four months. Once all the processing has been completed, the stipend will kick in, and you will receive credit for whatever months of stipends had not been paid.

COBRA in Depth

COBRA allows you to keep the same benefits you had while working at TSUD (same deductibles, co-pays, doctors, dentists, etc.).

What will be different for you after your move to the COBRA program is that TUSD will no longer subsidize your insurance; you become responsible for the total cost. You will still be eligible for group rates, which is often less expensive than individual policies might be. If you are eligible ASRS will subsidize your COBRA coverage which will significantly bring down the cost.
Additionally, during the period of COBRA coverage, you will be able to adjust your insurance choices during any TUSD open enrollments, just as you have while working for TUSD, or you could modify the insurance if a qualifying event occurs.

For even more details about COBRA, visit www.dol.gov/ebsa/faqs/faq-consumer-cobra.html.

**COBRA includes**

When you complete your application for continuing your insurance through COBRA, you will decide which aspects of your insurance you want to continue. You may keep them all (medical, dental, vision, and the Jorgenson Brooks Employee Assistance Program), or you may waive certain coverages. You could even drop coverage for different individuals. However, you cannot otherwise change coverage, add coverage, or add dependents at the point of moving to COBRA, unless there is a qualifying event that allows the change.

Remember you will have opportunities to change other aspects of your insurance during the TUSD “Open Enrollments” that will occur during your months of COBRA coverage.

The COBRA program does NOT include life insurance. VOYA will contact you about continuing your life insurance after you separate from TUSD.

**COBRA costs**

The COBRA rates may be found on the Benefits website on the intranet at http://tusd1.org/contents/employment/retire.html

Using the table of rates, your cost will be the sum of whichever insurance programs (medical + dental + vision + Jorgenson Brooks EAP) you have and choose to keep after separating. You will need to pay the total applicable insurance premiums every month in order to keep the insurance in force.

COBRA is available to you for 18 months. However, coverage will usually cease

- for you and/or for another adult dependent if you sign up for Medicare after moving into the COBRA program, and
- for qualifying minor dependents upon their reaching the age of 26.
Additional information, as well as exceptions to these rules, may be found at the COBRA website.

Although COBRA is available to you for 18 months, your commitment to the program is on a month-to-month basis. You may cancel your coverage whenever you choose within that period.

**How to Sign Up**

Your separation from TUSD is the event that qualifies you to be eligible for the COBRA program. Once you separate, TUSD informs the COBRA administrator (a company named CONEXIS) that you have separated and should be offered a continuation of your insurance. CONEXIS, in turn, will send you documents offering you the opportunity to sign up for the COBRA program. (Remember that the offer will not come from TUSD.) Once notified by CONEXIS, you have 60 days to register to participate in COBRA.

If your separation date is in May, June, July or August, your insurance through TUSD will end on August 31st. Separation dates in any of the other months, will mean your insurance ends at the end of that month. If the information from CONEXIS does not get to you before the end of that month, then when you do sign up for COBRA, the insurance will be retroactive back to the first of the month. For example, if your TUSD-subsidized insurance ends on August 31, and you don’t receive your COBRA information until September 8, when you sign up for COBRA, it will be retroactive back to September 1.

Once CONEXIS receives your completed application and insurance payment, they will notify the insurance companies that you have chosen to continue your insurance through the COBRA program. Once informed, the insurance companies will retroactively activate the coverage back to the first day of the month after your coverage terminated with TUSD. As a result, you will never have a lapse in insurance coverage.

If the provider is told that the insurance has terminated, then you would tell the provider that you are electing to move to COBRA and that the transition is still in process. At that point, most providers will consider that you are still covered. Some, however, will want payment. In those cases, you would have to pay for the services, but you would later be reimbursed according to the terms of your insurance.
ACCRUAL PAYOUT

Your total years of service and bargaining agreement (discussed below) with TUSD will determine whether or not you qualify for certain separation / accrual payments such as sick leave pay and severance pay, etc. Your retirement date and notification date will affect these payments.

Employee Agreements

Employee agreements can be found at www.tusd1.org/contents/employment/agreements.html. The separation section of each agreement covers the criteria you must meet to qualify for termination pay, formulas applied to that pay, limits, and other important details. Information about maximum vacation payout is generally located in other sections of the agreements.

TUSD Separation Pay

1) Sick leave pay – Each agreement granting sick leave pay upon termination is consistent in stipulating that employees must have worked for TUSD for ten or fifteen consecutive years in order to qualify for the sick leave payout. Some agreements specify that the service must have been full-time or be the full-time equivalent in total years. Check your agreement to see if you qualify.

If eligible, at the end of each contract year, your unused personal leave is rolled over into your sick leave pay. As a result, if you were to retire at a point earlier than the end of your contract year, you would be paid for only the existing sick leave hours (according to the formula within your agreement and in accordance with any limits set in that agreement). However, if you were to work until the end of your contract, then the unused personal leave would be added to your sick leave pay. The sick leave payout would be for the total hours accrued, again, up to the limits set by the agreement.

2) Vacation pay – Each employee agreement that includes year round (12 month) employees has set an upper limit of hours for which employees may be paid for unused vacation. Unlike sick leave pay, which is calculated using a formula detailed in the agreements, vacation hours are paid at your regular rate of pay.

3) Severance pay – Some employee groups offer severance pay to those covered by their agreements. The severance pay requires that employees must have worked for TUSD for a certain number of years as of...
June 30, 2010. Each of the agreements offering the severance pay specifies the minimum years of service and provides the severance pay formula.

Some agreements specify that the separation pay must go into a tax sheltered account, and/or you have additional payout options (i.e. HRA for eligible employees) if you meet the age and monetary criteria. See your agreement for details.

Please send the Payroll Department an email (Payroll@tusd1.org) to request an estimate of the value of that payout.

**SOCIAL SECURITY**

Contact the Social Security Administration for information about your Social Security pension and your Medicare coverage. A good place to start is www.ssa.gov.

**Social Security Pension**

At the website above, you may set up your personal Social Security account, get an estimate of your Social Security pension, update information about yourself and your beneficiaries, and find out the best time for you to begin receiving your Social Security pension. If you want to meet face-to-face with someone in the Social Security office, call 1-800-772-1213 to set up an appointment.

**Medicare**

The Medicare program is administered by the Social Security Administration. It is primarily designed as a health insurance program for people 65 years of age or older, but it can also cover people younger than 65 under certain circumstances. To find out more go to www.socialsecurity.gov/pgm/medicare.htm.

ASRS offers a Medicare supplement program, which requires that you pay a monthly premium. If you have five years or more of ASRS service time, the cost of the supplement is reduced by the insurance stipend (health insurance premium benefit) available to you as a retiree opting for your insurance through ASRS.
PIMA COUNCIL ON AGING (PCOA)

The Pima Council on Aging (PCOA), located at 8467 E. Broadway, is an excellent resource for information about Medicare and about a number of Medicare supplement programs. The PCOA holds a free “New to Medicare” workshop once a month, usually on the first Wednesday of the month, in the late afternoon. They also provide one-on-one counseling about Medicare. To make a reservation for the workshop, to set up an appointment to speak with them, or just to ask some questions about Medicare, call (520) 790-7262.

The PCOA offers senior citizens and their caregivers a wide variety of other types of assistance, including case management, family caregiver support, and personal budgeting counseling. They have teamed up with other community agencies in order to help legal assistance, home repair and adaptation, and shopping assistance. More information is available on their website at www.pcoa.org.

WORKING AFTER RETIREMENT

It is the retiree’s responsibility to understand and abide by any return to work restrictions. The restriction details are given in the ASRS Handbook: Road to Retirement – ASRS Guidebook (Fall 2016).

What follows is a simplified explanation of this confusing rule, commonly referred to as the 20/20 rule. Because this is a condensed version, it does not take into account unusual variations in retirement. For variations, call ASRS at (520) 239-3100.

To quote the ASRS Road to Retirement Guidebook: “As a general rule, if an ASRS retiree accepts a position agreeing to work or actually does work 20 or more hours per week for 20 or more weeks in a fiscal year ... for an ASRS employer, the retiree’s ASRS pension will be suspended.” This rule applies only as long as the retiree is under restrictions. (Note that it does not apply to leasing services, such as ESI, which are not ASRS employers.)

Three Kinds of Retirees and Applicable Restriction Periods

Retirees fit into one of three categories: 1) normal retirees, 2) early retirees, and 3) those who retired without terminating employment.
Normal retirees are restricted for their first twelve months after retiring. Early retirees are restricted until they reach normal retirement. Those who retired without terminating remain restricted until twelve months after they do terminate employment.

**How the Restrictions Work:**

The Safe Schedule: Basically, a retiree under restrictions is allowed to work all the weeks of a fiscal year beginning July 1 as long as he or she works fewer than 20 hours per week. Under those circumstances, there is no possibility of violating the restrictions.

The Additional Option: Retirees under restrictions are allowed to include in their schedules for the fiscal year beginning July 1 and 19 weeks of work at 20 or more hours per week. The weeks may be consecutive or spread out through the year. However, at no time while under restrictions should a retiree work a 20th week at 20 hours or more. Doing so will violate the terms of retirement and will suspend that person’s retirement pension, as well as associated insurance stipends and/or insurance through ASRS.

Retirees under restrictions cannot even accept a position that commits them to working 20 hours per week for 20 weeks per fiscal year even if their one year anniversary date (for normal retirees) or normal retiree date (for early retirees) would occur before they could possibly reach the 20th week of work.

**Timing the Restrictions:**

The restrictions apply per fiscal year (July 1 through June 30). Retirees under restrictions must consider the work limits in the context of a fiscal year. If they worked any weeks of the fiscal year at 20 hours or more per week, then those weeks should be counted as part of the 19 weeks for that fiscal year.

For those who retire in May as normal or early retirees, which is most common, restrictions apply immediately if they have already worked 20 or more weeks at 20 hours or more during the fiscal year prior to retiring. That means that those who are working in summer school, for example, must not work even one more week at 20 hours or more until after June 30, which is the end of the fiscal year.
TUSD Retirement Checklist

Congratulations on your retirement! Below is a checklist to guide you through important tasks you need to complete before separating from TUSD.

☐ Complete and submit the Intent to Separate form to Human Resources and your supervisor- Check for due dates and dates to rescind, these vary with bargaining units.

☐ Talk one-to-one with an ASRS representative to establish an account, estimate your individualized pension amount and ask questions about medical healthcare costs:
  Phone: (520) 239-3100
  Address: 4400 E. Broadway, Suite 200

☐ Contact the Benefits Office regarding COBRA Insurance and other TUSD Benefits Information:
  Phone: (520) 225-6144
  Benefits@tusd1.org

☐ Review your Bargaining Unit Agreement for any potential payouts due to retirement (i.e., severance/vacation/sick leave pay).
  For an estimate, email payroll@tusd1.org

☐ Check for potential lump sum payout for those on year round pay - ENP (Summer Pay)

☐ Make sure your address is up-to-date in TUSD iVisions to receive important information, Notices, W2’s, etc.

☐ On/or before your final day with TUSD, return all TUSD property, keys, and badges

If you are returning to work – contact ASRS and ESI for further information
  ASRS Phone: (520) 239-3100
  ESI Phone: (520) 225-6121

(Note: If you retire May through August, your Health Insurance Benefits will continue through August 31st).