



Retirement: How the Process Works

Be Well Presentation

Georgia Tech Human Resources (GTHR)

July 2020

Objective

Today we will help you:

UNDERSTAND
RETIREMENT
PROCESS

LEARN ABOUT
VOLUNTARY
SEPARATION

ANSWER
YOUR
QUESTIONS



Visit hr.gatech.edu/retirement

Agenda

- Welcome
- Retirement Planning
- Eligibility
- Retention of Benefits
- Process
- Voluntary Separation Incentive Program
- Questions & Answers

Retirement Planning

When should I start planning for retirement?

- Right now
- Time is your friend and your enemy
 - The **earlier** you begin to plan the **more likely** you are to have a great retirement.
 - The **later** you start to plan and take action the **less likely** your retirement will be a great retirement.

What do I want my life to look like as a retiree?

- New career
- New geography
- What will my life look like every day
- **Other retirement savings**

Retirement Planning

Consider a Supplemental Savings Plan such as a 403(b) and or 457(b)

- Two Options: Pre-tax and or post-tax contributions (up to \$19,500) ; additional amount available (\$6,500) if age 50 or older
- Create, modify, or stop your account through Retirement@Workanytime
- Open to temporary and regular faculty and staff
- Vendors include AIG(formerly VALIC), Fidelity, and TIAA
- <https://www.usg.edu/hr/benefits/retirement>

Consider Meeting with a Counselor

- Who: Retirement plan vendors or CAPTRUST consultants (new USG funded financial consultants) What: Individual financial counseling for the Optional Retirement Plan (ORP), 403(b) or 457(b)
- Where: On campus(not currently) or via phone
- When: Schedule a virtual appointment online via GTHR website
- Why: Learn more about the plan you have or plans you're considering

Who is eligible to retire?

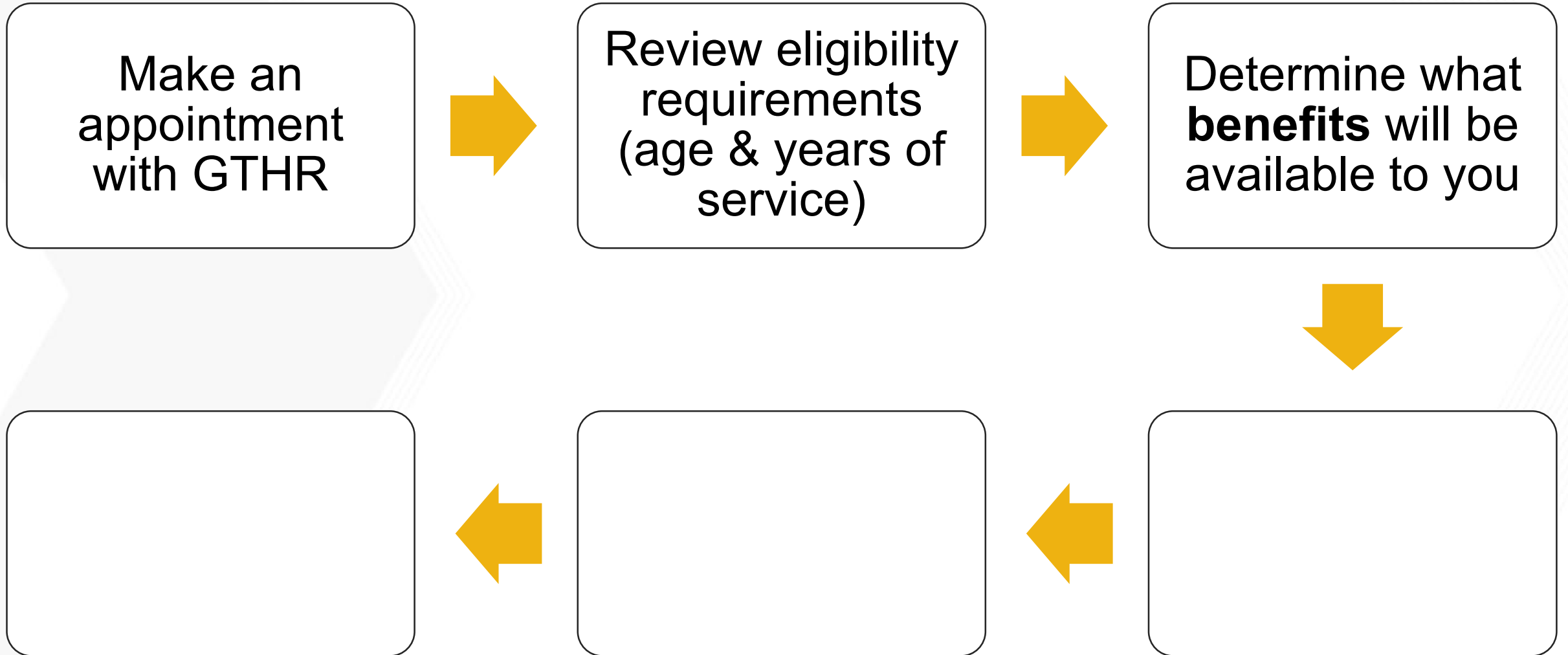
- Regardless of the retirement plan, an employee must meet one of the following three conditions:
 - If you have at least 10 years of continuous benefits eligible service and age 60
 - If you have between 25 and 30 years of service prior to age 60 with early pension penalty (**TRS only**)
 - If you have 30 years of service regardless of your age (with no TRS penalty)
- If you have a break in service during your employment there may be additional provisions under the USG Retirement policy that must be met for eligibility.

Benefits in Retirement

- **Can you keep your benefits in retirement?**
- Yes, you can keep your “core” benefits as long as you have them directly before retirement.
- However as a retiree, you can’t add “new” benefits.
- E.g., if you have vision but no dental, you cannot add dental once you are retired.

At least 3 months prior to your target retirement date begin the retirement process

Retirement Process



Retiree Benefits

- Not all benefits are available to retirees, even if you have them while you are active. Only medical*, dental, vision, BOR basic life, and BOR supplemental life are offered.
- OneUSG Connect will deduct premiums from checking/savings account the **first** of each month.
- As a retiree, if you **terminate any coverage you can't re-establish** with USG.

- * **Medical coverage changes for retiree and/or covered spouse when Medicare eligible...age 65.**

Retiree Benefits

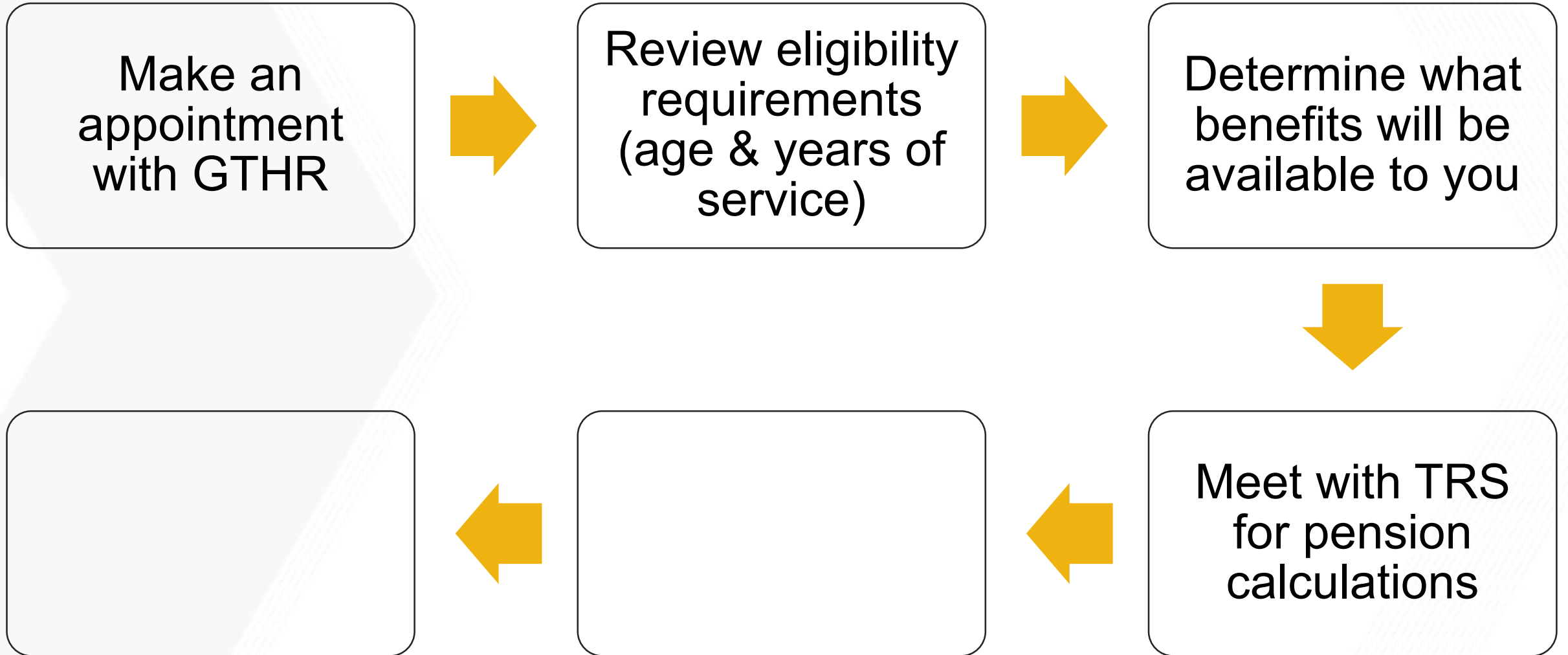
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- **Medical, dental, vision, and life** continue with USG
 - Medicare: Apply 60 days prior to 65th birthday month
 - Annual Enrollment (spouse /dependents can keep these benefits if you decease). Spouse would lose benefits upon remarriage.
 - FSA & HSA: No additional contributions

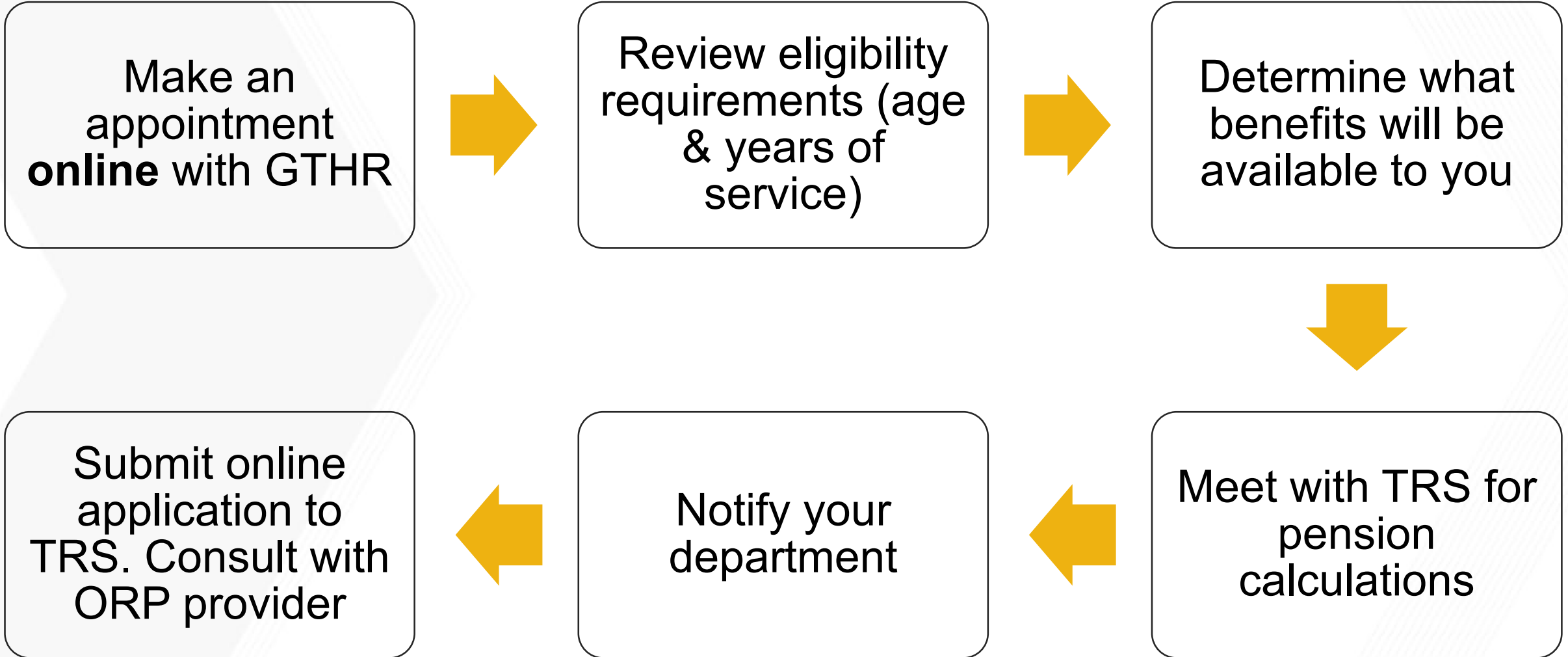
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- Medical Insurance (enrollment required via AON Exchange)
- Medicare: Apply 60 days prior to retirement date
- Annual Enrollment (spouse /dependents can keep these benefits if you decease) Spouse would lose benefits upon remarriage.
- FSA & HSA: No additional contributions

Retirement Process



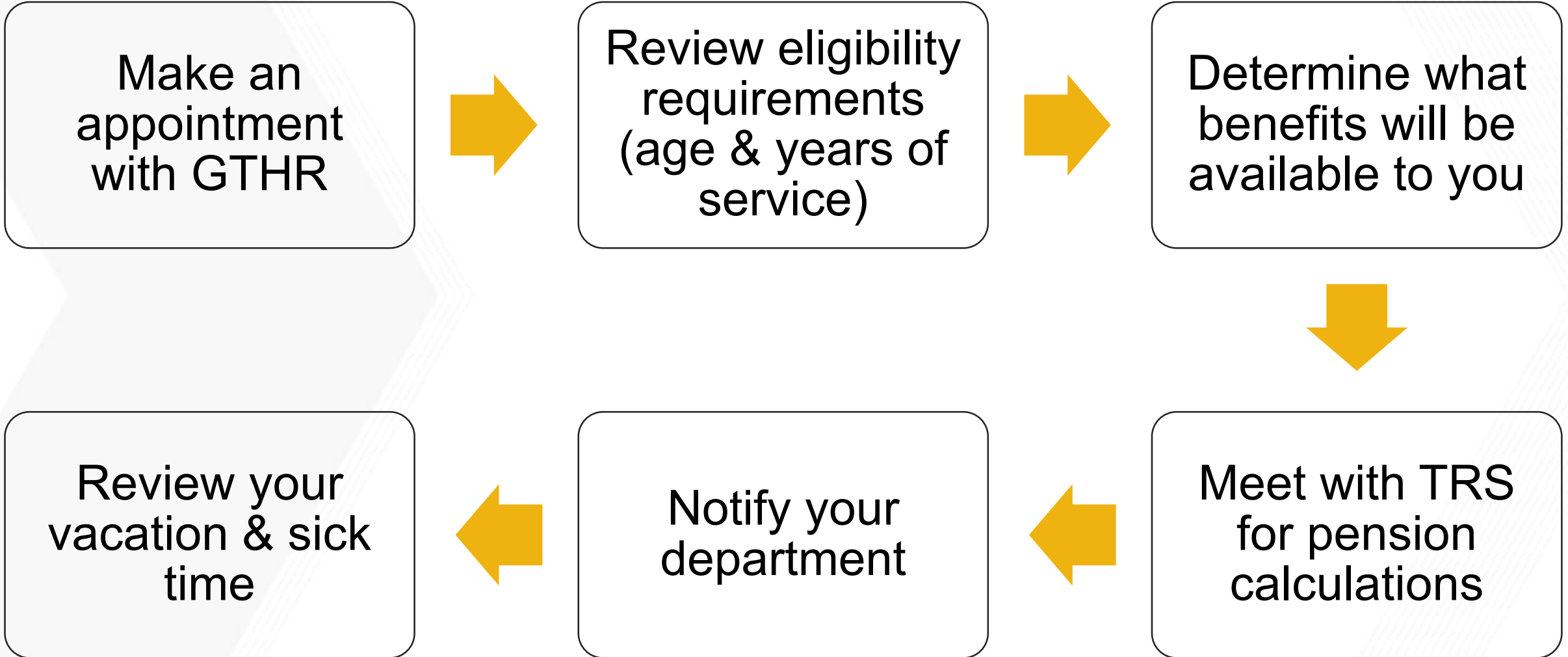
Retirement Process



Notify Your Department

- Retirement date **should be the first of the month** (e.g., last day worked April 30 = retirement date of May 1). You can retire mid-month if under ORP, but the system benefits billing date will be the first of the next month
 - Write letter of intent to retire and submit to department. Retirement team should be notified immediately of intent to retire date.
 - Department should complete retirement submission 60 days prior to retirement date, **especially for employees who will be 65** or over at retirement date
 - Bi-weekly paid employees may need a refund of premiums

Retirement Process



Vacation & Sick Time

Vacation Time

- Up to 360 hours unused vacation time is paid out 30 days after last pay period
- Department must submit balance to be paid through OneUSG Connect

Sick Time

- Unused sick time counts toward TRS only and is unlimited. Submitted automatically to TRS by retirement team after application is received at TRS. TRS awards credit based on days...not hours.
- ORP... unused sick leave can only be transferred to Donated Sick Leave at any Annual Enrollment prior to retirement



Voluntary Separation Incentive Program (VSIP)

Deadlines, Planning, and Process

Why a Voluntary Separation Incentive Program?

- To assist in achieving planned budget reductions for FY21, the USG approved a **Voluntary Separation Incentive Program (VSIP)**. The VSIP is a one-time, limited, separation incentive for retirement-eligible employees. Employees will have until August 15 to sign up for the program.
- Key benefits of VSIP include:
 - Exemption from layoffs and reductions in force until retirement date.
 - Approved participants who sign the VSIP agreement will receive a taxable cash payment direct-deposited to their accounts within 45 days after their retirement dates.
 - The incentive payment will be the equivalent of four (4) months of the employee's salary (not including payments such as overload, overtime, weekend/shift/night differential, standby pay, summer salary, or temporary pay for additional duties) in effect on the last day of employment.



Visit hr.gatech.edu/voluntary-separation for details.

Voluntary Separation

Voluntary Separation Incentive Program (VSIP)

- A one-time, limited, separation incentive for eligible employees, in order to:
 - Reduce the potential number of reductions-in-force or layoffs;
 - Reduce the Institute's salary and benefit obligations in anticipation of reduced state funding;
 - Reallocate resources to departments and programs in response to changing needs or strategic objectives; and
 - Achieve other cost savings or efficiencies.

Employee Eligibility for Voluntary Separation

Eligible (must meet all three criteria)

Full-time benefits employees

Eligible to retire with the Teachers Retirement System (TRS), the Regents' Optional Retirement Plan (ORP), or the Employees' Retirement System (ERS), by a specific date

Eligible to retire under Board of Regents policy 8.2.8.2

Not Eligible:

Part-time employees

Employees who have submitted their intent to retire before May 15, 2020

Employees who have retired or resigned on or before July 1, 2020

This Program is open to employees who have provided written notice to Georgia Tech administration of their intent to retire after May 15, 2020, as long as the employee has not yet separated from the Institute at the time of their application for participation in this Program.

Voluntary Separation Incentive Program

Employees must qualify, be approved, and sign a VSIP agreement to be exempt from layoffs and reductions in force until their retirement date.

Approved participants who sign the VSIP agreement will receive a taxable cash payment direct deposited to their account within 45 days after their retirement date.

The incentive payment will be the equivalent of four (4) months of the employee's salary in effect on the last day of employment.

The incentive payment does not include payments such as overload, overtime, weekend/shift/night differential, standby pay, summer salary, or temporary pay for additional duties)



Visit hr.gatech.edu/voluntary-separation for details.

To Apply for Voluntary Separation Incentive Program

1. Employees must inform their supervisor, in writing or by email, of their intention to apply (so that supervisors can plan accordingly).
2. Complete the [Voluntary Separation Incentive application form](#) .



Visit hr.gatech.edu/voluntary-separation for details.

Georgia Tech Voluntary Separation Incentive Program Application

By completing this application, you are informing Georgia Tech of your desire to participate in the Institute's **Voluntary Separation Incentive Program (VSIP)**. VSIP is a one-time, limited, early separation incentive for eligible employees, in order to:

- Reduce the potential number of reductions-in-force or layoffs;
- Reduce the Institute's salary and benefit obligations in anticipation of reduced state funding;
- Reallocate resources to departments and programs in response to changing needs or strategic objectives; and
- Achieve other cost savings or efficiencies.

This program is voluntary and no eligible employee should be discouraged from participating or coerced to participate in this program.

All employees are encouraged to schedule a retirement counseling session with Georgia Tech Human Resources (GTHR). To make an appointment with a GTHR retirement counselor, visit hr.gatech.edu/contact-us.

First Name

Last Name

Georgia Tech Email Address

GT ID

I am a:

Faculty member

Staff member

Title

Department

(e.g., Scheller College of Business, Athletics, Institute Communications)

Supervisor's First and Last Name

Proposed Date of Retirement (Enter a valid date as mm/dd/yyyy):

Remember, under the Voluntary Separation Incentive Program, employees must agree to retire by December 31, 2020.

What initial questions do you have about the Voluntary Separation Incentive Program? *(Feel free to ask more than one question.)*

Would you like to attend an informational webinar about the Voluntary Separation Incentive Program? *(We will notify you once the dates are finalized)*

Yes, please invite me to a live virtual meeting

No



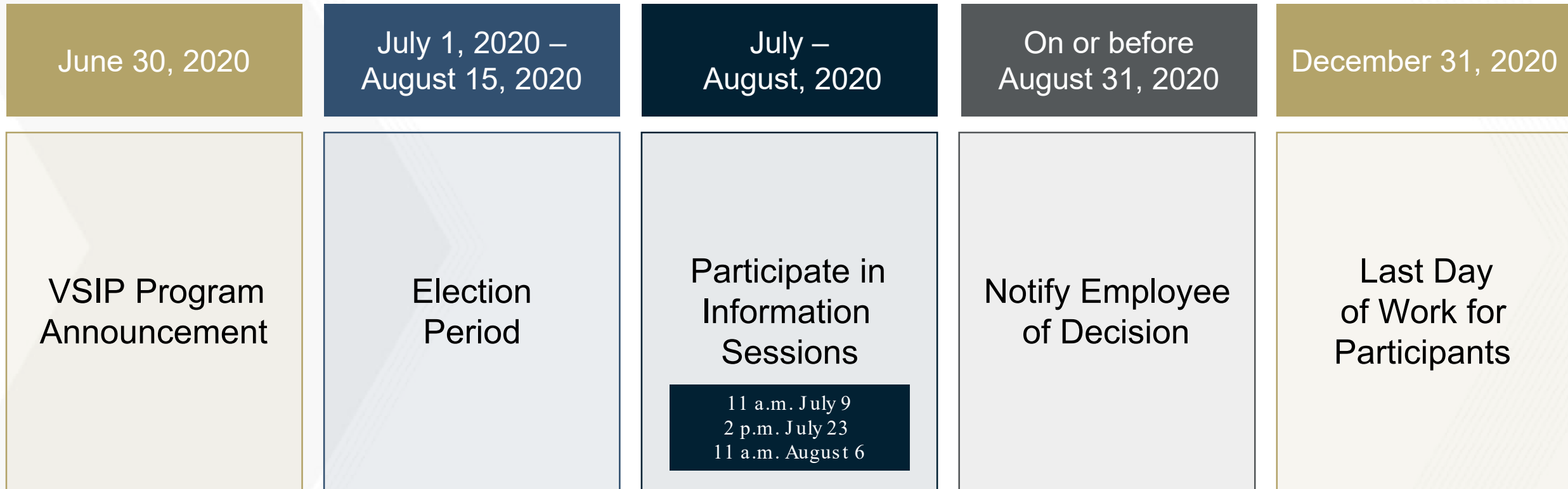
To Apply for Voluntary Separation Incentive Program

1. Employees must inform their supervisor, in writing or by email, of their intention to apply (so that supervisors can plan accordingly).
2. Complete the [Voluntary Separation Incentive application form](#).
3. The Georgia Tech VSIP Committee will review all applications and notify employees of next steps.
 - If approved, the employee will receive a VSIP Agreement and Release to sign.
4. Complete and submit the VSIP Agreement and Release to GTHR **no later than August 15, 2020 at 11:59 p.m.** If a signed agreement is not submitted by the deadline, the offer of participation in this program is revoked.

Once the VSIP Agreement and Release form is submitted, an employee will have seven calendar days to change their mind and revoke their request. **However, at the end of the seven-day period following submission, the employee's decision to participate in VSIP will be irrevocable.**

 Visit hr.gatech.edu/voluntary-separation for details.

VSIP Application, Approval Timeline, and Process



Visit hr.gatech.edu/voluntary-separation for details.

Questions?

Next Steps (or "Recap")

- Jim here, I suggest adding a short list of key things to remember, and/or next steps.
- Michelle here, Please update slide 5 to remove Valic and replace with AIG. Thank you to all who worked tirelessly to put this together.