# Planning for Retirement and Understanding Retiree Benefits



#### **Overview**

- What everyone receives from UK
- What you need to know to retire
- Summary of dental, vision and life insurances
- Summary of health insurance plans
  - Under age 65
  - Age 65+
  - Retirees actively working at UK at any age



### What everyone receives from UK

#### Free consultations

- Financial Planning from CAPTRUST and Enrich
- Retirement Account Review from Fidelity and TIAA
- Know Your Rx pharmacist
- Elder care specialist, mental health therapist, dietitian and more

#### Fun opportunities

- Fitness membership and more wellness opportunities
- Annual retiree fair in the fall
- Activities and more from Osher Lifelong Learning Institute
- Tuition-free UK classes for Donavan scholars age 65+



## When do you plan to retire?





## There's no set retirement age

Early retirement before 65
if your age + years of service ≥ 75\*
Requires staff give 90-day notice

Normal retirement at 65+
Requires staff give 30-day notice

Phased retirement for up to 3 years \* At age 60+

\* If at least 15 of your years of service are continuous regular full-time (or its equivalent).



# What's your official # of years of service?



Contact us at retirement@uky.edu!



# Phased retirement for up to 3 years

- Reduced full-time status and salary
  - Position status reduced to at least half time, no more than 80%
  - Salary is reduced based on %
- Same insurance and rates as full-time employees
- Retirement savings:
  - Your contributions and our 200% employer match continues, but as a percentage of reduced salary
  - You get access to retirement funds to supplement your reduced salary
- Your department, not HR, grants phased retirement



## **Early retirement requires:**

- 1. "Rule of 75" = age + years of service ≥ 75
- 2. Years of service equal to 15 years in a position with a 100% FTE (full-time equivalency) status
  - 15 years working in a regular full-time position at 100% FTE =
  - 20 years working in a regular position classified at 75% FTE
  - And those years are continuous with no interruption
  - And those years are in a regular position, not temporary



## Normal retirement requires:

- 1. Age 65+
- For access only to health coverage, age 65+ with 5+ years\* in a regular position with a 100% FTE (full-time equivalency) status
- 3. For health subsidy, 15 years\* in a position with a 100% FTE (full-time equivalency) status and regular position prior to 1/1/2006
  - 15 years working in a regular full-time position at 100% FTE
  - 20 years working in a regular position classified at 75% FTE
  - \* And those years are continuous with no interruption
  - \* And those years are in a regular position, not temporary



#### **Unused sick leave**

- Convert sick leave if:
  - you have at least 66 days of temporary disability leave
- Hired prior to July 1, 1995? Convert it to:
  - financial payout OR
  - move up your retirement date
- Hired on or after July 1, 1995? Convert it to:
  - move up your retirement date or add to your years of service



#### **Unused leave**

#### Vacation leave

 Anyone with a vacation leave balance up to one year's accrual will receive a payout.

#### Payouts

 From vacation and/or sick leave can be tax-sheltered into a voluntary retirement savings plan.

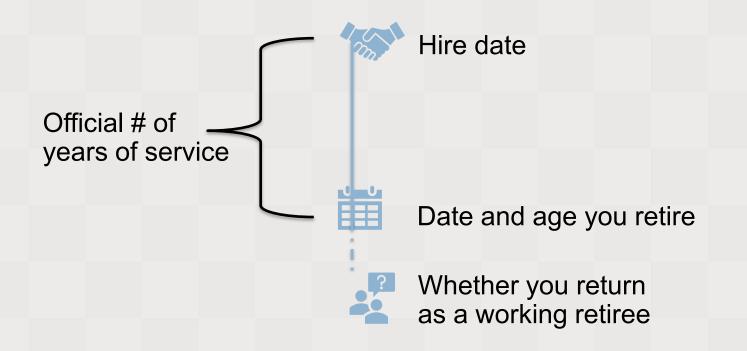


### Life insurance

- Basic life insurance policy ends when you retire
- Two options offered to retirees:
  - Optional life insurance through Prudential
  - MPM universal life insurance



# UK insurances for retirees Cost and eligibility depends on:





#### All insurance rates for retirees

View the latest rates for all plans online at hr.uky.edu/retirees



Retirees receive booklet annually during open enrollment



#### **Dental insurance**

offered if you have ≥ five years of service, rates and options for year 2025-2026

#### All dental plans cover 100% preventive

- UK Dental = onlyUK Dentistry clinics
- Delta Dental = in-network providers
- Four plan options
  - All partially cover minor restorative
  - Some cover major restorative and orthodontia

| Coverage           | Cost range (per month) |  |  |
|--------------------|------------------------|--|--|
| Retiree Only       | \$17-\$40              |  |  |
| Retiree + Children | \$37-\$82              |  |  |
| Retiree + Spouse   | \$37-\$82              |  |  |
| Retiree + Family   | \$59-\$128             |  |  |



### Vision insurance

offered if you have ≥ five years of service rates and options for year 2025-2026

#### EyeMed vision plans cover annual exams

#### plus savings on:

- Contact lenses
- Glasses lenses
- Glasses frames
- LASIK and PRK laser vision correction procedures

| Coverage           | Cost range (per month) |
|--------------------|------------------------|
| Retiree Only       | \$8-\$21               |
| Retiree + Children | \$15-\$38              |
| Retiree + Spouse   | \$16-\$40              |
| Retiree + Family   | \$21-\$53              |



# Summary of health insurance plans

- Under 65 = same health plans available to employees
  - Cost differs based on your regular service date and the date you're eligible to retire.
- Ages 65 and over = UK Medicare Advantage Plan
  - Offers complete freedom to receive services from any provider who accepts Medicare.
- Retirees actively working at UK at any age = reduced cost

# Under 65? Your health insurance rates

Monthly cost if hired in regular position after January 1, 2006, or before January 1, 2006

|                     | Your monthly cost* | UK pays                               | Your monthly cost* |
|---------------------|--------------------|---------------------------------------|--------------------|
| UK-HMO              | \$1,223 - \$2,868  | A                                     | \$183 - \$3,243    |
| UK-PPO or Indemnity | \$1,291 - \$3,720  | percentage<br>based on<br>age/service | \$194 - \$3,462    |



<sup>\*</sup>Monthly cost ranges for 2025-26 based on how many people are covered

# Under 65? Your health insurance rates

Percent of medical premium retiree pays if hired in a regular position before January 1, 2006

| Age at retirement | Years of service at retirement                |             |           |
|-------------------|---|-------------|-----------|
|                   | 15-19 years                                   | 20-24 years | 25+ years |
| Less than 60      | 80%   | 60%         | 40%       |
| 60+               | 75%   | 55%         | 35%       |
| 61+               | 70%   | 50%         | 30%       |
| 62+               | 65%   | 45%         | 25%       |
| 63+               | 60%   | 40%         | 20%       |
| 64+               | 55%   | 35%         | 15%       |
| 65+               | Everyone pays 10% or \$8, whichever is higher |             |           |



# Under 65? Your health insurance rates

Example: monthly cost if hired in a regular position

**before** January 1, 2006, for HMO in 2025-2026

| Age at retirement | Years of service at retirement |             |           |
|-------------------|--------------------------------|-------------|-----------|
|                   | 15-19<br>years                 | 20-24 years | 25+ years |
| Less than 60      | \$978                          | \$734       | \$489     |
| 60+               | \$917                          | \$673       | \$428     |
| 61+               | \$856                          | \$612       | \$367     |
| 62+               | \$795                          | \$550       | \$306     |
| 63+               | \$734                          | \$489       | \$245     |
| 64+               | \$673                          | \$428       | \$183     |

- Children: Add \$672/month
- Spouse: Add \$1,588/month
- Spouse + Children: Add \$2,265/month



# Under 65? Your health insurance rates

Example: monthly cost if hired in a regular position

**before** January 1, 2006, for PPO in 2025-2026

| Age at retirement | Years of service at retirement |             |           |   |
|-------------------|--------------------------------|-------------|-----------|---|
|                   | 15-19<br>years                 | 20-24 years | 25+ years |   |
| Less than 60      | \$1,033                        | \$775       | \$516     | • |
| 60+               | \$968                          | \$710       | \$452     |   |
| 61+               | \$904                          | \$646       | \$387     |   |
| 62+               | \$839                          | \$581       | \$323     |   |
| 63+               | \$775                          | \$516       | \$258     |   |
| 64+               | \$710                          | \$452       | \$194     |   |

- Children: Add \$705/month
- Spouse: Add \$1,681/month
- Spouse + Children: Add \$2,429/month



### Age 65+? UK Medicare Advantage

Monthly cost for 2026 if hired in a regular position after January 1, 2006 or before

if you have 5+
years of service\*

if you have 15+ years of service\*

| Coverage level   | Total cost | UK pays    | Your cost   |
|------------------|------------|------------|-------------|
| Retiree only     | \$82       | \$74       | \$8         |
| Spouse only      | \$82       | <b>\$0</b> | \$82        |
| Retiree + Spouse | \$164      | \$74       | <b>\$90</b> |
| Surviving Spouse | \$82       | \$37       | \$45        |



<sup>\*</sup>Years of service must be continuous regular full-time service

### Return as a working retiree?

#### You may be eligible for reduced health insurance rates

- Temporary, non-benefits eligible positions
- Work 20% full-time equivalency or greater and:

| If you return:                                    | You'll receive:                                    |
|---|--|
| No later than 3 months after your retirement date | Employee insurance plans and rates                 |
| 3 months+ after your retirement date              | Reduced rates for working retirees and dependents* |
| And you are age 65+                               | Employee medical plan (UK HMO, PPO, etc).          |



### Working retiree rates

After one year in a position with at least 20% full-time equivalency

Monthly cost if initially hired in a regular position after January 1, 2006, or before

|                     | Your cost*      | UK pays | Your cost*     |
|---------------------|-----------------|---------|----------------|
| UK-HMO              | \$799 -\$2277   |         | \$55 - \$1,533 |
| UK-PPO or Indemnity | \$848 - \$2,429 | \$744   | \$99 - \$1,685 |



#### Contact

- Customer service: 257-9519 select option 3, then option 1
- Retirement Specialists: retirement@uky.edu
  - Kim Cook, Terri Kanatzar and Coleman Simpson
- Retiree billing
  - Keely Naze
- Medical insurance claims
  - Debbie Martin

