

RETIREMENT EMPLOYER CHECKLIST

Documents Provided to Employee:

- Retirement Counseling Checklist
- Sick Leave Credit Estimate
- WRS Retirement Calculation (if not provided by ETF)
- Current Annuitant Health Insurance Premiums
- State Group Life Insurance Estimate
- Medicare Form (if 65 or older)
- Continuation Forms/Information
 - EPIC Benefits+
 - Dental Wisconsin
 - VSP
 - AD&D
 - UIA
 - FSA (provide options and continuation form if necessary)
- Conversion Information
 - Individual and Family Life
 - UW Employees Inc Life

Before employee's final pay period begins to calculate:

- Create FSA Event and change Medical FSA election if employee is choosing to contribute entire annual pledge before retirement (must be done before retirement Event is closed - see below)
- Have HR enter retirement into Job Data (be sure to terminate all active jobs)
 - Entering the retirement will create an RT Event in On Demand for the employee (in overnight process). The RT Event will process 5 days after the retirement date (regardless of when the retirement is entered into HRS).
 - An RT Event may be "forced" to close early in order to prevent the necessity for benefit refunds (because we pay benefits one month in advance and most benefits terminate in retirement month).
 - If you would like to avoid benefit refunds, you or the Service Center (via a WiscIT request) may force the RT Event to close early and terminate benefits before premiums for future months are deducted. You must wait until the RT Event has a number after it – i.e. RT1 – to close it.

During last pay period calculation:

- Enter Vacation, Personal Holiday, Compensatory Time, Floating Legal Holiday, Banked Leave/ALRA Payouts/Paybacks (Retirement in HRS must be entered for HRS to calculate payouts/paybacks)
 - If FA/AS/LI – obtain current month's Leave Report and enter absences prior to last calc
- Confirm Payouts/Paybacks on Review Paycheck

After payroll calculation:

- If employee met Medical FSA annual pledge before retirement, contact the Service Center to make sure employee's eligibility end date is the end of the plan year. If this step is not done, the employee's account will terminate automatically and employee will not be able to use their FSA funds through end of plan year.
- Print final sick leave balance for file
- Print final check with payout for file
- Complete Sick Leave Certification (must wait until final payroll calculates)
 - Complete online Accumulated Sick Leave Cert (must wait until after termination date to submit)
 - Create Wisclt to Service Center to zero out sick leave (attach certification)
 - Send copy to employee with Sick Leave Certification Insert
 - Keep Copy for Employee's file
 - Print copy of email to SC for file

Detailed Counseling Information

Review WRS Annuity Estimate

Calculation Types – Formula or Money Purchase

- Review Age Reduction Factor if applicable

Payment Options

- If under age 62 – Explain **Accelerated Payment Option** = an amount equal to your estimated age 62 Social Security Benefit. This option continues until Age 62.
 - Explain after Age 62 option, when Social Security is added to after 62 annuity should approximately equal accelerated amount.
- Life Annuity Options (need spouse's approval if married for at least one year – spouse is waiving right to annuity)
 - For Annuitant's Life Only – Will receive annuity as long as you are alive.
 - 60 Payments Guaranteed – Will receive annuity as long as you are alive, if you pass before 60 (5 years) payments, the remaining payments will be paid to any beneficiary you name (either as an annuity or a lump sum payment of the present value of the payments).
 - 180 Payments Guaranteed – Will receive annuity as long as you are alive, if you pass before 180 (15 years) payments, the remaining payments will be paid to any beneficiary(ies) you name (either as an annuity or a lump sum payment of the present value of the payments).
- Joint and Survivor Options (need spouse's approval if named survivor is not spouse)
 - 75% Continued to Named Survivor – Will receive annuity as long as you are alive. If you pre-decease your named survivor, they will receive 75% of your annuity as long as they are alive. Annuity stops once both annuitant and named survivor pass. (If named survivor dies with 5 years of retirement, annuitant is moved to For Annuitant's Life Only annuity option)
 - 100% Continued to Named Survivor – Will receive annuity as long as you are alive. If you pre-decease your named survivor, they will receive 100% of your annuity as long as they are alive. Annuity stops once both annuitant and named survivor pass. (If named survivor dies with 5 years of retirement, annuitant is moved to For Annuitant's Life Only annuity option)
 - Reduced 25% on Death of Annuitant OR Named Survivor – Will receive annuity as long as both parties are alive. Once the annuitant or named survivor pass, surviving party will receive 75% of original annuity. Annuity stops once both annuitant and named survivor pass. (If selected Accelerated Payment Option, only after Age 62 annuity will be reduced by 25% if one party passes)
 - 100% Continued to Named Survivor with 180 Payments (15 years) Guaranteed – Will receive annuity as long as you are alive. If you pre-decease your named survivor, they will receive your full annuity as long as they are alive. If both of you were to pass before 180 payments were made, remaining payments would be paid to any beneficiary(ies) you name (either as an annuity or a lump sum payment of the present value of the payments).

- If Employee has **Military Service** Credit on retirement estimate, explain that he/she will receive ET-4313 *Military Service Affidavit*, which they must complete to verify if they are taking a military retirement or not. Form must be notarized.

If applicable, assist in completion of application

- Complete *Direct Deposit Authorization* – attach voided check
- Explain when they will receive 1st payment
- Complete Income tax Withholding Election:

- Retiree should not have State of Wisconsin taxes withheld if moving to another state. Refer to Tax Withholding Change Form on ETF website for future tax status changes. If choose not to withhold taxes, may be required to file quarterly estimates.
- Explain to employee they will receive a 1099R for retirement income (instead of a W-2)
- Complete Applicant Information: Write in termination (retirement) date and check box –Earliest Possible Date – which will make the annuity effective date the next day after termination.
- Complete Marital Status
- Complete Application Certification. Spouse only signs if employee selects a Life Annuity Option OR named someone other than spouse as Joint Survivor

Explain when final calculation will be done

- Once ETF receives application, they will send a confirmation notice that includes annuity amount and tax information.
- Final annuity calculation will come 6-12 months after retirement date.
 - If it's higher than estimate, they will pay a lump sum for previous underpayments.
 - If it's lower than estimate, employee will be required to pay money back.
- Annuity can fluctuate throughout the years due to dividend returns but can never drop below your original final annuity calculation (only if all in core fund).

Review Sick Leave Estimate/Health Insurance Procedures

- Health insurance ends in the month you retire – coverage will continue automatically into retirement, no action needed
 - Required to enroll in Medicare at age 65 and premium will decrease – coverage will stay the same but Medicare will be primary payer. Do not enroll in Medicare Part D b/c Navitus coverage continues.
- Sick leave credits will be certified and pay for health insurance until exhausted (see estimate), once SL credits are exhausted, health insurance premiums will be deducted from annuity automatically.
- Sick leave credits are calculated on your sick leave hours plus supplemental sick leave credits multiplied by your highest hourly wage rate.
- Will receive retiree ID cards
- Must have Family health coverage at time of retirement in order for SL credits to be used by Spouse in the event of the Annuitant's death
- Will receive a Sick Leave Credit statement at the end of every year telling you your SL credit balance.
- Employee planning on moving out of WI? Mention Access Plan.
- If employee has comparable coverage, can escrow sick leave credits for future use (must submit SL Escrow application to ETF)
- If married to another state employee who is still working, sick leave credits are automatically saved.
- Will continue to have an annual opportunity in October to change health plans.

Review State Group Life Estimate

- Continues into retirement automatically – premium will be deducted from annuity (see estimate).
- Only Employee coverage continues into retirement
- Once you reach 65, only Basic coverage continues and you stop paying premiums.
 - At 65, coverage level drops to 75% of original Basic coverage.
 - At 66, coverage level drops to 50% of original Basic coverage – this remains coverage level and is payable out upon death.
 - At 66 or later, if sick leave credits are exhausted, may convert coverage to dollar value to pay for health insurance premiums (is not a dollar for dollar conversion).
- Can convert Spouse & Dependent coverage to an individual policy at a higher premium.