Lansing Community College - Ready to Retire Guide

You’ve had a successful career and now you are thinking of the next phase: retirement. Retirement decisions are among the most important you will ever make. This Ready to Retire Guide will help answer some common questions.

# Your Retirement Date

## FT Faculty

Faculty who are retiring at the end of the academic year, may elect their final scheduled work day of the academic year or they may elect the final official day of the academic year as their retirement date. For MPSERS members, this date would be considered your last date worked and retirement date would be the 1st day of the following month. Faculty who have elected deferred (summer) pay will continue to be paid their deferred pay over the summer pay dates.

Faculty who retire at the end of the fall semester should use the last scheduled work day of fall semester as their retirement date. MPSERS members, this date would be considered your last date worked and retirement date would be the 1st day of the following month. Faculty who have elected deferred (summer) pay will be paid their deferred pay as a lump sum payment with their final paycheck.

## All Other Employees

All other employees should use the 1st day of the month following their last scheduled work day as their retirement date. Please include your last date worked and your retirement date in your “intent to retire” notification.

# MPSERS Pension Date

Employees who will be receiving pension payments through the Michigan Public School Employee Retirement System (MPSERS) will begin receiving payments on the 25th day of each month after their LCC retirement date, assuming that all documents are received and approved by the Office of Retirement Services (ORS) approximately 45 days prior to your retirement effective date.

# Our Retirement Partners – MPSERS, TIAA, VOYA

Throughout your working career at LCC, we have taken care of your retirement plan deductions, wage and service records, and plan contributions. Regular reports are sent to our retirement partners which become part of your official personal retirement record. When it’s time for you to retire, LCC will send your final pay and service records to the appropriate retirement partner who will work directly with you as you transition to retiree status.

As a general rule, your application for retirement through the LCC retirement plans should be initiated at least three months prior to your planned retirement date.

## MPSERS – miAccount

MPSERS is the traditional pension plan available through LCC. This plan is administered by the State of Michigan Office of Retirement Services (ORS). If you are enrolled in this plan, you will find the answers to all of your retirement related questions in your online account at [click here to go to miAccount](https://www.michigan.gov/orsmiaccount).

miAccount will contain all of your personal retirement information and will allow you to view estimates of your pension at various stages of your career. You will also use this system to process your pension and insurance elections when you are ready to retire. You will need the following documents when you are ready to apply for retirement: birth certificate, your spouse’s birth certificate, your marriage license.

To begin the retirement process, you will need to apply for retirement online on [miAccount](https://www.michigan.gov/orsmiaccount) approximately 90 days prior to retirement. Once the application is complete, mail in your insurance enrollment, photo copies of proofs of age, and any other required proofs to the Office of Retirement Services (ORS). If you or your spouse will be eligible for Medicare at the time of retirement, enroll in Medicare 90 days prior to your retirement effective date.

## TIAA – Optional Retirement Plan (ORP)

TIAA is the administrator for our Optional Retirement Plan. This alternative to MPSERS is available upon original hire to FT Faculty and FT Administrators and must be specifically elected upon hire. This plan is a Defined Contribution Plan which provides for full vesting after two years of service. As a Defined Contribution plan, a variety of distribution options are available when you are ready to retire as well as when you are preparing to retire. An overview of plan information and distribution options can be found here: [click here to go to TIAA Distribution options](https://www.tiaa.org/public/tcm/lcc/retirement-benefits/plan-346214).

If you are enrolled in the ORP plan, you will find the answers to all of your retirement related questions in your online account at [click here to go to TIAA online account access](https://www.tiaa.org/public/tcm/lcc/retirement-benefits/plan-346214).

## VOYA – MPSERS Defined Contribution Plan

VOYA works as a partner with MPSERS for the administration of the savings components of our retirement plan. VOYA provides assistance with investing, tracking contributions, setting retirement goals, etc.

Employees who are enrolled in a MPSERS plan which includes a savings component will want to access account information and options with VOYA as part of the retirement planning process. Employees can access their VOYA account through their retirement plan website. Links for all retirement plan options may be found on this page: [click here to link to retirement plan options](https://www.michigan.gov/ors/public-school-employees-retirement-system).

# LCC Employee Benefits

## FT Faculty

Faculty who work the full academic year will have LCC benefits until August 31st. If the faculty member wishes to end LCC health benefits earlier due to starting health benefits through their retirement plan or Medicare earlier than August 31st, the faculty member would need to contact LCC-HR-Benefits@star.lcc.edu and submit applicable documentation.

## All Other Employees

LCC benefits will continue to the end of the last month in which the employee actually works.

# Post-Retirement Benefits

## MPSERS Health Benefits

Depending on the plan election and eligibility, health, dental and vision benefits may be available as part of your retiree benefits through MPSERS. Employees should carefully review estimates of benefits from MPSERS to determine whether benefits are part of the offering. The MPSERS website provides detailed information as to plans and prices for currently available plans at this website: [click here to link to the MPSERS insurance benefits page](https://www.michigan.gov/orsschools/your-insurance-benefits)

## COBRA

If you and your covered family members are enrolled in any of the LCC health plans (medical, dental, vision or health flexible spending account), you may be able to continue coverage through COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985). If you are ineligible to continue your health FSA, you have 90 calendar days from your retirement date to submit reimbursement for eligible expenses incurred during your coverage period. The COBRA qualifying event notice will be mailed to you within a month of your retirement date with detailed information about this continuation coverage and your costs. LCC does not make a contribution toward COBRA continuation coverage, so your costs are the full premium plus a 2% administrative fee.

If you want to continue benefits via COBRA, you need to apply no later than 60 calendar days from the date the COBRA notice was mailed. The COBRA period typically runs for 18 months after your retirement date.

## Life Insurance

Your life insurance coverage with LCC provides you with a conversion option to continue your coverage upon retirement.

Conversion Option – A conversion to an Individual Life Policy: This option allows you to obtain an individual life policy for employee, spouse and dependent life insurance coverage and is offered at individual insurance rates.

Applications are sent to retirees following their termination date. If you have questions about this information, your eligibility, or the status of any request you have submitted, please contact National Insurance Services (NIS) portability and conversion administrator, at 800-627-3660.

## Medicare

If eligible, you must enroll in Medicare prior to completing your MPSERS application. Use your MPSERS retirement date as the start date of your Medicare coverage.

* Enroll in Medicare online at http://www.medicare.gov or at your local Social Security office.
* The Social Security office will give you a form to bring to the LCC Benefits office for completion to avoid a late enrollment penalty.
* During your retirement: if you are covered by MPSERS insurance, you must enroll in Medicare Parts A and B as soon as you (or your spouse) are eligible.

Note: Do not enroll in a separate Medicare Part D plan as this will terminate your health and/or prescription coverage with MPSERS.

# Notifications and Final LCC Pay

You must provide notice to your supervisor and the Human Resources Department as soon as your retirement date is determined by completing the [Notice of Separation Form](https://dynamicforms.ngwebsolutions.com/casAuthentication.ashx?InstID=97babbd0-178a-4ca3-80d8-0e52037f27eb&targetUrl=https%3a%2f%2fdynamicforms.ngwebsolutions.com%2fSubmit%2fStart%2f6c716912-9aa6-4d5b-8d5b-ca21730f41a2). This is an online Dynamic Form and will require you to login with your LCC credentials to complete it. This notice form will specify your intention to retire with your specific retirement date and planned last date worked. The notice form should be submitted in a timely manner according to your employment classification/bargaining unit contract in order to be eligible for any available vacation/PTO balances.

Following notification, Human Resources will notify Payroll as well as other appropriate departments. You are not required to make additional notifications.

You will receive your final paycheck on the regularly scheduled pay date according to your final date worked. Employees who have accrued and unused vacation or paid time off leave time will be paid the balance of their hours on their final paycheck, as long as proper notice of termination was provided according to the individual contract.

Employees may not use available leave time as their last date worked for termination purposes. For example, an employee who will be working until May 7th may not record May 8th through May 10th as vacation leave. The final date actually worked will be the termination date and the balance of vacation leave hours would be paid on the final paycheck.

# Working after Retirement

Under Michigan Public Act (PA) 184 of 2022, public school retirees who have been retired at least nine consecutive months may return to work in any position at a public school with no effect on their pension or retiree healthcare benefits. There will be no limit on earnings for all retirees.

Additional tips retirees should know:

* **Bona fide termination:** A bona fide termination means there is a complete severing of the employer-employee relationship. You cannot work in a Michigan public school reporting unit during the month of your retirement effective date, even as a volunteer. You can’t have a promise of reemployment or a contract for future employment in place to work for a Michigan public school reporting unit before you terminate employment and begin collecting your pension.
* **Retirees hired/rehired prior to July 25, 2022:** Retirees working at a Michigan public schools reporting unit when PA 184 of 2022 went into effect may continue working, will no longer have an earnings limitation, and will have any suspended pension and/or insurance premium subsidy automatically resumed.
* **Retirees hired/rehired on or after July 25, 2022:** Retirees may not return to work until nine months after retirement without forfeiting their pension and insurance premium subsidy. After nine months, the retiree may be hired/rehired with no impact on pension or insurance premium subsidy. There will be no limit on earnings for all retirees.

More information regarding PA 184 of 2022 can be found on the [Office of Retirement Services website](https://www.michigan.gov/orsschools/whats-new/2022/07/01/working-after-retirement-legislation).

The ORS provides a tool for determining whether work in certain situations is permissible as a retiree. The tool can be located at this link: [click here to link to working after retirement tool](https://www.michigan.gov/orsschools/after-retirement/working-after-you-retire). Contact the Office of Retirement Services for additional information.

# Ready to Retire Checklist

The Office of Retirement Services provides a comprehensive checklist for employees who are considering retirement. The checklist can be found at this link: [click here to link to the ORS retirement checklist](https://www.michigan.gov/orsschools/ready-to-retire)

The Payroll Department can assist with questions about your final pay and other questions you may have about your retirement processing. They can be reached at 517-483-1799 or FS-Payroll@star.lcc.edu. You can also contact the Office of Retirement Services at 800-381-5111.