

Transitioning to Retirement

Steps to move from living at work to working at living

When you first began working for the city, retirement was a distant dream. You were in a phase of life that had to do with work and family, and the daily grind gave you so much to do that retirement was not even on the radar screen. As the years passed, however, the possibility of retirement “some day” became a reality. Maybe you planned for it, putting aside some money and dreaming about where you will spend your days after the daily grind of 9-5 is finished. When that day finally arrives, the reality sets in that there is more to retiring than just not having to go to work.

Since retirement decisions are some of the most important decisions you will ever make, these guidelines should help with a checklist of things to do and places to contact.

PHASE 1

Pre-Planning for Retirement

RETIREMENT

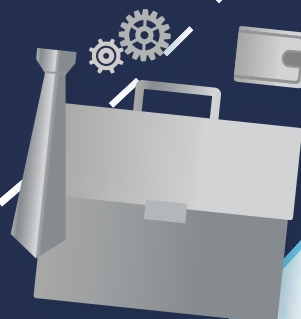
PHASE 2

Planning to Retire



PHASE 3

Finally Actually Retiring



PHASE 1

Pre-Planning for Retirement

To begin, before you contact the City, Local 1180, or your agency, it is important to look at your lifestyle, your finances, and your health. Honestly evaluating these variables will help you set goals before you take that final step into your future.

The pre-planning phase of retirement is by far the longest phase and will take years. In this early phase of the process, you begin to actually think about what retirement will look like, and consider all the things you will need and the lifestyle you want to enjoy. Things to consider:

- 1. What is your current state of health?** Have you always enjoyed good health? Do you have healthy habits? How is the health of your parents/siblings as you may have similar health concerns? Has your doctor recommended any surgery or medical treatment? If you have a choice, would it be better for you to complete the treatment while you are still on payroll or after you retire? Be honest with yourself and make adjustments to develop the best plan for you during these years.
- 2. How are your finances?** Pay off your debt and be careful to not take on financial burdens that belong to others. Do you have any outstanding loans? Ideally, you will reach retirement age debt free.
- 3. What is your current savings rate?** Look to increase your savings and contributions to retirement accounts. Retirement income is a three-legged stool: one leg is your pension, the second leg is social security and the third leg is your personal savings. Create a monthly budget now so that you know what you are spending and where you can make adjustments and save more.
- 4. What retirement lifestyle will you choose?** Will you stay in New York or move out of state? Do you eat out frequently or travel? Do you like to buy expensive electronic gadgets and gifts? Do you want to keep up your daily venti vanilla latte from Starbucks? Develop a vision of the lifestyle you would like to live and think about what it will take to achieve this.
- 5. Attend some pre-retirement planning seminars offered at CWA Local 1180 or at NYCERS**
- 6. Find out about the Individual Retirement Account Traditional and Roth IRAs** offered for City of New York employees as a way to increase retirement savings.

Getting ready for retirement takes years. The decision to make tiny improvements in lifestyle choices now will add up for a more secure financial future later when you will finally get to reap the rewards for all your years of hard work. A New York City billboard says it best: "Most people spend more time talking about retirement than planning for it." Don't let this be you. Now is the time to think ahead.



PHASE 2

Planning to Retire

During this phase, you start to take action. Take inventory on your life and check in with yourself to see if you are indeed ready to retire.

- 1. Make an appointment with the personnel department of your agency** and find out the date you are eligible to retire. You need to have the right number of years working and the right age to be eligible. This will become your targeted retirement date.
- 2. Make an appointment with the Social Security Administration** to find out how much your Social Security check will be upon retirement.
- 3. Make an appointment with the pension counselor at CWA Local 1180** to get answers related to health insurance and prescription drug rider costs for each available plan. The pension counselor will look at your age, tier, and number of years you have contributed toward your pension before calculating the final numbers. You will also get information about options so you can make educated and informed decisions.
- 4. Have you met your mark for debt management and understand your health care needs as they currently exist? Do you have any outstanding loans that you are responsible for?**
- 5. Make an appointment to speak with an attorney at CWA Local 1180.** Review any contracts that you have questions about, draft a will and power of attorney, and ask questions about elder care issues for your parents. There may be cost factors related to caring for your parents that you should consider.
- 6. Understand how your health benefits will change after you retire** and possibly relocate. Ask necessary questions and save helpful information for the future.

This middle-phase process can take anywhere from a couple of months to several years. You can meet with these counselors several times before you retire to be sure you are right where you want to be and understand everything that is important. There is no rush to the finish line. True victory will be a retirement with no regrets.

PHASE 3

Finally Actually Retiring

After all these years you are finally ready. You have planned well and are looking forward to the new future you created. Each phase is important and Phase 3 finalizes the process. To miss part of the process could result in problems with your benefits or pension checks — and no one wants that.

1. SEE YOUR BENEFIT COORDINATOR

Three to six months before your targeted retirement date, visit your agency's benefit coordinator. You will need to establish the last day you will work and the last day you will be paid. This date may or may not be the same. The **last day worked** is the last day you will report to work. The **last day paid** will be the last day you are on payroll after all of your leave balances have been paid out. **Your retirement date is the day after your last day paid.**

2. FILE A RETIREMENT APPLICATION WITH NYCERS 30-90 DAYS BEFORE YOUR LAST DAY PAID.

Tier 1 members should file Form 511, while members in Tiers 2, 3, 4 & 6 should file Form 521 at least 30 days prior to your retirement date.

Note: Some members will be part of a special class that has a 30-day requirement. You probably already know if this applies to you but if you don't, then ask.

WHEN YOU FILE FOR RETIREMENT AT NYCERS, BRING THE FOLLOWING:

- Your NYCERS Service Retirement Application
- Your birth certificate or passport for proof of birth date
- Your marriage license or domestic partner agreement (if current name differs from that on birth certificate)
- Form 501 (Post-Retirement Death Benefit Form)

* NYCERS will ask you to file for direct deposit, so fill out that form, too. It is the fastest, easiest, and most secure way to get your monthly pension check.

3. AFTER YOU SUBMIT ALL OF YOUR DOCUMENTS, NYCERS WILL GIVE YOU A RETIREMENT APPLICATION RECEIPT. Make two copies of this receipt and give one to your agency's benefit coordinator and the other to CWA Local 1180. This is very important for setting up your health insurance. Be patient. By mail, this can take anywhere from three to six weeks, with some members reporting an even longer wait. Local 1180 has no control over how long this takes.

4. SUBMIT YOUR RETIREMENT APPLICATION RECEIPT COPY AND REQUEST A HEALTH BENEFITS APPLICATION FROM YOUR AGENCY'S PERSONNEL OFFICE. You need to complete this application to transfer coverage from active to retired status. Even if you waive your health benefits coverage, you still need to complete this application. **Note:** Retirees are not eligible for the health coverage buy out in the event you waive coverage. Complete the application, make a copy, and return it to your personnel office. They will send it to the Office of Labor Relations (OLR) and certify it. If you are eligible for Medicare, you will need to bring a copy of your Medicare card or your Medicare Award letter and submit it with the CERTIFIED COPY OF THE HEALTH BENEFITS APPLICATION to OLR. Your agency will confirm your accurate retirement date and send confirmation to CWA Local 1180.

5. VISIT THE CWA LOCAL 1180 SECURITY BENEFITS OFFICE at 6 Harrison Street, 3rd Floor, or call 212.966.5353 and request a new retiree application kit that contains an outline of retirement benefits, application for selection of dental coverage application, benefit handbook, and a registration for retirement form for Local 1180. Read the handbook and write down any questions you have.

Complete the following and return everything to Local 1180. It could take 1-2 weeks to get your information updated in our system. Ask to speak to a representative from Security Benefits if you have any questions about being a retiree:

- Registration for Retirement Form
- Dental Application
- Copy of Receipt of Retirement Application
- Copy of Health Benefits Application

As a Local 1180 retiree, you will not pay union dues but you will receive dental, optical, podiatry, hearing aid, prescription drug, and mental health benefits, as well as a general medical reimbursement.

6. SIX TO EIGHT WEEKS AFTER YOUR LAST DAY PAID, YOU WILL RECEIVE AN OPTIONS ELECTION PACKAGE MAILING. Fill out the paperwork and return it to NYCERS. You must do this within 60 days, but the sooner you do it, the sooner all of your benefit selections can be finalized.

7. ONE TO TWO MONTHS AFTER YOU FILE YOUR OPTIONS ELECTION, YOUR PENSION AND BENEFIT CHOICES WILL BE FINALIZED AND YOU WILL RECEIVE THE FULL AMOUNT OF YOUR PENSION BASED ON YOUR ELECTIONS. Up until this point, you have had only partial or advance payments. Pension payments will be made by direct deposit. If you have questions, there are several people in the Union's benefits office who can help you. Just ask.

8. TELL YOUR HEALTH CARE PROVIDER AND PHARMACY THAT YOU HAVE NEW INSURANCE COVERAGE now that you are retired. Show them your new card. If you don't tell them, you could incur costs from unpaid claims.

You did it! Jump for joy and pat yourself on the back for a job well done. Now you can enjoy your retirement years. Your monthly calendar of events from them Local 1180 Retiree Division will give you plenty to do in your free time.

The Retiree Division is a benefit to retirees of CWA Local 1180 and provides an array of events, benefit trainings, meetings, and outreach events to keep retirees active and informed throughout the course of their retirement.

* Instead of NYCERS, members at the Board of Education will file their paperwork with BERS (Board of Education Retirement System). In some cases, agencies manage retirement paperwork in their own HR department. You will be told if this is the case for you.

GOOD TO KNOW

As a Local 1180 retiree, you will not pay union dues but you will receive dental, optical, podiatry, hearing aid, prescription drug, mental health benefits, as well as a general medical reimbursement.

Benefit Eligibility & Retiree Health Coverage

Your health benefits will change when you retire. When you were working, your health insurance was managed by your agency's personnel office. As a retiree, your health insurance will be managed by NYC Health Benefits Program Office of Labor Relations or NYC OLR at 40 Rector Street. It's important to note that you should not sign up for a health plan that is not one of the City plans. Doing so could cause you to lose all the benefits that you have worked for.

You are eligible to receive health benefits as a New York City retiree if:

- You have the required years of credited service
- You were eligible for health benefits as an employee
- You will be receiving a City of New York pension check (or are a member of a pension group covered under a special agreement)

Eligible dependents are:

- Legal spouse/registered domestic partner
- Children under 26 years of age
- Disabled dependents covered before retirement

Every health plan offered by the City has a version for active and retired. You can only change plans or make changes to plan (add/drop dependents/optional rider) if it is:

- During a transfer period;
- You become eligible for Medicare; or
- You are moving outside of the area covered by your plan.

Health plans may have costs associated with them and they can vary from plan to plan. Ask the Health Benefits Office about any costs so you fully understand them and are ready to make changes at the next available time if that is what's best for you and your family. Costs to consider include:

- Premiums (deductions from your pension check)
- Co-pays (payable to your healthcare provider)
- Deductibles (out-of-pocket expenses paid by you before your health plan makes a payment)

Your prescription drugs are covered in a variety of ways depending on the nature of the drug. Chemotherapy and asthma drugs are managed differently than general medications and diabetic drugs. You may get prescriptions through your chosen health plan or by using the union drug card. If you pay for your prescriptions through your health plan, Local 1180 will reimburse you up to \$2,700 for your out-of-pocket expenses. The optional rider is good for expenses that exceed the basic coverage provided through your health plan. Consider your prescription drug needs when making your choices. Check out the current rate chart at nyc.gov/hbp

About Medicare

If you will be eligible for Medicare at the point of retirement, you must sign up for Medicare Part A and Medicare Part B three months before you turn 65. Even though NYC OLR will be providing you with health insurance, you must sign up for both. If you do not, you can get penalized financially and it will last forever. You need both to maximize the health care cost benefit offered by the City.

Part A is your hospital insurance and there is no cost. **Part B** is your health care medical insurance and has premiums.

To enroll in Medicare call 1-800-MEDICARE or visit the Medicare office.

If you are collecting Social Security, the premium will be deducted from your pension check. If you are not collecting Social Security, you will be billed directly.

Once a year, NYC OLR will reimburse retirees the cost of their Part B premiums for the previous year, if you are enrolled in a City health plan **and** you have sent a copy of your Medicare card to the Health Benefits Office at 40 Rector Street.

For more information:

Office of Labor Relations
40 Rector Street, 4th Floor
New York, NY 10006
Phone: 212.306.7200 (General Information)
Fax: 212.306.7202

CWA Local 1180
6 Harrison Street, 3rd Floor
New York, NY 10013
212.966.5353

NYC Employee Retirement System
NYCERS Customer Service Center
340 Jay Street, Mezzanine Level
Brooklyn, NY 11201
347.643.3000

Board of Education Retirement System of the City of New York (BERS)
65 Court Street, 16th Floor
Brooklyn, NY 11201
718.935.5400 or 800.843.5575

Visit the Local 1180 website at www.cwa1180.org or check the Communique for upcoming pre-retirement planning seminars.