



Carnegie Mellon University

Ready to Retire!

April 22, 2024

Today's Topics

- **Overview of Social Security**
 - Elaine Cole, Social Security Administration
- **Overview of Medicare**
 - Steve Petrungaro, HUB International
- **CMU Retiree Medical Offerings**
 - Christine Rutkowski, CMU Office of Human Resources — Benefits
- **CMU Retirement Savings Plans**
 - Christine Rutkowski, CMU Office of Human Resources — Benefits
 - Chad Firmstone, Sr. Financial Consultant - TIAA

Zoom Attendees – Commutation via Chat Feature

- Please make sure that you are on 'Mute' to minimize background noise
- Feel free to enter a question in the chat feature
- If your question is more personalized, we will provide contact information for all presenters so that your specific situation can be addressed appropriately.

Overview of Social Security

Elaine Cole, Social Security Administration

Questions About Your Retirement?

- How do I become eligible for Social Security retirement?
- How much will I receive?
- When should I apply for my retirement benefit?
- What time of the month will I receive my benefit?
- Can anyone else receive from my earnings record?
- What happens to my benefits if I die?
- What happens if I receive a non-covered pension?
- When will I start receiving Medicare?
- What parts are there to Medicare?
- Do I need other health insurance?
- Do I need to take Medicare Part B if I am working?
- What is the Medicare Savings Program?
- How do I apply for my benefits?





Understanding Your Retirement & Medicare Benefits

Elaine M. Cole

Public Affairs Specialist

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Disclaimer

This information is current at the time of the presentation.

Social Security policy is subject to change.

Please visit **SSA.gov** for up-to-date information on our programs.



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and tomorrow

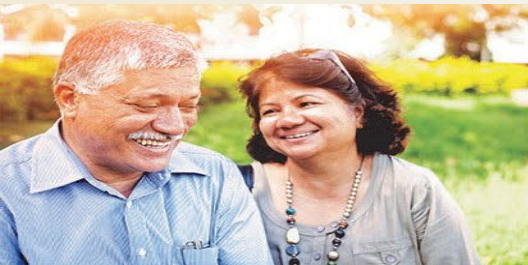
SSA.gov



Social Security: *New & Noteworthy*



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- **HANG UP** on Social Security scams.
- **DON'T** make payments with gift cards or wire transfers.
- **TELL** your family and friends.

Learn more at
ssa.gov/scam

Produced at U.S. taxpayer expense



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Scam Awareness & Social Security

Fraudsters pretend to be government employees and claim your identity has been stolen or that there is another problem with your SSN, account, or benefits. These criminals continue to evolve and find new ways to steal your money and personal information.

Generally, we will only contact you if you have requested a call or have ongoing business with us, but we will never:

- Threaten you with arrest of legal action.
- Suspend your Social Security number (SSN).
- Demand immediate payment from you.
- Require payment by cash, gift card, pre-paid debit card, internet currency, or wire transfer.
- Ask for gift card numbers over the phone or that you wire or mail cash.
- Ask for personal details or banking information to give you a cost-of-living adjustment (COLA).

If there is a problem with your Social Security number or account, we will mail you a letter.





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Prepare

Check eligibility for benefits

Plan for retirement



Apply

Apply for benefits

Sign up for Medicare

After you apply

Check application or appeal status

Appeal application decision

Feedback

Manage benefits & information



Documents

Get benefit verification letter

Get tax form (1099/1042s)



Number & card

Replace card

Request number for the first time

Report stolen number





my Social Security



Social Security

Benefits ▾

Medicare ▾

Card & record ▾

Search SSA.gov



Español

Account

Create your personal *my* Social Security account today

A free and secure *my* Social Security account provides personalized tools for everyone, whether you receive benefits or not. You can use your account to request a replacement Social Security card, check the status of an application, estimate future benefits, or manage the benefits you already receive.

Create an Account

Sign In

[Finish Setting Up Your Account](#)



ssa.gov/myaccount



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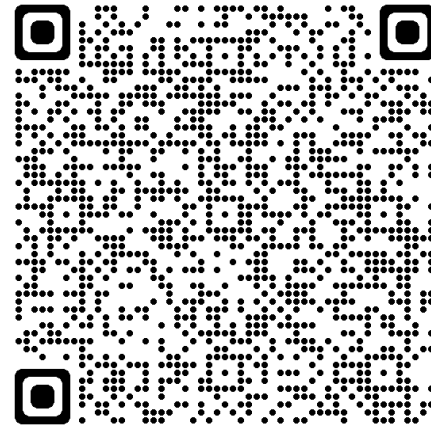
SSA.gov

Social Security Number and Card

Applying online is the fastest way to request a Social Security card. Just go to ssa.gov/number-card and answer a few questions to find out the best way to apply.

You can:

- Request a copy of a lost, stolen, or damaged card.
- Update or correct your personal information (e.g., name, citizenship, sex identification, date of birth).
- Request a Social Security number for the first time.



You may be able to apply completely online. In some cases, you will begin the process online and finish it in a local Social Security office or card center.



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Social Security Retirement for the Worker





How Do You Qualify for Retirement Benefits?

- By earning “credits” when you work and pay Social Security taxes
- You need 40 credits (10 years of work) and 62 or older
- Each \$1,730 (2024) in earnings gives you one credit
- You can earn a maximum of 4 credits per year*

Note: To earn 4 credits in 2024, you must earn at least \$6,920.

ssa.gov/planners/credits.html



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How Social Security Determines Your Benefit

Benefits are based on earnings

Step 1 - Your wages are adjusted for changes in wage levels over time

Step 2 - Find the monthly average of your 35 highest earnings years

Step 3 - Result is “average indexed monthly earnings”

ssa.gov/OACT/COLA/Benefits.html



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my Social Security

- Get estimates based on your actual Social Security earnings record and for different ages when you want your benefits to start.
- Estimates are available if:
 - You have enough Social Security credits at this time to qualify for benefits **and**
 - You are **not**:
 - Currently receiving benefits on your own Social Security record;
 - Waiting for a decision about your application for benefits or Medicare;
 - Age 62 or older and receiving benefits on another Social Security record; **or**
 - Eligible for a Pension Based on Work Not Covered By Social Security.



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Social Security's Online Calculators



ssa.gov/benefits/calculators



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Benefits Chart by Age

Year of Birth	Full Retirement Age	A \$1000 retirement benefit taken at age 62 would be reduced by
1943-1954	66	25%
1955	66 and 2 months	25.83%
1956	66 and 4 months	26.67%
1957	66 and 6 months	27.5%
1958	66 and 8 months	28.33%
1959	66 and 10 months	29.17%
1960 +	67	30%

ssa.gov/oact/quickcalc/earlyretire.html



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Social Security Retirement Payment Schedule

Birth Date On	Benefits Paid On
1 st -10 th	Second Wednesday
11 th -20 th	Third Wednesday
21 st -31 st	Fourth Wednesday



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[SocialSecurity.gov](https://www.SocialSecurity.gov)



Working While Receiving Benefits

If you are	You can make up to	If you earn more, some benefits will be withheld
Under Full Retirement Age	\$22,320/yr.	\$1 for every \$2
The Year Full Retirement Age is Reached	\$59,520/yr. before month of full retirement age	\$1 for every \$3
Month of Full Retirement Age and Above	No Limit	No Limit

Retirement Earnings Test Calculator:
ssa.gov/OACT/COLA/RTeffect.html



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Spousal & Divorced Spousal Benefits





Benefits for a Spouse

- Maximum benefit = 50% of worker's unreduced benefit
- Reduction for early retirement
- If spouse's own benefit is less than 50% of the worker's, they will be combined to equal to 50% of the worker's
- Does not reduce payment to the worker
- Benefit is unreduced if spouse is caring for worker's child younger than age 16 or disabled
- Spouse benefits are not payable until worker collects

ssa.gov/planners/retire/yourspouse.html



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Spousal Benefit Reduction Based on Retirement Age

Year of Birth	Full Retirement Age	A \$1000 retirement benefit taken at age 62 would be reduced by	A \$500 spouse benefit taken at age 62 would be reduced by
1943-1954	66	25%	30%
1955	66 and 2 months	25.83%	30.83%
1956	66 and 4 months	26.67%	31.67%
1957	66 and 6 months	27.5%	32.5%
1958	66 and 8 months	28.33%	33.33%
1959	66 and 10 months	29.17%	34.17%
1960 +	67	30%	35%





Benefits for Divorced Spouses

You may receive benefits on your former spouse's record (even if the wage earner has remarried) if:

- Marriage lasted at least 10 years
- You are unmarried
- You are age 62 or older
- Your ex-spouse is at least 62 and eligible for Social Security retirement or disability benefits, even if not collecting
- Benefit you would receive based on your own work is less than benefit you would receive based on ex-spouse's work

ssa.gov/benefits/retirement/planner/applying7.html#h4



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Divorced Spousal Benefit Reduction Based on Retirement Age

Year of Birth	Full Retirement Age	A \$1000 retirement benefit taken at age 62 would be reduced by	A \$500 divorced spousal benefit taken at age 62 would be reduced by
1943-1954	66	25%	30%
1955	66 and 2 months	25.83%	30.83%
1956	66 and 4 months	26.67%	31.67%
1957	66 and 6 months	27.5%	32.5%
1958	66 and 8 months	28.33%	33.33%
1959	66 and 10 months	29.17%	34.17%
1960 +	67	30%	35%



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Deemed Filing

- **If you were born on or after January 2, 1954**, and qualify for both retirement and spouse's (or divorced spouse's) benefits, you must apply for both benefits.
- This is called “deemed filing.” If you file for one benefit, you are “deemed” to file for the other one, too, even if you don’t become eligible for it until later.
- Applies at any age for people who turned age 62 after January 1, 2016.

There are exceptions.

ssa.gov/planners/retire/deemedfaq.html



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Survivor Benefits



Types of Survivor Benefits

Child	May receive benefits if unmarried and younger than age 18, or between ages 18 and 19 and a full-time student (no higher than grade 12)
Child with Disability	May receive benefits after age 18 if unmarried and disabled before age 22
Widow/er or Divorced Widow/er (Remarriage after age 60 will not affect benefits)	May receive full benefits at full retirement age or reduced benefits: <ul style="list-style-type: none">• as early as age 60• as early as 50, if disabled• at any age if caring for child of deceased worker who is under age 16 or disabled and receives child's benefits

ssa.gov/planners/survivors



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Surviving Spouse Benefits

When you pass away, your surviving spouse may:

- Claim survivor benefits at age 50 or older if disabled, otherwise any age between 60 and full retirement age;
- At age 60, receive 71.5% of your full benefit and increases each month they wait up to 100% if they start at full retirement age; OR
- At full retirement age, receive 100% of your unreduced benefit.



Spouse vs. Surviving Spouse Benefits

Spouse (living)	Surviving Spouse (deceased)
May start as early as age 62	May start as early as age 60 or as early as 50 if disabled
50% if you wait until FRA or later	71.5% at age 60, increases each month you wait
Less than 50% if you start before FRA (reduction for each month you take benefit early)	100% if you start at FRA or later

Certain conditions must be met.

ssa.gov/planners/survivors/ifyou.html#h6



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Other Survivor Benefits

- Lump Sum Death Payment
 - one-time payment of \$255 to surviving spouse or child(ren) who meet certain requirements.

- Parents' Benefits
 - for a parent age 62 or older who was receiving at least one-half support from their insured child.

ssa.gov/planners/survivors/ifyou.html



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Benefits for Children

A child must have:

- A parent who's disabled or retired and entitled to Social Security benefits;

OR

- A parent who died after having worked long enough in a job where they paid Social Security taxes.

The child must also be:

- Unmarried;
- Younger than age 18;
- 18-19 years old and a full-time student (no higher than grade 12); or
- 18 or older and disabled. (The disability must have started before age 22.)





Understanding Your Medicare Benefits





Medicare Card



Your card will have a Medicare number that's unique to you, instead of your Social Security number.
This will help to protect your identity.



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When to Contact Social Security About Medicare

Topic	Resources
report a death	Contact your local Social Security Office or call 1-800-772-1213 (TTY 1-800-325-0778)
To Check on Medicare eligibility	www.ssa.gov/benefits/medicare
Sign up for Hospital Insurance (Part A)	www.ssa.gov/benefits/medicare
Sign up for Medicare Insurance (Part B)	www.ssa.gov/benefits/medicare
Appeal income related monthly adjustment decision	www.ssa.gov/benefits/medicare/medicare-premiums.html
How do I apply for Extra Help with Medicare Prescription drug coverage? (Part D)	www.ssa.gov/benefits/medicare/
Request a replacement Medicare card	www.ssa.gov/myaccount
Report a change of address or phone number	http://www.ssa.gov/myaccount
Publications about Medicare	http://www.medicare.gov/publications



Overview of Medicare

Steve Petrunaro, HUB International



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

Medicare Made Simple

Presented by:

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Agenda

Welcome

What is Medicare?

Parts of Medicare, Eligibility
& Costs

Enrollment Process

Decisions, Decisions

Part D

Medicare - HSA & COBRA

Questions

Medicare

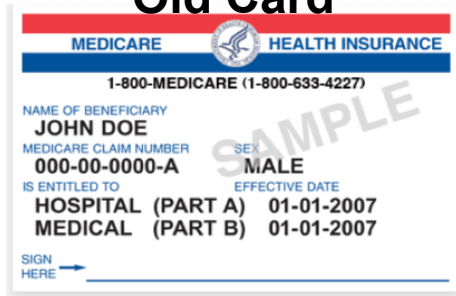
A federal government program

Provides health care coverage for qualified individuals

Administered by Centers for Medicare & Medicaid Services

Enrollment is through Social Security Administration (SSA) or Railroad Retirement Board (RRB) railroad retirees

Old Card



The old Medicare card features a red and white color scheme. At the top, it says "MEDICARE HEALTH INSURANCE" with the Medicare logo. Below that is the phone number "1-800-MEDICARE (1-800-633-4227)". The beneficiary's name is "JOHN DOE". The Medicare claim number is "000-00-0000-A" and the sex is "MALE". The card lists entitlement to "HOSPITAL (PART A)" and "MEDICAL (PART B)", both starting on "01-01-2007". There is a "SIGN HERE" field at the bottom left.

1-800-MEDICARE (1-800-633-4227)	
NAME OF BENEFICIARY	JOHN DOE
MEDICARE CLAIM NUMBER	000-00-0000-A
SEX	MALE
IS ENTITLED TO	EFFECTIVE DATE
HOSPITAL (PART A)	01-01-2007
MEDICAL (PART B)	01-01-2007
SIGN HERE →	



New Card



The new Medicare card features a blue and white color scheme. At the top, it says "MEDICARE HEALTH INSURANCE" with the Medicare logo. The beneficiary's name is "JOHN L SMITH". The Medicare number is "1EG4-TE5-MK72". The card lists entitlement to "HOSPITAL (PART A)" and "MEDICAL (PART B)", both starting on "03-01-2016".

MEDICARE HEALTH INSURANCE	
Name/Nombre	JOHN L SMITH
Medicare Number/Número de Medicare	1EG4-TE5-MK72
Entitled to/Con derecho a	Coverage starts/Coertura empieza
HOSPITAL (PART A)	03-01-2016
MEDICAL (PART B)	03-01-2016

Parts of Medicare

Part A – Hospital, Skilled Nursing, Hospice

Part B – Doctors, Lab, Ambulance, DME

Part A & B also referred as “Original Medicare”

Not covered in A & B:

- Routine Dental, Vision, Hearing, Foot Care
- Long Term Care
- Prescription Drugs

Part C – Medicare Advantage

Part D – Prescription Drug Plan (PDP)

Medicare Eligibility

Age 65 – U.S. Citizen or permanent resident for at least 5 years

Two years of SSDI - Social Security Disability

Diagnosed with end-stage renal disease or kidney transplant

Cards

- Automatically if collecting Social Security
- Apply online at [medicare.gov](https://www.medicare.gov), in-person, by phone

Medicare Costs for 2024

Part A – No charge if you or your spouse paid into Medicare taxes for 40Q or 10 years

Part B - \$174.70

- Income Related Modified Adjusted Income (IRMAA) 2 years back; can appeal
- Deducted from Social Security check if collecting SSI
- Billed Quarterly through Social Security if not collecting SSI

Part D – National Ave \$35/month – Dependent on prescriptions and Pharmacy

Penalties

- Part B - 10% of Part B premium for every 12 months not enrolled
- D – 1% of national ave per month not enrolled

Medicare Part B & D Premium for 2024

Yearly Income in 2022			Part B	Part D IRMAA
Individual Tax Return	Joint Tax Return	File Married & Separate Tax Return	Cost	In addition to premium
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70	\$0.00
\$103,001 to \$129,000	\$206,001 to \$258,000	N/A	\$244.60	\$12.90
\$129,001 to \$161,000	\$258,001 to \$322,000	N/A	\$349.40	\$33.30
\$161,001 to \$193,000	\$322,001 to \$386,000	N/A	\$454.20	\$53.80
\$193,001 to \$499,999	\$386,001 to \$749,999	\$103,001 or <\$397,000	\$559.00	\$74.20
>\$500,000	>\$750,000	>\$397,000	\$594.00	\$81.00

Enrollment Process

Initial Enrollment Period

- 3 months before, month of, 3 months after 65th Birthday

Automatic – Collecting Social Security (3 months prior to 65)

Application

- In person – Local Social Security Office
- Over the phone – 1-800-772-1213
- On-line at [medicare.gov](https://www.medicare.gov) (Recommended)

Delayed Enrollment

Actively employed and covered by group plan – you or spouse's plan

Can enroll without penalty at any time off group plan (8 months)

Online (No Part A)

Paper application if Part B only (You and Employer)

Medicare Was Never Designed to Cover Everything

Medicare Supplements (MediGap)

Plans are Standardized
GI During Initial Open Enrollment
Pays after Medicare pays its portion
Portable
Network is anyone that accepts Medicare
More Provider Choices
Available Nationally
Foreign Travel Benefits Available

Options



Medicare Advantage

- Contracted with Medicare
- Medicare pays the Health Plan a Capitated Fee
- Can Be Changed Every Year
- HMO & PPO Models
- Specific Providers for In-Network Benefits
- Benefits and Premiums Can vary by County
- Only Emergency and Urgent care coverage available outside the service area

Part D 2024

Prescription Drug Plan

Included in most Medicare Advantage Plans

Sold by insurance companies – formularies, pharmacies, copays differ

Four Phases

- Deductible - \$545 Max
- Initial Coverage – copays/coinsurance up to \$5,030
- Coverage Gap (Donut Hole) – 25% coinsurance
- Catastrophic – After \$8,000 – 0% coinsurance

Medicare.gov - Plan Finder

Attention Employers!!

**DO YOU HAVE EMPLOYEES WITH HEALTH SAVINGS ACCOUNTS?
ARE ANY EMPLOYEES MEDICARE AGE OR
APPROACHING MEDICARE ELIGIBILITY?**

What you don't know...

...can hurt you.



► **Did you know?**

Your employees could face harsh penalties if they are on Medicare and making contributions to their HSA Plan.

► **HSA plans are very popular and widespread.**

If a Medicare eligible employee is enrolled in Medicare, (even if only Part A) your clients need to fully understand the risk of penalties that they could face if they continue to contribute funds to their HSA.

HSA & Medicare

- *If you enroll in Medicare A and/or B, you can no longer contribute pre-tax dollars to your HSA.
- To contribute pre-tax dollars to your HSA, you cannot have any health insurance other than an HDHP (high deductible health plan)

HSA contributions must stop at least 6 months prior to enrolling in Medicare.

Employee can use the funds in the HSA for Medicare expenses

*www.MedicareInteractive.org

Medicare/COBRA Scenario 1

I am Medicare eligible and am now also eligible for COBRA

RESULT:

- Medicare is automatically PRIMARY
- Employee can select COBRA – but may want to explore options:
Supplement/Advantage/Part D

Medicare/COBRA Scenario 2

I have COBRA and then become eligible for Medicare.

RESULT:

- Medicare is automatically PRIMARY
- Employee must enroll into Medicare as soon as possible. However, they must enroll within 8 months of the beginning of COBRA to avoid delays and Medicare Penalties.

Questions, Conclusion and Next Steps

Thank you.

Steve Petrunaro

Account Executive

HUB International

(814) 844-6628

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BREAK – 5 minutes



CMU Retiree Medical Offerings

CMU Office of Human Resources — Benefits



What Happens to My Benefits When I Leave?

Health Plans and Healthcare Flexible Savings Accounts (HCFSA), Health Savings Accounts (HSA) and Limited Purpose Flexible Spending Accounts (LPFSA)

- Coverage ends last day of month in which employment ends
- Continue coverage under COBRA for up to 18 months
- HSA account allows for portability and use of account upon separation from CMU

Life Insurance Plans

- Coverage ends last day of month in which employment ends
- Opportunity to convert to individual policy with MetLife

Disability Plans

- Coverage ends last day of employment

Paid Time Off (PTO)

- Earned but unused PTO (up to annual entitlement) is paid out upon separation



Retiree Medical Eligibility

To participate, you must:

- Be eligible for full-time health benefits at time of retirement
- Be at least 60 years of age
- Have at least 5 years of service with the university

Eligible dependents include:

- Your spouse/registered domestic partner
- Your unmarried children up to their 26th birthday
- Your unmarried children of any age who, upon attainment of age 26, were covered under the particular benefit and were disabled



Pre-65 Retiree Medical

Coverage provided through COBRA

- Pre-65 retirees (and their eligible dependents) are offered retiree medical coverage through COBRA up until age 65
- Plan offerings are the same as active employee coverage
- Participants pay full COBRA premiums; no subsidy
- Information on COBRA coverage, including premiums, can be found in the Benefits Guide
- Annual open enrollment opportunity



Post-65 Retiree Medical

Option 1

Medicare Advantage Plans

- Enroll in one of three Medicare Advantage Plans sponsored by CMU
- HMO options only available to Pennsylvania-area retirees
- PPO option has nationwide coverage

OR

Option 2

Major Medical/Supplemental Rx

- Complimentary plan — still need to enroll on your own (and at your own expense) in a Medigap or Medicare Advantage plan
- Available in and outside Pennsylvania area
- \$0 premium with 15 or more years of service

Both Options Require Enrollment in Medicare Part A and B



Option 1 — Medicare Advantage Plans

- Three Medicare Advantage Plans available:
 - Aetna PPO
 - Highmark BC/BS Security Blue HMO
 - UPMC for Life HMO
- HMO networks only available in Pennsylvania; PPO option has a nationwide network
- HMOs must use in-network providers
- Includes prescription drug coverage
- No need to purchase additional coverage
- \$20 monthly subsidy per person with 15 or more years of service

Plan details can be found in Retiree Medical Workbook



Option 2 — Major Medical/Supplemental Rx

- Supplements the coverage for retirees who have enrolled in coverage outside the university
- Available in and outside Pennsylvania area
- Major Medical — administered by Highmark BC/BS
 - Covers 80% of eligible expenses
 - \$100,000 lifetime maximum
- Supplemental Rx — administered by CVS/Caremark
 - Covers 80% of eligible expenses after \$250 deductible
- \$0 premium with 15 or more years of service
- Monthly cost for less than 15 years of service

Must also enroll on your own in a Medigap or Medicare Advantage Plan



Part-Time Employment with the University

If you transition from full-time to part-time, and then subsequently retire ...

- You are **NOT** eligible for retiree medical

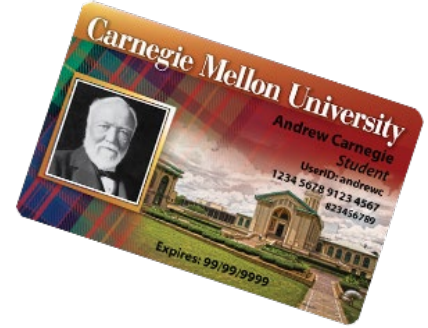
If you retire with eligibility for retiree medical, and are subsequently rehired ...

- At < 17.5 hours/week (non-benefits-eligible):
You **RETAIN** eligibility for retiree medical
- At ≥ 17.5 hours/week but less than 37.5 (full-time benefits-eligible):
You **LOSE** eligibility for retiree medical

Additional Benefits

Post Retirement Benefits — Retired Faculty/Staff ID Card

- Card provides access to:
 - athletic facilities and equipment
 - campus academic buildings
 - CMU shuttle and escort services
 - tickets for athletic events, concerts, films, and other activities
 - university libraries borrowing privileges
- Retired faculty/staff may also obtain Sponsored ID Cards for spouses or domestic partners who meet certain eligibility criteria and for their dependent children (ages 12 to 21). New Sponsored ID cards cost \$20, annual renewals cost \$5.





Information and Enrollment

- Visit Benefits Website
 - <https://www.cmu.edu/hr/benefits/retiree.html>
- Review Retiree Medical Workbook
- Contact Benefits Office
 - 412-268-2047
- Open Enrollment
 - Conducted annually in October
 - Changes effective January 1

2022 Benefits Guide for Retired Faculty and Staff Members



Carnegie Mellon University
Human Resources

www.cmu.edu/hr/benefits

**Carnegie
Mellon
University**

CMU Retirement Savings Plans

Christine Rutkowski, CMU Office of Human Resources — Benefits
Chad Firmstone, Sr. Financial Consultant - TIAA

CMU Retirement Plans – Administered by TIAA

Carnegie Mellon University Faculty and Staff Retirement Plan (FSRP)

- 403(b) plan for US citizens and US permanent residents
- University and Employee contributions

Carnegie Mellon University 401(k) Plan (401(k) Plan)

- 401(k) for non-residents and non-US citizens
- University and Employee contributions

Things to Consider Before Retirement

Vesting

- University Contributions
 - Three years of service, 1,000 hours in each of three anniversary years (most full-time employees vest in 2.5 years)
 - Separating from CMU after the age of 65

Beneficiaries

- Review and update your beneficiaries
 - You can have up to six contracts depending on your length of employment with the university. You must indicate your beneficiary(ies) on each contract.

Things to Consider Before Retirement

Are You On Target?

- Faculty and staff can contribute up to 100% of their pay to the plan(s)
- Current IRS annual maximum is \$30,500 for anyone age 50 or older
- Are you contributing enough to replace your salary at retirement?
 - Review your current contribution % in Workday or at TIAA
 - Increase your contribution % if you can via the TIAA portal

Things to Consider Before Retirement

In-service distributions available prior to retirement

- **Employee Supplemental Contributions:**
 - Age 59.5
 - Loans
 - Hardship
- **University Contributions:**
 - Age 59.5 only with hardship reason
 - Age 59.5 Tenured Faculty on Phased Retirement

Things to Consider Before Retirement

	FSRP	401k
Tier 1 Target Date Funds	Vanguard Target Date Retirement Funds –	Vanguard Target Date Retirement Funds –
Tier 2 Core Mutual Funds	<ul style="list-style-type: none"> • Vanguard Institutional Index Institutional PLUS • Vanguard Mid Cap Index • Vanguard Small Cap Index • Vanguard Total Bond Market Index • Vanguard Total International Stock Index • Vanguard Emerging Markets Stock Index • Vanguard Inflation-Protected Securities PLUS • Vanguard Federal Money Market • Vanguard Real Estate Index <p>All funds are institutional share class</p>	<ul style="list-style-type: none"> • Vanguard Institutional Index Institutional PLUS • Vanguard Mid Cap Index • Vanguard Small Cap Index • Vanguard Total Bond Market Index • Vanguard Total International Stock Index • Vanguard Emerging Markets Stock Index • Vanguard Inflation-Protected Securities PLUS • Vanguard Federal Money Market • Vanguard Real Estate Index <p>All funds are institutional share class</p>
Tier 3 Fixed and Variable annuities	<ul style="list-style-type: none"> • CREF Social Choice Account • TIAA Traditional Annuity* • TIAA Real Estate Account 	
Tier 4	TIAA Self-directed Brokerage Window	TIAA Self-directed Brokerage Window

Things to Consider Before Retirement

Are You On Target?

- **TIAA online planning tools:**
 - Retirement Income Planner
 - Retirement Advisor
 - Planning Your Retirement
 - Set income goals, identify retirement income gap or surplus

Things to Consider Before Retirement

- Review your allocations annually, adjusting risk as you approach retirement
 - Online retirement advisor tools at TIAA
 - One-on-one counseling sessions with TIAA
 - Visit: <https://www.tiaa.org/schedulenow>
- Identify your expenses and income flow
 - Utilize online monthly budget worksheet
- Reduce or eliminate debt as you approach retirement date
- Determine when to start your Social Security payments
- Review your life insurance needs, your will, medical coverage expenses and estate goals

Distribution Options

60 Days to Retirement — Review Distribution Options

- If you have not done so already, meet with a TIAA consultant or call TIAA to discuss distribution options
- Use online Retirement Income Planner calculator to project different options

Options:

- Systematic Withdrawal (adjustable installment payments)
- Lifetime Annuity (joint life and single life options)
- Fixed Period Annuity
- Lump sum cash as needed
- Required Minimum Distributions (RMD)
- Rollover to IRA

Distributions — Taxes

University Contributions are contributed pre-tax

- Contributions and earnings are subject to ordinary federal income tax and state taxes (in most states)
- Automatic 20% federal withholding for most distribution options

Employee Contributions

- **Pre-tax:** contributions and earnings are subject to ordinary Federal Income Tax (state taxes vary by state, PA does not tax withdrawals)
 - Automatic 20% federal withholding for most distribution options
- **Roth:** contributions and earnings are not subject to federal income tax if a qualified distribution — made after a 5-taxable-year period of participation and is either:
 - made on or after the date you attain age 59½
 - made after your death, or
 - attributable to your being disabled

Distributions

20–30 Days Before Distributions Begin

Request paperwork from TIAA either by phone or online.

Note: Your termination (retirement) date may not be transmitted to TIAA yet, so you may need to call to get termination distribution forms.

Spousal Consent on most forms of distribution is required if you are married — this must be witnessed by a Notary Public.

Process:

- Complete and return paperwork to TIAA
- CMU Office of Human Resources receives notification of distribution request and confirms online or via secure email your termination (retirement) date and vesting and approves

Questions?