# Welcome to the VSIP Information Session

- The decision to retire is a significant event

- The VSIP program is **voluntary; no pressure to elect the program**

- This information session will provide you with financial and retirement considerations. It **will not** provide you with personal advice.

- You are encouraged to contact vendors who can provide you with guidance (e.g., Fidelity, TIAA)

- You are also encouraged to contact a DePaul benefits specialist for specific benefits questions

# Today's Agenda – April 10

| Time | Topic | Presenters |
|------|-------|------------|
| 10:00 – 10:30 | Welcome<br>VSIP Overview | HR |
| 10:30 – 10:45 | Medicare & Retiree Medical/ Active Medical Overview | HR/BCBS |
| 10:45 – 11:15 | Retirement & Financial Considerations | Multnomah |
| 11:15 – 12:00 | Q & A /Wrap-Up | HR<br>BCBS<br>Multnomah<br>Fidelity<br>TIAA |

# Today's Agenda – April 11

| Time | Topic | Presenters |
|------|-------|------------|
| 2:00 – 2:30 | Welcome<br>VSIP Overview | HR |
| 2:30 – 2:45 | Medicare & Retiree Medical/ Active Medical Overview | HR/BCBS |
| 2:45 – 3:15 | Retirement & Financial Considerations | Multnomah |
| 3:15 – 4:00 | Q & A /Wrap-Up | HR<br>BCBS<br>Multnomah<br>Fidelity<br>TIAA |

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# VSIP Principles

1. Standard offer based on eligibility and program design; **no exceptions**

    – Two packages offered for staff; individuals in each group offered the same incentives on the same timeline; benefits will differ

2. Voluntary participation – no pressure; yes or no decision

3. Trained, designated spokespersons can provide you with program information

4. The University may limit the number of program participants; however, limits imposed **<u>only</u>** if elections threaten programs, operations or finances

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# Voluntary Separation Incentive Program: Retiree-eligible Staff

## Program Eligibility

- Full time exempt or non-exempt staff

- Age 62+ at June 30, 2023

- 10+ years of cumulative full-time service at June 30, 2023

## OR

- Full time exempt or non-exempt staff

- Age 55+ at June 30, 2023

- 20+ years of cumulative full-time service at June 30, 2023

# VSIP Benefits

VSIP offers an array of benefits:

- One year 2022 W-2 gross wages, less applicable taxes

- Fully subsidized medical – July 1 through December 31, 2023

- Full vacation accrual, less 2023 vacation days taken

VSIP lump sum incentive and vacation will be paid out **on or before July 21, 2023**

# Voluntary Separation Incentive Program: Retiree-eligible Staff

## Retiree Medical Benefits

- July 1, 2023 through December 31, 2023:
    - DePaul pays full premium for retiree medical plan election

- As of January 1, 2024:
    - Staff member pays applicable share of elected retiree medical premium
    - May participate in annual retiree benefits open enrollment

**Employee must be currently enrolled in a DePaul-sponsored medical plan to be eligible for retiree medical benefits**

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# Voluntary Separation Incentive Program: Retiree-eligible Staff

## Retiree Medical Premiums

- Grandfathering provisions apply for those hired prior to April 2006
    - 70/30
    - "Flat dollar" subsidy

- For those hired after April 2006, they will have access to retiree medical benefits at a non-subsidized rate

**For more information on retiree medical premiums: https://offices.depaul.edu/human-resources/benefits/retiree/pages/default.aspx**

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# Voluntary Separation Incentive Program: Retiree-eligible Staff

## Other Benefits

- Membership in DePaul Emeritus Society
- University email account
- Bookstore discount
- Ray Meyer Fitness Center discount
- Retiree ID and Campus Connection access
- Tuition waiver program
- Invitations to theatre, musical and arts events with discounted tickets

# Voluntary Separation Incentive Program: Retiree-eligible and Rule of 75 Staff

## Vacation Payout

- Lump sum payment of their **2023 maximum accrual (up to 20 days)**, plus any carryover from 2022 **(up to 10 days)** less vacation days used as of June 30, 2023

- Payout subject to applicable income taxes

- Floating holidays and summer hours must be taken by June 30th or forfeited

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# VSIP: Retiree Eligible Staff Example

## Jane Smith

| Program Component | Apply the Design |
|---|---|
| **Eligibility** | Full-time exempt, age 65 with 28 years of service |
| **Compensation lump sum payout** | • 2022 W-2 gross wages = $165,000<br>• Lump sum payout = $165,000, subject to applicable income taxes |
| **Medical** | • Current medical election: CDHP Plan, employee and spouse<br>• Elected Medicare Advantage Plan (age 65+)<br>• "70/30" premium subsidy applies:<br>  • DePaul pays $3,722.40 in premium costs through December 31, 2023<br>  • Jane pays her premium share in 2024; amount TBD (Note 2023 cost share: DePaul $5,211.36; Retiree $2,233.44) |
| **Vacation payout** | 10 days = $6,346.15 (20 eligible days less 10 days taken) |

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# Important Dates

| March | April | June |
|---|---|---|
| **March 27-28: Training for Joint Council and Delegates** | **April 5: VSIP Announcements from President and HR** | **June 8: Separation Agreements Due to HR** |
| **March 30: BOT Approval** | **April 6-7: VSIP Packets Distributed to Eligible Staff via FedEx to homes** | **June 30: Last Day Worked for VSIP Participants** |
| | **April 10-11: Virtual Information Sessions for Eligible Staff** | |
| | **April 14: Expression of Interest Forms Due to HR (non-binding)** | |
| | **April 20: Employment Separation Agreements Mailed** | |

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# Program Decision Resources

- Personalized program information packet:
  - Program details and timeline
  - "Expression of Interest" form
  - Medical plan information
  - FAQs
  - Information session details

- Information and Q & A Sessions (4)
  - Overview of VSIP
  - Financial and retirement considerations
  - Retiree medical and active medical plan information
  - Q & A with HR and vendors (Multnomah, TIAA, Fidelity, BCBS)

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# Medicare & Retiree Medical/ Active Medical Overview

# Medical Overview

Retiree-eligible employees who are enrolled in Medical coverage will be offered the Retiree Medical Plan at no cost for the remainder of 2023.

- For employees and dependents under age 65, DePaul offers the PPO and HMOIL plans.

- For employees and dependents who are age 65 or over, DePaul offers a Medicare Advantage plan (MAPD ) and HMOIL.

The chart below illustrates coverage based on the retiree-eligible employee's current medical plan:

| Current Plan | Age | Mapped Coverage | Other Options |
|---|---|---|---|
| HMOIL | Under 65 | HMOIL | PPO |
| | Over 65 | HMOIL | MAPD |
| PPO | Under 65 | PPO | HMOIL |
| | Over 65 | MAPD | HMOIL |
| CDHP | Under 65 | PPO | HMOIL |
| | Over 65 | MAPD | HMOIL |

Note: Coverage for Dependents may be different than the employee offering.

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# Medical Plan Offerings

- HMOIL and PPO
  - The plan design is the same as the active plan

- Medicare Advantage (MAPD)
  - All-in-one plan covering your hospital and medical insurance and prescription drugs working with your Medicare Enrollment.

  - The plan is considered an Open plan
    - No requirement to utilize network providers
    - Providers need to accept Medicare assignment.

  - Some highlight of the plan are:
    - $200 deductible, $1,000 Out-of-Pocket Maximum
    - Separate $1,000 pharmacy Out-of-Pocket Maximum
    - Primary Care Visit – $20 Copay
    - Specialty Care – $40 Copay
    - Annual Physical Exam – $0 Copay
    - Emergency Care – $65 Copay

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# Medicare and Retirement

- Do you need to apply for Medicare?
  - Yes, if you or your covered Spouse are age 65 or will soon reach age 65.

- How do I enroll in Medicare?
  - Online: WWW.SSA.gov/Medicare/sign-up
  - Call: 1-800-772-1213
  - CMS Form L564

- When do I need to apply for Medicare?
  - At least 60 days prior to 7/1/2023

- Which programs should I enroll in?
  - Part A (Hospitalization) – there is **no** cost associated with this.
  - Part B (Medical Services) – cost is based on your income level.
  - Part D (prescriptions) – you should **not** enroll in this as DePaul plans have Drug coverage.

- What is IRMAA (Income Related Medicare Adjustment Amount)?
  - A surcharge added to Part B and Part D, which is based on income level from your tax returns two years prior.
  - For example, 2023 surcharges are based on your 2021 tax return.

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# Have Additional Benefits Questions?

- If you have questions or would like to meet with a Benefits Specialist, visit the HR & Payroll Help Center

  - Select Benefits / Benefits General Inquiry

  - Under "What do you need help with?" select "Voluntary Separation (VSIP)"

  - If you would like a 1:1 consultation, please enter whether you prefer in-person (14 E. Jackson, Suite 1300) or virtual (Zoom), and provide your availability

  - An HR representative will reach out within 24 hours to answer your question(s) or set up an appointment

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