



How to participate in the Retirement Healthcare Incentive

STEP 1: Complete the Notice of Intent to Participate in the 2020 Retirement Healthcare Incentive Form. Once you complete this form your eligibility will be reviewed by the Human Resource Services Division. You will be provided a confirmation of your eligibility via your sandi.net email address.

Step 2: Once you receive the confirmation, you will be asked to complete the resignation/ retirement/ separation form and email it to hrdocuments@sandi.net

All documents are due October 29, 2020.

Retirement Healthcare Incentive Topics

- 1. How do I know if I am eligible for the retirement healthcare incentive?**
 - a. Employees are eligible if you are 55 or older and have 15 years of district service.
 - b. Employees who fall into the category of Public Safety under CalPERS, you are eligible if you are 50 or older and have 15 years of district service.
- 2. Is there a specific number of retirees we must reach? Is there a reason this Retirement Healthcare Incentive wouldn't be offered?**
 - a. There isn't a specific number of retirees that the District must receive. If you meet the eligibility criteria and you apply within the window, you will receive the retirement incentive.

Personnel Topics

- 3. What if I have already turned in my retirement form? Can I change my retirement dates?**
 - a. If you are currently employed, you may change your future retirement date with the District. You may retire earlier than the form you previously completed. For example, if you are currently working and have turned in a retirement form with a date of April 1, 2021, you may complete a new form to retire effective December 31, 2020.

- b. If you have already separated from employment (retirement effective September 25, 2020 or earlier) you are no longer an employee of the District and therefore, are not eligible for the retirement incentive.
- 4. If I have already retired can I participate in this incentive?**
- a. If you have already separated from employment (retirement effective September 25, 2020 or earlier) you are no longer an employee of the District and therefore, are no longer eligible.
- 5. Do I have to retire on December 31, 2020? Can I leave earlier?**
- a. In order to participate in the incentive, the effective date of your retirement must be December 31, 2020. If you want to stop working prior to that date, you must complete the required leave documents (e.g. personal necessity leave, vacation, or other paid leaves).
- 6. What kind of work will I be assigned from the time I am approved for the incentive and the date I retire?**
- a. You will continue to perform your usual and customary duties. As we are continuing in Online Learning, your department supervisor may assign you work within your job classification, though it may be different from your current assignment. If you are a teacher, you may be required to support other instructional site needs rather than lead a classroom.
- 7. Will the 2021 Retirement Incentive be for “SDUSD Only Retirement”, which entitles us to continue working for other LEAs?**
- To qualify for this incentive, you must retire from PERS or STRS.
- 8. How will I know that my retirement has been accepted and entered into the system?**
- You will receive an email from Human Resources within one week of your submission confirming or denying your eligibility to retire through the incentive program. Once you email your [resignation/retirement/ separation form](#) to hrdocuments@sandi.net, the HR Division will enter it into the system.

Payroll Topics

- 9. If I am a classified employee, what are the impacts to my pay with a mid-year retirement?**
- a. Classified employees on a 12 month work calendar will be paid a regular December paycheck if they retire on December 31, less any adjustments for negative balances.

- b. Classified employees on a 10 month traditional work calendar will be paid a regular December paycheck if they retire on December 31, less any adjustments for negative balances.
- c. Classified employees on a 10 month calendar AND in a transitional work year from Year-Round to Traditional who retire on December 31, will have a salary review completed to calculate the (number of days worked) x (daily rate of pay) in order determine their adjusted annual salary. Salary amounts previously paid are then deducted from the adjusted annual salary and the remaining balance is distributed to the employee on the December paycheck, less any adjustments for negative balances.

10. If I am a certificated employee, what are the impacts to my pay with a mid-year retirement?

- a. Certificated employees have their annual salary distributed in 10 or 12 equal payments. When there is an early end to an assignment, the number of days worked are calculated to the daily rate of pay to determine the adjusted annual salary. This is compared to what has already been distributed to the employee and the difference is what is paid on the last check. The specific impact or adjustment for each employee will depend on an employee's salary, work schedule and other factors. Shown below are a few specific scenarios to demonstrate how this will be calculated.
 - i. Example: Vice Principal – Traditional (Works August 17 to Dec 31 for a total of 83 days)
 - o In this example, the employee's adjusted December gross paycheck amount would be **\$15,731.93** (\$52,021.91 - \$36,289.98)
 - Annual Salary: \$120,966.61
 - Monthly Rate: $\$120,966.61 / 10 = \$12,096.66$
 - Daily Rate of Pay: $\$120,966.61 / 193 \text{ work days} = \626.77
 - Adjusted Annual Salary: Actual days worked 83 x \$626.77 = **\$52,021.91**
 - Paid September to November: 3 months @ \$12,096.66 = **\$36,289.98**
 - ii. Example: Certificated Teacher – On 12 pay option
Traditional calendar w/pay distributed over 12 months July to June (Works August 26 to December 31 for a total of 76 days)
 - o In this example, the employee will have their November and December paychecks modified to distribute the remaining earnable salary over two months. See calculation below.

November = \$2,409.84 ; December = \$2,409.84

- Annual Salary: \$60,468.56
- Monthly Rate: \$60,468.56 / 12 = \$5,039.05
- Daily Rate of Pay: \$60,468.56 / 184 work days = \$328.63
- Adjusted Annual Salary: Actual days worked 76 x \$328.63 = **\$24,975.88**
- Paid July to October: 4 months x \$5,039.05 = **\$20,156.20**
- Adjusted annual salary, less distributed earnings = **4,819.68** remaining (24,975.88 – 20,156.20)
- Distribution of remaining earnings for November/December = \$4,819.68 / 2 = **2,409.84 each month**

Benefits Topics

11. Do I have to continue medical coverage with the district as a retiree to be eligible for the incentive?

- a. No, retirees can use the HRA (Health Reimbursement Arrangement) funds to continue medical coverage under the district group plan or use those funds towards other IRS-qualified premiums for a non-district plan in addition to any qualified out-of-pocket medical expenses.

12. How do I apply to continue health benefits under the district group plan as a retiree after my last day of district-paid benefits end on 12/31/20?

- a. The district will mail you a packet in mid-November which includes your federal COBRA notice along with all of the enrollment information needed to continue coverage with the district after retirement. Employees can continue Medical (employee + all eligible dependents) and Dental (employee + spouse/registered domestic partner) for the rest of their life on a self-pay basis. Vision coverage can be continued on a self-pay basis under COBRA for a maximum of 18 months.
- b. Monthly premium rates, plan summary information and additional resources can be found on our Retiree Benefits webpage:

https://www.sandiegounified.org/departments/benefits/retiree_benefits

13. What health insurance options are available for an employee or dependent of an employee who will be over age 65 as of 12/31/20?

- a. In addition to plans offered for those under age 65, the district offers three different Medicare Advantage plans. Eligibility for both Medicare Parts A & B is required for enrollment in any Medicare plan. If a retiree opts to enroll

in a non-district sponsored Medicare plan, the HRA funds can also be used to reimburse the monthly premium cost.

- b. If the Social Security Administration requests that your employer complete a CMS-L564 Request for Employment Information Form, please contact Employee Benefits at employeebenefits@sandi.net. Benefits staff will return the completed form to you to send back to Social Security.

14. Can I use the HRA funds in conjunction with the medical subsidy in my contract to lower the monthly medical premium cost if I keep coverage with the district?

- a. Yes, the district will automatically lower the premium billed by the amount of the retiree medical fund benefit in each collective bargaining agreement if you meet the criteria for that benefit.

15. Can I still keep coverage with the district after the incentive ends in 5 years?

- a. Yes, medical and dental can be continued without lapse for the rest of your life on a self-pay basis. However, if coverage under the district group plan as a retiree is cancelled voluntarily or due to non-payment of premium, it cannot be reinstated at a later date.

16. Does the San Diego Unified Employee Benefits Department manage claims for the HRA?

- a. No, the HRA is managed by HealthInvest. Once the HRA is funded by the district, the retiree will receive a welcome packet with instructions on how to log into the HealthInvest online portal, choose investment options, file claims and set up automatic premium reimbursement.

17. Can the incentive be used for qualified long-term care premiums?

- a. Yes, it can be used for tax-qualified long-term care (subject to IRS limits). Please contact HealthInvest directly for more information.

Pension Topics

18. What do I need to do to get my monthly pension benefit?

a. CalPERS Members

- i. Retirement resources can be found under **Service Retirement** here: <https://www.calpers.ca.gov/page/active-members/retirement-benefits/service-disability-retirement>. In order for pension benefits to be paid timely, please submit your retirement application to CalPERS by November 1, 2020.
- ii. CalPERS will be hosting two retirement Webex seminars on October 16th. Please register here: [CalPERS Retirement Seminar](#).

- iii. If you wish to purchase service prior to membership, please fill out **Sections 1-3** on the [Request for Service Prior to Membership](#). Requests must be submitted to Lupe Ortiz at gortiz@sandi.net by October 30, 2020.
- iv. When completing your **PERS** retirement application, please use the following dates:
 1. **12/31/2020 - Your retirement date**
 2. **12/30/2020 - Last day on payroll**
 3. **12/30/2020** will also be your **district separation date**
- v. Any unused full sick leave balance will be transferred to CalPERS within 45 days of your retirement date. Please note half pay sick leave is not reportable to CalPERS.
- vi. For additional information, including your service credit balance, please contact **CalPERS** at **(888) 225-7377**, visit www.calpers.ca.gov or sign up/login to your [MyCalPERS Account](#).

b. CalSTRS Members

- i. Retirement resources can be found here <https://www.calstrs.com/retirement-tools-and-resources>
- ii. When completing your **STRS** retirement application, please use the following dates:
 1. **12/31/2020 - Retirement date**
 2. **12/30/2020 - Last day of work, vacation or compensated approved leave**
 3. **12/30/2020** will also be your **district separation date**
- iii. If you expect to have unused sick leave upon retirement, please complete an [Express Benefit Form](#). In **section 1**, please request a **retirement date** that is at least **one day after** your last day in paid status. Submit completed form to Jeff Anschutz in Fiscal Control at janschutz@sandi.net. Any unused full sick leave balance will be transferred to CalSTRS within 45 days of your retirement date. Please note half pay sick leave is not reportable to CalSTRS.
- iv. For additional information, including your service credit balance, please contact **CalSTRS** at **(800) 228-5453**, visit www.calstrs.ca.gov or sign up/login to your [MyCalSTRS Account](#) You may also sign up for CalSTRS retirement webinars here - [CalSTRS Webinars](#)

19. How will longevity pay factor into my pension benefits?

- a. For both CalPERS and CalSTRS, longevity pay is reported as special compensation. To determine how this pay will affect your specific pension benefit, please contact your pension system directly.
 - i. How can I update my address with the pension systems?
 1. For CalSTRS, please login to or create your MyCalSTRS account and update your address directly.
 2. For CalPERS, after your PeopleSoft address is updated, please email jmcdaniel1@sandi.net requesting your CalPERS address be updated to match PeopleSoft.

Do you have additional questions?

Your specific questions can be answered by the departments listed below:

- Benefits: (619) 725-8130 / employeebenefits@sandi.net (please include your employee ID number and your name in the subject line)
- HealthInvest HRA: (844) 342-5505 / customercare@healthinvesthra.com
- Pension:
 - CalSTRS (800) 228-5453 / www.calstrs.ca.gov
 - CalPERS (888) 225-7377 / www.calpers.ca.gov
- Eligibility (HR): hdocuments@sandi.net (please include your employee ID number and your name in the subject line)
- 403(b)/457(b) contributions: Julie Nguyen 619-725-7669 / jnguyen1@sandi.net
- Social Security account information - <https://www.ssa.gov/myaccount/>