



FROM THE DESK OF . . . LETA LINTERN

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Highlights of RETIREMENT at the City of Billings

Retirement notice to: City of Billings Human Resources & your department

- Your city retirement date is your last WORKING day for the city. It cannot be vacation, personal day, comp, etc.
- HR requires 30 days' notice, in writing, prior to your retirement date.
- You should provide this notice to HR and your department.
- Emailing the notice is preferred to expedite receipt to HR.
- Once received by HR, I will prep and email your city retiree drafted checklist and notices so we can start working through any city retiree options and get you the appropriate forms to complete. This process is done via email.

Retirement notice to: MPERA - Montana Public Employees Retirement Administration

- Per state statute, you and the city have made contributions to MPERA throughout your employment, and they manage your retirement benefit, not the city.
- 3 to 6 months prior to your retirement contact MPERA and request a retirement benefit estimate based on your group (PERS, MPORS, FURS). There is a "Request for Estimate" form on their website. With the estimate you will receive the retirement application. Complete and return to MPERA as directly. Returning this paperwork will officially initiate retirement with them. Any questions regarding this benefit, you will need to work with MPERA.

- **MPERA:**

- www.mpera.mt.gov
- Ph: 1-877-275-7372
- Email: mpera@mt.gov
- PO Box 200131 Helena, MT 59620

(If you are a PERS member & considering applying for another PERS position, per MPERA, you are required to wait 90 days before going back to work)
(If you are a MPORS or FURS member applying for another position within the MPERA retirement system, you also have a required break in service timeframe before going back to work.) *PLEASE contact MPERA directly requiring these requirements.*

Retirement Benefits available through the City of Billings:

Health, Dental and/or Vision:

Am I eligible for city retiree insurance?

- If you or your dependent spouse, who is currently on the city health insurance, is over the age of 65 and/or Medicare eligible, they will not be able to have retiree coverage from the City.
 - If the city retiree is over 65 but the dependent spouse on the insurance is not, the dependent spouse can become the main retiree participant on the insurance until they turn 65 or become Medicare eligibly.
 - When you turn 65 later in your retirement, you are eligible for Medicare on the 1st of your birthday month. All your elected city retiree health insurance coverage will end on the first of that month. I will email notice of these changes prior to that month. If your dependent spouse is not Medicare eligible, they will become the main participant on the city retiree coverage. The email will detail these changes.
 - To keep Dental and/or Vision into retirement, you must currently be enrolled in the plans at the time of retirement.
 - Once you opt out of any eligible retiree insurance elections, you will no longer have the option to elect later.
 - To cancel retiree elections later in retirement, it will need to be done in writing for the date going forward.

Can I make any changes to my elections when I switch from an Active status to a Retiree status?

- When you switch to retiree coverage, you will have to stay on the medical plan you currently are on (Standard or HDHP) due to the annual deductibles. However, at open enrollment in the fall you can elect to switch to the other plan for the new calendar year. As a retiree, open enrollment options are limited, and this information will be mailed to your address on file by the end of October and will clearly state how to make your change and the due date to elect this change.
- You can drop dependents off your plan; however, this is not an IRS qualifying event to add dependents onto the plan at the time of retirement.

How do I pay for my Retiree insurance elections?

- Two (2) months of retiree insurance premiums can be taken out of your final city paycheck pre-tax if you are electing coverage. After that, the insurance payments will need to be authorized for deduction through your monthly MPERA retirement benefit. You pay for the insurance prior to that month of coverage. For example, deductions for February charges are at the end of January. Please note, if you are a MPERA-PERS *Defined Contribution* participant we are not

able to deduct from that account and will need to be direct billed monthly. We utilize the Public Works InvoiceCloud system for this small group of retirees and the billing statement is emailed to you monthly to pay from.

Annually will I receive information from the City on the retiree insurance?

- Fall of every year the city does provide retirees on the health insurance our annual benefits guide for the upcoming year as it details any plan and premium changes. Please note this guide is written for active employees so not everything will apply to retirees. Typically, during this same mailing, retirees will be provided the Pre-Medicare enrollment change form so if you are making any allowed changes to your retiree insurance. However, if you are not making changes, you do not need to return anything, and your retiree elections continue as they currently are.
- If you move or change your email, please notify me so I can update your contact information. You can also do this through your miBenefits account, and the information will roll down to me.

Standard Life Insurance & Retiree plan:

- At retirement, your city paid life insurance and any voluntary Standard election (additional life and/or long-term disability) will end with your employment.
- However, you will have the option to elect a Retiree Standard Life Insurance Plan of \$5K at Retirement. Currently the monthly cost of this plan is \$4.75. This benefit does have a reduction in benefit clause of the following:
 - At age 70 through 74, the benefit drops to a 65% benefit, so \$3,250.
 - At age 75 or over, the benefit drops to a 50% benefit, so \$2,500.
- If elected at retirement, two (2) months of this premium is deducted out of your final city paycheck and then monthly payment will process as noted above like retiree health insurance premiums.

Other Misc. active voluntary elections, for example NCPERS Life, Legal Shield and IDGuard:

- If you want to continue these voluntary elections after retirement, you will need to work with these vendors directly.

Final city paycheck thoughts:

Final city check:

- Your final city paycheck is one check and is processed during the regular payroll associated with your last working date.
- If you have direct deposit, your final check will process that way. You will be able to print your final check stub out of your employee portal.
- If you do not have direct deposit up, you will be able to pick up for final check or mail it. You will need to let HR know when we are working through your city retirement checklist what you would like to do in this scenario.

Vacation & Comp Earned(if applicable) Accruals:

- Per State Statute - paid out at 100%
- Since your final check is typically large, it can bump you to a higher tax bracket; therefore, you may want to cash out any comp earned prior to your final city check.

Sick Accruals:

- Per State Statute - paid out at 25%
- If you are Fire Union, you are *required* per your 2006 Fire Union agreement to put this into PEHP – Post Employee Health Plan. (Nationwide #0038006001) Only exception is if you have proof of military coverage.

Personal Days (if applicable):

- These are not paid out; they must be used during your employment.

Retirement accounts for 457b plans/401a plan(city administration & directors only):

- You can roll accrual payouts into your city vendor 457 account, up to the annual IRS limits.
- *PLEASE NOTE: Pre-Retirement Catch-up option, is NOT available.*
- The city will notify your vendor of your final city check date and you will work with your vendor directly going forward regarding setting up distributions from that account.
- If your account balance is below \$5k, the vendor will contact you regarding your options to move, cash out or roll to a IRA.

Health Savings Account (HSA):

- If you are an HSA participant and have not maxed out your annual contribution you may be able to roll accrual payouts from your final city check into your HSA with your final city check, if you will be on a high deductible health plan (HDHP) for the remainder of the calendar year per IRS regulations.