

EMPLOYEE RETIREMENT INFORMATION

&

GUIDELINES

CITY OF GREEN BAY

Updated: November, 2016



RETIREMENT

The information regarding the Wisconsin Retirement System (WRS) is informational only as WRS is regulated by the Employee Trust Fund and is subject to applicable changes made by the State, Legislature and/or the Employee Trust Fund.

1. **When should I request retirement benefit estimates from WRS and when do I apply for my retirement?**

Your retirement estimates should be requested from WRS approximately 6-12 months before you retire. WRS can accept your retirement application up to 90-days before the date you terminate employment.

If you have questions or are unclear about any of the annuity options for which you are eligible, it is very important that you contact WRS for further clarification. WRS can set up appointments for you in either Madison or Milwaukee at the following numbers:

- Questions (Toll Free) 877-533-5020
- Madison 608-266-5717
- Milwaukee 414-227-4294

The Employee Trust Fund (ETF), which manages your pension plan, also offers programs throughout the state for WRS employee retirement information.

WRS can be contacted at (877) 533-5020 or www.etf.wi.gov.

2. **Are there a minimum number of years that I have to work under the WRS (Wisconsin Retirement System) to be vested?**

You may have to meet one of two vesting laws depending on when you first began WRS employment.

- If you first began WRS employment after 1989 and terminated employment before April 24, 1998, then you must have some WRS creditable service in 5-calendar years.
- If you first began WRS employment on or after July 1, 2011, then you must have 5-years of WRS creditable service.

If neither vesting law applies, you were vested when you first began WRS employment. If you are not vested, you may only receive a separation benefit.

3. **What is the earliest age at which I can retire?**

All vested employees other than those in the protective category (police, firefighters, etc.) can retire and receive a retirement benefit at age 55; participants who have protective category service (other than purchased service) can retire at age 50. If you are not vested, regardless of your age, you may only receive a separation benefit.



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4. What happens if I terminate employment before my earliest retirement age? Do I have to withdraw my retirement account?

No, you do not need to withdraw your account. If you terminate employment before age 55 (age 50 for participants with protective category service) you can either:

- Take a separation benefit (take a lump sum refund of contributions plus interest); or
- If you are vested, wait until you reach age 55 (or 50 for protective service) or later and apply for a retirement benefit, which is based on both employer and employee contributions.

5. When should I notify my Manager or Supervisor that I plan to retire?

Employees are expected to provide a minimum 2-weeks written notice of termination of employment to their immediate supervisor. However, in order to allow a reasonable amount of time to transfer ongoing workloads it is recommended that employee's provide the City with as much notice as possible.

6. What paperwork do I need to fill out prior to my retirement date?

Contact the Benefits Office in the Human Resource Department at least one month prior to your retirement date. The Benefits Specialist will meet with you to answer any retirement questions you may have along with helping you complete the Retirement Request Form.

After you retire, you will be sent a COBRA/Retiree election packet along with the enrollment forms to enroll in the retiree health and/or dental insurance (if you are over age 65, you will only be offered COBRA).

Benefits Office Phone Number: (920) 448-3023.

7. When should I contact the Payroll Department?

After providing written notice with the actual date of your retirement, contact the Payroll Office to have your calculations completed on relevant leave banks such as sick, vacation, personal, compensatory and/or escrow. Any vacation leave that is not transferred to your escrow account will be used to determine the final date you will be eligible to receive City-provided health and dental insurance at the active premium rate.

Payroll Dept. Phone Number: (920) 448-3024.



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8. What do I need to do regarding my deferred compensation plan (ICMA or WDC)?

If you participate in one or both of the voluntary deferred compensation plans, you will want to notify them you are retiring and obtain information regarding your account.

- ICMA Phone Number: 1-800- 669-7400
- WDC Phone Number: 1-800-457-9327

9. What do I need to do about Social Security?

Social Security rules are complicated. You are urged to discuss your retirement plans with a claims representative before you apply for Social Security benefits. Most business with Social Security can be handled by telephone:

- **Phone Numbers**
Toll free number 1-800-772-1213
Local number 920-433-3904
- **Green Bay Social Security District Office**
1561 Dousman Street
Green Bay, Wisconsin

Website: www.socialsecurity.gov



HEALTH DENTAL AND LIFE INSURANCE

10. After I retire can I continue with the City's health and dental insurance coverage?

If the retiree is under age 65, the retiree, spouse and/or eligible dependent(s) will be offered the option of COBRA for 18 months. The Retiree will also be offered the option of the Retirement plan until age 65. If the retiree has a spouse and/or eligible dependent(s) on the health plan prior to retirement, they will be able to cover them on the health and dental plans after retirement. At that time the retired employee, spouse and/or eligible dependent(s) may choose one of the following options;

- 1) The retired employee, spouse and/or eligible dependent(s) may waive COBRA coverage and the Retiree may immediately participate in the City's group health insurance plan, the Retiree high deductible health plan and/or dental insurance plan until age 65 at the retiree premium cost. The spouse and eligible dependent(s) are only able to be on the retirement plan if enrolled along with the retiree.
- 2) The retired employee, spouse and/or eligible dependent(s) may elect COBRA coverage for 18-months and pay the COBRA premium rates. After COBRA is exhausted, the retiree (if under age 65) may enroll in the City's group health plan, the Retiree high deductible health plan and/or dental insurance plan if the escrow funds have not been touched.

If the Retiree is age 65 or older at retirement, the retiree, spouse and/or eligible dependent(s) enrolled in health and/or dental coverage at the time of retirement will be offered COBRA coverage for 18-months.

11. Can my spouse and/or eligible dependent(s) continue on the City's insurance plans?

The retiree must be enrolled in the plan in order to have the retiree's spouse and/or eligible dependent(s) on the plan. The spouse and/or eligible dependent(s) must be enrolled in the health plan at the time of the retirement. Dependent(s) may participate in the plan until the end of the month that they turn age 26. At age 26, a dependent participating in the retiree plan will then become eligible to elect COBRA coverage and pay the COBRA premium.

If the spouse and/or dependent(s) are enrolled in the plan at the time of the retirement they have an independent right to elect COBRA coverage and pay the COBRA premium at the time of the employee's retirement. Following the COBRA coverage the spouse and/or dependent(s) will not be eligible to participate in the retiree plan.

12. If I enroll in the retiree high deductible health plan can I later enroll in the City's group health insurance plan?

No, if a retiree elects to enroll in the Retiree high deductible plan, the retiree, spouse and/or eligible dependent(s) cannot move back to the group health insurance plan.



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13. Can I re-enroll in City health coverage if I cancel my retiree coverage?

No, if at any time a retiree elects to cancel any coverage, the retiree, spouse and/or dependent(s) cannot re-enroll in the coverage.

14. Can my spouse and/or eligible dependent(s) that are enrolled in the retirement plan continue City retiree coverage after I turn 65?

If the spouse and/or eligible dependent(s), currently enrolled in the City retiree health plan when the retiree reaches age 65 and the spouse is still under age 65, the spouse can stay on the retiree health plan until the spouse reaches age 65. The Dependent child(ren) are only eligible up to the age of 26.

The retiree is able to use the remaining money in the escrow account (if applicable) to continue to pay for post-tax health and/or dental premiums along with Medicare and Medicare supplement premiums for themselves and their spouse until the escrow is depleted.

15. What premium are retirees responsible for paying?

Retirees are responsible for payment of the full premiums for health and/or dental coverage. The coverage may be paid through the retiree's escrow account or directly to the third party administrator if there is no escrow account or if it has been depleted. Payment of the premium needs to be received by the end of the month prior to the month covered (i.e. premiums must be received by January 31 for the month of February). If the premium is not received by the end of the month prior to the month covered, the retirees insurance coverage will be discontinued, and the retiree will not be eligible to re-enroll in the City's retiree insurance plans.

16. Can I use my escrow to pay for outside health and dental insurance as long as the premiums are post-tax?

Yes, the retiree needs to provide an invoice and proof of payment, such as a bank statement or cancelled check. Upon receipt, a check will be mailed to the retiree for reimbursement of the premium payment.

17. What is the status of my life insurance after I retire?

All life insurance under the City's group life insurance plan will terminate on the date of separation of employment from the City of Green Bay. A separating employee may apply for an individual life insurance policy by directly contacting the life insurance carrier for a Portability Form at 1-888-252-3607. "Proof of Good Health" will not be required if you apply within 31 days of retirement or termination of employment. The



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premium amount will depend on age and class of risk as determined by the life insurance carrier.

18. After I retire from the City will I still be eligible to earn dollars in my Personal Benefit Account (PBA)?

Yes you can continue to earn dollars in your PBA account if you have single or family health care coverage under the City's Active Plan or the Retiree High Deductible Plan. The amount you are eligible earn and the process for earning the PBA dollars will annually be communicated to eligible retirees as this is subject to change.



ESCROW ACCOUNTS

18. What is an escrow account?

An escrow account is a conversion of accumulated sick leave and employee elected transferred vacation leave to a dollar value that can be used to pay for health and/or dental premiums upon retirement as long as the health or dental premium is post tax. All departments, except Police and Fire, if you elected to have vacation transferred into escrow those hours would be based on your hourly rate at the time of transfer. The sick leave dollar value is based on the employee's hourly rate at the time of retirement from the City of Green Bay. Conversion of leave time will be in accordance with applicable City policy.

To be eligible to convert sick leave days to an employee's escrow account upon retirement from the City of Green Bay, the City must receive a confirmation letter from WRS stating the employee has been approved for retirement. If the City does not receive the WRS confirmation letter, the employee will not be eligible for conversion of sick leave or vacation leave time to escrow.

19. Can I use available escrow funds to immediately purchase City-sponsored insurance upon retirement?

Following receipt of the WRS confirmation letter as discussed in the response to question 18, the retiree may use available escrow funds to purchase coverage through the City's group health plan, the retiree high deductible health plan and/or dental plan at the retiree premium rate. The retiree will be required to use available funds in the retiree's escrow account to pay for the premiums. The retiree cannot use only a portion of the premium deducted from escrow and then directly pay for a portion of the premium if funds are available in the escrow account. Upon the depletion of available funds in the retiree's escrow account, the retiree will be solely responsible to pay the premiums directly to the third party administrator.

20. What happens to my escrow account if I decide not to immediately purchase coverage through the City-sponsored insurance plans?

If the retiree chooses not to immediately purchase coverage through the health and/or dental insurance plans from the City of Green Bay, the value of the escrow account will be considered "frozen" until such time the retiree decides to use the funds for one of the following purposes.

- The escrow fund can be used to purchase health and/or dental insurance from outside the City of Green Bay for the retiree or for family coverage which includes the retiree. If the retiree uses the escrow fund to purchase outside insurance the retiree, spouse and/or eligible dependent(s) may not enroll at a later date in the



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City's health and/or dental insurance plans unless the retiree, spouse or eligible dependent(s) are eligible for insurance continuation under COBRA.

- If the retiree's escrow fund was "frozen" and not used to purchase insurance, the retiree may enroll at a later date in the City's group health plan, the retiree high deductible health plan, and/or dental plan at the retiree premium rate. The retiree would need to "unfreeze" the escrow fund to pay for health and/or dental insurance. The spouse of the retiree and/or eligible dependent(s) may also enroll in one of the City-sponsored retiree health and/or dental plans if the spouse and/or eligible dependent(s) were covered under the City's health plan at the time of the retiree's retirement and only if the retiree enrolls in the plan.

The retiree must provide written notice to the Benefit Office in Human Resources at least 2-weeks prior to the beginning of the month in which the retiree requests coverage to begin.

21. How do I use my escrow account to pay for outside health and/or dental insurance?

If a retiree requests to use available escrow funds to pay for outside health and/or dental insurance, the retiree must send the invoice to the Benefit Office and include the description and date of coverage for which reimbursement is requested along with proof of payment. The retiree may request reimbursement on a monthly, quarterly or annual basis and then the premium amount will be deducted from the retiree's escrow account and reimbursed to the retiree.

If escrow funds are used to reimburse the retiree for health and/or dental premiums paid to another employer, the premiums must be paid on a post-tax basis in order to comply with IRS regulations. If they are paid on a pre-tax basis, the City cannot refund the premiums.

Upon depletion of funds in the retiree's escrow account, the retiree will be solely responsible to pay the premiums.

22. What is the tax status on the sick leave converted to my escrow account?

Employees will be taxed in accordance with applicable IRS regulations. Under current IRS rulings employees will typically not be taxed on the sick leave that is converted to an escrow account. However, there may be incidents when elective transferred vacation time converted to escrow is subject to tax under the IRS as constructive receipt.

23. Does a surviving spouse have access to my escrow account?

A surviving spouse, until remarriage, will be eligible to apply the escrowed amount for City retiree health insurance and/or dental plan premium payment purposes if they



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were enrolled in the City's plan at the time of the death of the eligible retiree. The surviving spouse is eligible to use escrow to pay for health and dental premiums the same as the retiree.

24. Do dependent children have access to my escrow account?

Dependent children, in accordance with regular City policy, will be eligible to apply the escrowed amount for City retiree health insurance and/or dental plan premium payment purposes if they were enrolled in the City's plan at the time of the death of the eligible retiree.

25. What happens to any remaining escrow funds?

Any funds remaining in the escrow account after the death of the retiree, death or remarriage of the surviving spouse, or death or ineligibility of dependent children shall revert back to the City.

26. Is my estate eligible for my escrow account?

When death of a covered protective service employee occurs either before or after retirement, the estate shall receive the full amount of credit to the escrow account for City retiree health insurance purposes of accumulated sick leave not to exceed 95 working days as described in the collective bargaining agreement for protective employees.

For other than protective service employees, eligible spouse and/or dependent children may access the escrow account to pay post-tax health and/or dental premiums if the employee/retiree passes away after actively retiring from the City and in accordance with these guidelines.

27. How long can my escrow account stay frozen?

An employee who has retired or in case of the employee's death, the spouse has the right to leave the amount credited to the escrow account for "health insurance purposes" until the end of the calendar year in which the individual attains the age of 65. At that time, they shall have to begin using the escrow account for health insurance purposes or the escrow reverts back to the City.

28. Can available escrow be used to purchase supplemental Medicare insurance?

When the retiree reaches age 65 and funds remain in the retiree's escrow account, these funds may be used to purchase supplemental Medicare insurance for the retiree and spouse until the escrow account is depleted.



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After the amount expended for any retiree reaches the limit for such retiree, the monthly premiums shall thereafter be paid by the retiree.

29. Can my surviving spouse and/or eligible dependent(s) use the escrow fund to pay for outside insurance coverage?

Yes, the escrow fund can be used by a surviving spouse and/or eligible immediate dependent to pay for outside insurance coverage. If you are currently enrolled in the City's group health plan, the retiree high deductible health plan and/or dental plan prior to the retiree passing away, you may use the escrow fund to continue paying the retiree premiums until the escrow is depleted or you become ineligible to stay on the plan.

