

CalPERS Retirement FAQs (Frequently Asked Questions)

Question 1). I am age 37 and I am leaving CSU. Am I required to move my contributions out of CalPERS since I am not yet age 50?

Answer. No. Any employee, regardless of age or amount of service credit, may leave their contributions on file with CalPERS and they will continue to earn interest. The member may elect to take a cash disbursement, subject to tax and possible penalties for early withdrawal; rollover their CalPERS contributions to either another employer's qualified retirement plan that accepts rollovers or to an individual retirement account (IRA); or may retire once they attain age 50 or greater so long as they have five or more years of CalPERS-credited service.

However, if a member's retirement date is more than 120 days after separation from employment with the CSU, the member will not be eligible for sick leave service credit nor the health benefits as part of the retirement.

Question 2). Will my CalPERS-sponsored medical coverage continue into retirement?

Answer. If a CSU employee is eligible for medical coverage through CalPERS at the time of employment separation and retirement occurs within 120 days, then coverage is available as part of the retirement. If retirement occurs within 30 days of employment separation, coverage will continue automatically. If retirement occurs more than 30 days but within 120 days of employment separation, the retiree may elect to re-enroll in their CalPERS sponsored medical plan.

Question 3). What if I am enrolled in the CSU FlexCash program instead of medical and/or dental at the time of retirement?

Answer. Employees eligible and enrolled in the CSU FlexCash program in lieu of medical and/or dental may elect to enroll in a CalPERS-sponsored medical plan and/or CSU dental plan within 30 days of the retirement date or during any annual Open Enrollment Period with CalPERS.

Question 4). Does my vision coverage with Vision Service Plan (VSP) continue into retirement?

Answer. No. The vision coverage does not continue into retirement; however, the retiree (and/or eligible dependents) may pay the monthly premium to continue the coverage on a temporary basis (eighteen months) if elected immediately upon the member's retirement. This coverage is under the provisions of COBRA (Consolidated Omnibus Budget Reconciliation Act) and the cost is approximately \$15 per month regardless of the number of eligible dependents to be covered.

Retirees participating in the Faculty Early Retirement Program (FERP) will have the Vision Service Plan coverage temporarily reinstated once they are back on pay status with the CSU as a FERP employee for a minimum

half-time for any quarter that they teach. See pages 6 & 7 of this document for further information.

Question 5). Does my sick leave count towards retirement?

Answer. If your retirement occurs within 120 days of separating employment with the CSU then your sick leave will count towards retirement service credit when CalPERS calculates your monthly retirement allowance ($.004 \times \text{number of days of sick leave} = \text{service credit}$ or 2000 hours of sick leave = 1 year of service credit)

Question 6). Can I cancel my application for service retirement?

Answer. You may cancel your service retirement application or change your retirement effective date any time **prior** to the issuance of your first retirement check. If you wish to cancel or change your retirement date, please notify CalPERS and your employer **in writing**.

Question 7). What is a Temporary Annuity?

Answer. A Temporary Annuity is a CalPERS program wherein the employee permanently reduces their monthly retirement allowance in order to receive an annuity during the beginning of their retirement. The retiree selects the dollar amount they wish to receive, within certain limitations. The benefit is payable from the retirement date to a specific age selected by the employee--59 1/2 or any whole age from 60 to 68. The CalPERS brochure, *Temporary Annuity* is available on CalPERS website at www.calpers.ca.gov or you may call CalPERS at (888) 225-7377 for more information on this subject.

Question 8). Once I am retired and reach age 65 how does my medical coverage change?

Answer. Medicare consists of two parts--Part A is hospitalization and Part B is medical coverage. If you are retired and eligible to enroll into Medicare both Parts A and B, you must change your CalPERS sponsored medical coverage to the managed Medicare/supplement to Medicare coverage offered by CalPERS. Typically, the benefits are enhanced and the premium costs are reduced making this a beneficial choice for most retirees. To make an informed decision, please refer to CalPERS website at www.calpers.ca.gov or you may contact them at (888) 225-7377. You will coordinate directly with Social Security Administrator and CalPERS to enroll into Medicare.

Question 9). What is the difference of retiring on December 31st. vs. January 1st?

Answer. The difference between these two dates is only one day, but it can have a big effect on your retirement benefits over time. A December 31, 2007 retirement date has a cost-of-living adjustment (COLA) that will go into effect in May 2009. If the date is January 1, 2008, the COLA will not go into effect until May 2010.

Question 10). When will I get my first retirement check?

Answer. This depends on your retirement date and when your final documents are received and processed by CalPERS. In most cases, you'll receive your first check in the first part of the month after you have retired. As an example, if your retirement date is September 4, your first check would be paid to you in the first week of October. Each case is different and if you would like to know exactly when your first check will be sent, please contact CalPERS at (888) 225-7377.

Question 11). My Annual member Statement showing incorrect service credit. Why?

Answer. If you elected to purchase additional service credit within the last few months, it may not have been posted before the fiscal year closing (June 30 of each year), but it should appear on your next Annual Member Statement. If you have employment which has not been credited and you would like to know if it can be included, you'll need to submit a request for additional service credit. If all employment should have been credited, but the Statement appears incorrect, contact CalPERS at (888) 225-7377.

Question 12). Can you explain Survivor Continuance?

Answer. Survivor continuance is a benefit paid by some employers. It provides that upon your death after retirement, a part of your monthly allowance will automatically continue to an eligible survivor. Survivors include, in this order, your spouse (married for at least one year prior to retirement) or your registered domestic partner (registered for at least one year prior to retirement), or if none; your unmarried natural or adopted children under age 18, or a disabled child who was disabled prior to age 18 and continuously thereafter, or if none: qualifying economically-dependent parents.

Question 13). Who can be my beneficiary?

You may name any person, a corporation, your estate, or a trust as your beneficiary. More information on beneficiaries is available in your Member Benefits Booklet: [Your Benefits Your Future - State Miscellaneous & Industrial, PUB 6 \(March 2006\)](#). You may also call CalPERS for more information regarding this.

Question 14). What types of documents are required to release community property funds?

Answer. Since each case is unique, it will depend on your membership status, the court order, vesting, and other unknown parameters. For more information, please contact the CalPERS Community Property Unit at (916) 795-3551.

Question 15). Are samples of legal community property "language" available?

Answer. If you need a sample of acceptable legal "language", request a

copy of [CalPERS Community Property Model Order Package \(MBSD-183\)](#).

Question 16). What is my share of community property?

Answer. The answer depends on your membership status, the court order, vesting, age, and other factors. If you are in a domestic partnership, you should review [Community Property Rights for Registered Domestic Partners](#) information that you may request from CalPERS or download it directly from the website at www.calpers.ca.gov.

Question 17). After I retire, may I change my beneficiary and my retirement allowance option?

Answer. Your beneficiary(ies) for the retired lump sum death benefit of \$2000, may be changed at any time by completing a Beneficiary Designation for Benefits After Retirement Form (PRS-509), available through any CalPERS Field Office or by calling 1-888-225-7377. The retirement allowance option may not be changed unless you qualify due to an event such as death of your named beneficiary, marriage after retirement, dissolution of marriage, etc. The CalPERS pamphlet *Changing Options and Beneficiaries After Your Retirement* is available through any CalPERS Field Office or at <http://www.calpers.ca.gov>.

Question 18). I am eligible to retire and if I pass away, What benefits will my spouse be entitled to?

Answer. The CalPERS will offer option 2w that pays the maximum possible monthly allowance to your spouse/survivor and/or your beneficiary. Your eligible dependents will also be able to continue medical and basic dental coverage unless a lump sum option is elected. A detailed information package will be mailed to your survivor and/or your beneficiary from CalPERS explaining the options available. You may visit CalPERS website at www.calpers.ca.gov and/or review member benefit booklet: [Your Benefits Your Future - State Miscellaneous & Industrial, PUB 6 \(March 2006\)](#) for further information on this subject.

Question 19). If I am a retired staff or faculty member, how much can I work after retirement without affecting my CalPERS retirement?

Answer. Retirees of the California State University system may work up to 960 hours per fiscal year or 50 % of the hours worked in the last fiscal year prior to retirement without affecting their CalPERS retirement. However, if drawing Social Security benefits, be aware that Social Security has an earnings limitation (dependent upon age). For current information, contact Social Security at 1-800-772-1213 or visit their Web Site at <http://www.ssa.gov>. You may also visit CalPERS website at www.calpers.ca.gov for further information regarding employment after retirement and be sure to review the [Employment After Retirement - December 2006 \(PUB-33\)](#) booklet for specific guidelines and restrictions.

Question 20). I am currently enrolled into benefits and I am eligible to retire; however, I am not ready to retire yet and I am leaving CSU to work for another Non-CalPERS employer. If I leave my funds vested with CalPERS and

retire few years later, will I receive health coverage into retirement?

Answer. You must retire within 120 days from the date of separation from employment in order to receive health coverage into retirement. You may retire any time after 120 days; however, you will not receive health coverage.

Question 21). I am currently enrolled into benefits and I am eligible to retire; however, I am not ready to retire yet and I am leaving CSU to work for another CalPERS employer (other than CSU). When I retire in future with my other CalPERS employer, can I request to receive health coverage under CSU benefits coverage?

Answer. You will NOT have an option to elect coverage under CSU benefits Plan. You will need to check with CalPERS and/or your current employer regarding the contract for health coverage.

Question 22). My friend told me that I will receive a percentage of health coverage into retirement based on the number of years of service with CalPERS. Is this true?

Answer. The percentage applies to 2nd Tier state employees only (CSU falls under 1st. Tier employees). For CSU, as long as you have 5 years of CalPERS service and you are age 50 or older, you are eligible to retire. In order to receive medical (same coverage level as active employees) and basic-dental, you must be benefits eligible and you must retire within 120 days from the date of separation from employment.

Additional FAQ's for faculty and/or FERP (Faculty Early Retirement Program)

Question 23). I am a part time faculty (Lecturer). I am currently not eligible for benefits but I am enrolled into CalPERS and I am eligible to retire. Do I receive medical and basic-dental benefits into retirement?

Answer. If you are eligible to retire but you are not eligible for benefits, you will NOT receive medical and/or dental coverage into retirement. You must be benefits eligible and retire within 120 days from the date of separation from employment in order to receive health coverage into retirement.

Question 24). What is the Faculty Early Retirement Program (FERP)?

Answer. FERP is a program for tenured faculty, age 55 years or older, who may request participation if retiring for service rather than disability retirement. The program is designed to allow retiring faculty to work for a specified period each academic year, for a limited number of years, in addition to retirement benefits from CalPERS. The program currently offers the retiree a choice between working one quarter per academic year at full-time or the academic year (three quarters) at half-time. Other CSU employment during FERP participation is strictly prohibited. For more

information regarding FERP, please visit Faculty Affairs website @ <http://www.csupomona.edu/~academic/faculty/>

Question 25). When is my FERP application due in order to begin participation next academic year?

Answer. The application deadline is typically the end of March preceding the academic year in which FERP is to begin; however, the President may waive the application deadline. Also, the applicant's service retirement must be effective prior to the beginning of the academic year in which FERP begins. For more information regarding FERP, please visit Faculty Affairs website @ <http://www.csupomona.edu/~academic/faculty/>

Question 26). If I retire in June and receive my summer pay (lump sum) in June, will I receive adjustment later if an increase is negotiated by the union upcoming July?

Answer. If you retire in June, you will receive a lump sum pay in June that will be your last check (final settlement) and your checks will not run through the summer, so there will be no adjustment for increases, if any, for upcoming July for you.

Question 27). I understand that my vision coverage will terminate into retirement and my dental will be changed to basic coverage, does this apply to FERP as well?

Answer. If you will be teaching at minimum .50 (half-time) for any quarter that you teach under FERP assignment, your dental coverage will remain at enhanced level while FERPing. The vision coverage will end at retirement and will re-instate during FERP assignment once you return to teach under FERP.

Question 28). I am into my 3rd year of FERP at full time for one quarter every year. If I reduce my time base to .33 for fall, winter and spring, what will happen to my dental and vision benefits?

Answer. Once we receive a copy of approval to reduce your time-base below .50, we will send you a notice of terminating your vision coverage and we will submit a request to CalPERS to change your dental coverage to basic. The change is permanent regardless of any other changes to your appointment on a later date.

Question 29). When will my vision coverage re-instate under FERP assignment?

Answer. Your vision coverage will terminate into retirement. Under FERP assignment (minimum .50 time-base for any quarter you teach), your vision coverage will re-instate effective first of the following month after you return to teaching (For example, if your FERP assignment starts winter quarter, your coverage will begin effective February 1). At any point, you change your teaching quarter and/or time-base, please inform your Benefits Office to find out if it will have an impact on your coverage.

Question 30). Can FERP or Retired Annuitant (RA) employees contribute to the Tax-sheltered Annuities?

Answer. FERP/RA employees can contribute to the 403(b) account only. See next question for submission date for your TSA deduction request.

Question 31). When should I submit my salary reduction agreement (SRA) form to the benefits office in order to start the deduction on my FERP/RA checks?

Answer. For fall quarter, October is the first possible pay period in which you can start the contribution; SRA form must be received by the Benefits Office before end of September.

For winter quarter, February is the first possible pay period in which you can start the contribution; SRA form must be received by the Benefits Office before end of January.

For spring quarter, May is the first possible pay period in which you can start the contribution; SRA form must be received by the Benefits Office before end of April.

For summer quarter, July is the first possible pay period in which you can start the contribution; SRA form must be received by the Benefits Office before end of June.

Question 32). When will a FERP employee's dental coverage changes to Basic Plan?

Answer. Dental coverage will be changed to the basic level on the first day of the following month after the end of the last quarter of FERP assignment. Also, coverage is changed to basic if the FERP assignment time-base is changed to lower than half-time.

Question 33). When will a FERP employee's vision coverage ends?

Answer. Vision coverage will terminate on the first of the month following your separation date. You will have an option to continue your vision coverage under COBRA provision for 18 months by paying approximately \$15 per month directly to Vision Service Plan (VSP). Also, coverage is terminated if the FERP assignment time-base is changed to lower than half-time.