This guide will provide you with general information about planning for your future and your retirement benefits. The information provided in this guide is accurate at the time of its writing, but policies and laws change. View the Office of Employee Benefits Administrative Manual for more information. If any information in this guide conflicts with any policy or law, the policy or law will govern. For questions and more information, please contact a Benefits team member in Human Resources by emailing benefits@utdallas.edu.

No matter your age or career stage, it is good to know how best to organize your finances as your priorities change to help you save, invest and protect your earnings — and your sense of well-being.
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Starting Out

Are you still trying to figure out how to pay down school debt, pay rent, save a little and still get out with your friends on the weekend? Although challenging — it is possible. Getting to where you want to go will depend on the choices you make today. While we know you are likely doing what you can now to save, you have many priorities competing for your money. Focus on learning about all of your benefits, setting your retirement goals, organizing your finances, and get more for your future by saving today. If you are not sure where to start, contact a UT System Authorized Financial Professional for help.

Teacher Retirement System of Texas (TRS)

TRS is a defined benefit retirement plan governed by Internal Revenue Code Section 401(a). All eligible employees of The University of Texas System are automatically enrolled in TRS on their first day of employment. Employee and employer contributions go into a large trust fund that is managed by knowledgeable professionals. Retirement benefits are based on legislatively determined formulas. You are vested after five years of service with a right to a retirement benefit. There are also disability and death and survivor benefits available to TRS members. Visit the TRS Website for more information.

Optional Retirement Program (ORP)

Generally, you are informed of your eligibility to participate in the Optional Retirement Program at the time of your initial employment. Eligibility is strictly determined by the job you perform and is not based on years of service or salary level. To be eligible to participate in ORP, an employee must: (1) initially be appointed on a full-time basis for four and one-half months or more; and (2) be appointed to a position otherwise eligible to participate in ORP. Employees who are eligible to participate in a Retirement Program but are not eligible to participate in ORP must participate in TRS. Visit the ORP section of the UT System Retirement Program for more information.

To learn more about the differences between ORP and TRS, please read an Overview of TRS and ORP.

Your participation in the Teacher Retirement System (TRS) or Optional Retirement Program (ORP) is mandatory, but did you know that participating in the UTSaver 403(b) Tax-Sheltered Annuity (TSA) and UTSaver 457(b) Deferred Compensation Plan (DCP) is just as important? The UTSaver TSA and DCP are voluntary programs that allow you to put additional pre-tax income away for retirement. Voluntary contributions to these programs have become an increasingly important part of saving for retirement because the TRS or ORP plans alone will not be enough in retirement. It is easy to start saving. You decide how much of your income you want to invest, and there are no income requirements to participate in any of the plans. Even saving a small amount now can add up over the long-term and give you the income needed to last throughout your retirement years.
**UTSaver Deferred Compensation Plan (DCP)**

The UTSaver Deferred Compensation Plan (DCP) can significantly reduce your current taxes and help you save for retirement. Contributions are conveniently taken by payroll deduction.

**Eligibility**

All employees of the UT System are eligible to participate in the UTSaver DCP.

**Contributions**

You can contribute as little as $15 per month or as much as 100% of your eligible compensation up to the maximum annual limit. If you are age 50 or older, the Age 50 Catch-up allows you to contribute more. Review the [contribution limits for the current year](#).

If you are within three years of the taxable year in which you attain normal retirement age, you may be able to make Special Catch-up contributions. Eligibility for this provision is dependent upon your unused elective deferrals for the prior years you were eligible to participate in a 457(b) plan and must be calculated by your Benefits Office. The Age 50 Catch-up and the Special Catch-up may not be used simultaneously.

Neither your UTSaver Tax-Sheltered Annuity nor your ORP contributions affect the total amount you are able to defer under the UTSaver DCP.

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**UTSaver Tax-Sheltered Annuity (TSA)**

Contributing to the UTSaver TSA can significantly reduce your current taxes and help you save for retirement. Contributions are conveniently taken by payroll deduction.

**Eligibility**

All employees of the UT System are eligible to participate in the UTSaver TSA.

**Roth vs. Traditional**

You may contribute to the UTSaver TSA with pre-tax ("Traditional") or post-tax ("Roth") payroll deductions. Depending on your personal financial situation, it may be beneficial for you to choose one contribution strategy over the other. View a comparison between Traditional, Roth 403(b), and Roth IRA contributions for additional information, and please consult your investment or financial advisor to discuss your personal situation.

**Contributions**

You can contribute as little as $15 per month or as much as 100% of your eligible compensation in the UTSaver TSA, up to the IRS annual contribution limit for elective deferrals. If you are age 50 or older, the Age 50 Catch-up allows you to contribute more. Review the UTSaver TSA contribution limits for the current year.

If you have 15 years of UT System service, and your previous deferrals in the UTSaver TSA have averaged less than $5,000 per year, you may defer up to an additional $3,000. The additional deferral may not exceed a lifetime maximum of $15,000. Eligibility for the amount you can contribute under this catch-up provision must be calculated by your Benefits Office.

Your UTSaver DCP contributions do not affect the total amount you are able to defer under the UTSaver TSA.

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**Enrolling in the UTSaver TSA & DCP**

Review and select a provider or providers from the list of approved providers. You may select more than one provider. Log in to UTRetirement Manager to start or change your contributions in a few simple steps. View the [enrollment page](#) for more information on registering, logging in, and enrolling through UTRetirement Manager.

Fund performance information from all approved providers is accessible through the UT System Office of Employee Benefits website.

Visit the Educate Me page of the UT Retirement Program to learn more about why you should participate in the UT System Voluntary Plans. You can also learn about qualifying for a Saver’s Tax Credit that is subtracted from your income tax payment.
Nearing Retirement

You may be nearing retirement and feeling more rooted in your life. You’ve also been sensible about saving. Are you thinking you might retire soon? It’s time to take actions to help improve your situation before you make the shift. It starts with a plan. This can be a good time to speak with a financial advisor to discuss increasing your savings, prioritizing debt, and reviewing your investment strategy to avoid any income shortfalls in retirement. Let’s make sure you’re ready.

Organize your finances and establish a budget

Understand what your financial picture looks like and talk with your spouse about what your goals are. Create a feasible budget and practice living on it for a few years before you retire. Then do what you can to pay off your home, car loan and credit cards before you say hello to retirement.

Create a clearly defined financial plan

It’s never too late to prepare. Start by making sure your financial plan includes all sources of retirement income, including Social Security, and how you will maximize them in retirement. Be sure to consider life insurance, long-term care coverage and estate planning. It’s also a good idea to update your will and healthcare proxies.

Set aside an emergency fund

Whether it’s a health concern, car repair or leaky roof, you never know what surprises life will bring. To cover unexpected expenses, set aside 12 to 18 months of cash. This way you won’t have to depend on credit cards and incur debt. You can’t put a price on the secure feeling that comes from being prepared for the unexpected.

Max out your contributions

Get retirement ready by making saving a habit. You can do this with automatic contributions and increasing your contributions to reduce your taxable income. And if you’re 50 or older, boost your savings with catch up contributions. You may also consider alternative investment options such as a traditional IRA or Roth IRA.

Align your investments with your risk tolerance

As retirement gets closer, your investment priorities might change. Consider shifting assets to get the most return for the amount of risk you want to take. A financial professional can help you select investments that help protect your portfolio and help generate retirement income.
Make the most of your Social Security benefits

Social Security benefits may be able to provide anywhere from 20% to 40% of your retirement income. You can receive the maximum benefit if you delay until age 70, but there are many factors to consider. Work with a financial professional to create a strategy for your particular situation.

Prepare for your healthcare

Plan for future healthcare needs by maxing out savings vehicles such as a health savings account. If you signed up for Social Security early, you’ll automatically be enrolled in Medicare at 65. If not, you can sign up three months before the month of your 65th birthday. Employees who meet the Retired Employee Eligibility Requirements will be eligible for the Retired Employee Insurance. The coverage includes a Basic Package of no cost Retiree Medical Insurance, UT SELECT Part D Prescription Drug Plan, Basic Life Insurance of $6,000. Eligible retirees may also enroll in optional coverages such as Dental, Vision and Voluntary Life Insurance. For details on how UT SELECT and Medicare coordinates benefits, go to the Retiree Employee Insurance - Medicare Section of the UT System Office of Employee Benefits Website.

Teacher Retirement System of Texas [TRS]

It is best to contact TRS to review your records at least two or three years before retirement to ensure all service has been verified and credited. The purchase of service such as withdrawn, military, or out-of-state service can involve extensive research. Members should contact TRS four to six months prior to the date of retirement and request the following forms:

- TRS 18 - Request for Estimate of Retirement Benefits Form
- TRS 30 - Application for Service Retirement

Review the steps in Planning for Retirement available through the TRS website.

Please review the TRS Benefits Handbook to determine your Tier for TRS Retirement and determine your retirement eligibility and retirement age. Note: Depending on when you were hired, you may be eligible for a retirement annuity but not eligible for UT retiree insurance. See the UT Retiree Insurance Program section for more information on eligibility criteria. Visit the TRS website for more information about TRS benefits.

Check your progress with UT My Retirement Overview

Predict what you can expect to receive during your retirement and what it will take to get to where you want to be by using the My Retirement Overview for TRS or My Retirement Overview for ORP.

Based on the results of your Retirement Overview, you can take the next steps in ensuring a worry-free retirement. Take advantage of the UTSaver TSA and UTSaver DCP, which are designed to help you save more money on your own so that you have income needed to last throughout your years in retirement. Consider making contributions to see the impact of how investing even a small amount can add up over the long-term.
UT Retiree Insurance Program Eligibility

Retired employee eligibility for UT Benefits insurance depends on your employment history. If you have specific questions about your eligibility as a retired employee or if you need to make a change to your insurance or personal information, please send an email to benefits@utdallas.edu. Visit the UT System Insurance Eligibility Chart to determine eligibility for UT System Retired Employee Group Insurance.

Retired employees and their eligible dependents are eligible enroll for the following benefits:

**Basic Coverage**
- UT SELECT Medical Plan or UT CONNECT ACO Medical Plan (Non-Medicare Eligible in DFW area Only)
- Prescription Drug Coverage
- Basic Group Term Life Insurance

**Optional Coverage**
- Dental
- Vision
- Voluntary Life Insurance

Employees, who at the time of retirement have coverage above $100,000, have the flexibility to keep a higher amount of life insurance coverage. At the time of retirement, contact HR for an enrollment form and conversion rates. Dependent life insurance may also be converted. BCBS Ancillary receives conversion payments and questions about your policy (Group#:GFZ71778) call (866) 628-2606.

**Eligibility for Retiree Status & Retiree Insurance**

Two bills passed during 2003 by the 78th Legislative Session changed the number of years of creditable service an employee must have with the University of Texas System in order to receive retiree insurance coverage after August 31, 2003, and added new requirements. Taken together, these bills create two categories of employees for purposes of retiree insurance eligibility.

**Retired Employee Eligibility for UT Insurance (The rules below are subject by the Texas State Legislature)**

**Category 1:**
An individual who was employed at a UT System institution in a benefits-eligible position during August 2003 and subsequently retires from the System is eligible for benefits as a retired employee if:

1. The individual meets the Rule of 80 (total of age plus years of creditable state service equals or exceeds 80), or the individual is at least age 55 with five (5) years of creditable state service; and
2. The individual has at least three (3) years of service with the System for which the individual was eligible to participate in the Program; and
3. The individual’s last place of state employment before retirement was with a System institution; and
4. The individual retires from System under the jurisdiction of the Teacher Retirement System of Texas (TRS); the Employees Retirement System of Texas (ERS); or the Optional Retirement Program (ORP) established by Chapter 830, Government Code or any other federal or state statutory retirement program to which the System has made employer contributions.

**Category 2:**
An individual who was: 1) not employed in a benefits-eligible position during August 2003, and 2) not yet retired or already eligible to retire under the above rules during August 2003, is eligible for benefits as a retired employee if:

1. The individual meets the Rule of 80 (total of age plus years of state service credit equals or exceeds 80) with at least ten (10) years of creditable state service, or is at least age 65 with ten (10) years of total state service credit; and
2. The individual has at least ten (10) years of service with the System*; and
3. The individual’s last state employment before retirement was with an institution of the System; and
4. The individual retires under the jurisdiction of the Teacher Retirement System of Texas (TRS); the Employees Retirement System of Texas (ERS); or the Optional Retirement Program (ORP) established by Chapter 830, Government Code or any other federal or state statutory retirement program to which the System has made employer contributions.

*Other Texas State Agency creditable services may be considered to meet the requirements under the Texas House Bill 4035.
Individuals, regardless of age and years of service credit, who worked in a benefits-eligible position with UT and are members of the Teacher Retirement System of Texas (TRS) and qualify for disability retirement may also qualify to participate in the UT Benefits program. Individuals who are participants in the ORP may also qualify for disability retirement.

The criteria above cover most, but not all, of the situations under which someone is eligible for retired employee benefits. For more information about retired employee benefits eligibility, refer to the Office of Employee Benefits Administrative Manual, Policy 220.

**Important Notes:**

- An eligible employee who leaves employment and meets the requirements to retire but do not retire and later apply for UT Retiree insurance will have a 90-day waiting period for the UT Medical Plan coverage due to the break between active employment and retirement. Optional coverage may begin upon enrollment.

- An individual who withdraws from membership from his or her retirement system or program (TRS, ERS or ORP) prior to retirement (e.g., withdraws their accumulated contributions from TRS) loses eligibility to participate in the UT Retiree Group Insurance Program.

- An individual who met the years of service requirements for UT Retiree Insurance eligibility but does not meet the age requirements may be able to apply for UT Retiree insurance at a later date when the appropriate age is met and subject to the policies and laws in effect at that time.

- A terminating employee who inquires about future access to benefits as a Retired Employee are hereby reminded that the Program benefits for Employees and Retired Employees are created by statute and subject to continued funding by the Texas Legislature. Program benefits may be subject to change or even elimination in the future. In addition, terminating employees who lack sufficient years of service to qualify for benefits as a Retired Employee cannot be advised that they will be able to return to UT System employment at a later date in order to qualify for Program coverage as a Retired Employee.

- For more information refer to **UT System OEB Administrative Manual 220**.
Retiring

All those years of saving have paid off. We hope that the UT System has helped you plan ahead and prepare you to enjoy the next journey of life — your retirement!

Now it’s time to cash in – one withdrawal at a time. With so many withdrawal options available, though, how do you make the most of what you have and make it last? Getting to relax and enjoy this great time in your life will depend on the choices you make today. This can also be a good time to speak with a financial advisor to develop a withdrawal strategy and stretch your savings as you prepare to write the next chapter in your life.

Preparing for Retirement

Now that you are ready to retire, make sure you review all the information you need to know to have smooth retirement. Follow the steps outlined in the Process Guide for Retirement available through the Benefits-Retirement Section of the HR Website under Retirement Planning Resources. Choose either the TRS or the ORP version of the guide.

Enrollment in Retiree Insurance

Retirees currently receive the same medical, dental & vision coverage options as active employees and are also eligible for reduced Group Term Life insurance (see the Group Term Life section). However, insurance does not automatically continue upon retirement. You must enroll through My UT Benefits in the month in which you retire or no later than 31 days after the last day of employment. You may also waive your insurance coverage or drop dependent coverage at the time of retirement. If you need assistance in enrolling, contact a Benefits Administrator.

Employees retiring with the Teacher Retirement System must provide documentation of your retirement, such as a copy of your TRS30 form as well as the Letter from TRS indicating the date your annuity begins. Employees retiring with the Optional Retirement Program must complete a Declaration of Retirement form, available from your Benefits Administrator.

Cost of Retiree Insurance Coverage

Retirees receive the full State Premium Sharing (the amount the State contributes toward the cost of your insurance premium). The amount currently deducted from your monthly paycheck for medical, dental and vision insurance is typically the amount you pay as a retiree. Remember, insurance rates and Premium Sharing allocations are subject to change each plan year due to contract changes and Legislative decisions.

If you are required to pay a portion of your insurance, you may enroll in the TRS Annuity Deduction option if you retire from TRS or in our monthly bank draft program if you retire under ORP. For more information go to the UT Benefits Billing for Retirees section of the UT System OEB Website.
Annual Enrollment (AE)
Retired employees may make changes to their insurance coverage(s) each annual enrollment period, July of each year. It is important to read the information you receive and determine what changes can be made and how to make the changes. Retirees receive AE information electronically when an email address is on file with Human Resources.

Surviving Dependents
At the time of a retiree’s or employee’s death, a dependent may retain the benefits in which they are enrolled. Surviving dependents do not receive Premium Sharing and are responsible for paying the full price of the insurance coverage. The dependent may remain on the plan until one of the following occurs:

- The dependent no longer meets the definition of a dependent.
- The dependent becomes eligible for similar benefits offered elsewhere.
- The dependent coverage is discontinued or drops coverage (coverage ceases permanently).
- The dependent does not pay for coverage and coverage ceases permanently.

Keep your address and email current and be aware of Out-of-Area Network coverage
If you move or change your email address, promptly notify the Office of Human Resources. This ensures that you receive important information and also ensures that you are enrolled in the correct medical and dental plans. Enrollment in medical and dental plans is based on your address. When moving out of the DFW area, review the Out-of-Area Network Summary of Benefits and Coverage. UT SELECT with BCBS and Delta Dental offer national coverage. UT CONNECT coverage is limited to the DFW/North Texas area.

UTD Reemployment
TRS Retirees must review the Employment After Retirement under TRS Publications (TRS Brochures) and Employment After Retirement Limits before returning back to work at UTD or any other TRS entities.

Medicare
Medicare Part A and Part B - Primary and Secondary Coverage
As a retiree, it is important that you enroll in Medicare Part A and Part B. Medicare becomes your primary insurance coverage at age 65 and your UT coverage is secondary. For this reason, it is important that Medicare coverage is effective on your 65th birthday or, if you are retiring after age 65, on your first day of retirement. It is important to note, that active employees should choose to waive or delay enrollment in Part B coverage until you retire from UTD. Your UT secondary insurance will be processed as if you were enrolled in Part B. Please review your options carefully before waiving your Medicare Part B to avoid higher out of pocket expenses.

For more details on how UT SELECT and Medicare works together in paying your claims, click here. If the provider does not accept Medicare assignment, or if the service is not a Medicare approved charge, co-payments, deductibles and coinsurance will apply.

Enroll 3 Months in Advance
Medicare becomes available at age 65 and has two parts. Part A is hospital insurance and is free of charge for most people. Part B is medical insurance. You must apply for Medicare Part B at least 3 months before age 65 or at least 3 months prior to retirement if retirement is after age 65. If you have Medicare enrollment questions, contact the Social Security Administration office. If you retire at age 65 and wait until that month or later to apply for Medicare, there will be one or more months in which you do not have Part B coverage. The University of Texas System urges all retired employees and dependents to enroll in Medicare Part A & B when they become eligible at 65 or earlier if they are eligible due to disability such as end stage renal disease. More information about Medicare is available by visiting medicare.gov or calling (800) 772-1213.

Medicare Part D Prescription Coverage
UT is committed to providing your prescription drug coverage and helping you make informed choices. If you are enrolled in UT SELECT, your prescription plan becomes UT SELECT Part D automatically. You cannot use your UT prescription benefit and the Medicare Part D benefit for the same prescription. Additionally, you would be responsible for Part D monthly premiums in addition to your UT medical premium.

For a relatively small number of very low income employees, there is the possibility the Medicare prescription plan may save you money if you also qualify for the low income subsidy provided in conjunction with Medicare Part D. For more information review the UT SELECT Part D Prescription Plan (Medicare).
Returning to Part-Time UTD Employment

After retirement, if you return to work at least 20 hours per week, your UT Dallas insurance is your primary coverage and Medicare is secondary. If you work less than 20 hours per week, Medicare is your primary coverage.

Social Security

Make the most of your Social Security Benefits. You may begin receiving a reduced Social Security benefit as early as age 62 or full benefits when you reach the full retirement age. You can receive a maximum benefit if you defer to Age 70, but there are many options to consider. Review the information available through the Social Security Administration Website before making your final decision to apply for benefits. For additional information on Social Security benefits, please visit ssa.gov. Work with a UT System approved financial professional to create a strategy for your particular situation.

UT System Retirement Program

Teacher Retirement System of Texas (TRS)

It is best to contact TRS to review your records at least two or three years before retirement to ensure all service has been verified and credited. The purchase of service such as withdrawn, military, delinquent, waived, or out-of-state can involve extensive research. Members should contact TRS four to six months prior to the date of retirement and request the following forms:

- TRS 18 - Request for Estimate of Retirement Benefits Form
- TRS 30 - Application for Service Retirement

Review the steps in Planning for Retirement available through the TRS website.

Please review the TRS Benefits Handbook to determine your Tier for TRS Retirement and determine your retirement eligibility and retirement age. Note: Depending on when you were hired, you may be eligible for a retirement annuity but not eligible for UT retiree insurance. See the UT Retiree Insurance Program section for more information on eligibility criteria. Visit the TRS website for more information about TRS benefits.

Review the Process Guides for Retirement in TRS and follow the directions. Contact a Benefits Administrator to assist you.

Optional Retirement Program (ORP)

If you are a member of the ORP instead of TRS, you should contact your ORP provider or advisor at least three months prior to retirement and have the following reviewed:

- All procedures necessary to begin a retirement annuity
- All available payout options
- Possibility of transferring to alternative plan
- Beneficiary designations

Note: Depending on when you were hired, you may be eligible for a retirement annuity but not eligible for UT retiree insurance. See the UT Retiree Insurance Program section for more information on eligibility criteria. Prior to retirement, your provider must have a termination/vesting letter on file. Contact your Benefits Administrator if your provider does not have your letter.

Review the Process Guides for Retirement in ORP and follow the directions. Contact a Benefits Administrator to assist you.

UTSaver TSA & DCP

You must contact your provider or advisor at least three months before retirement. Employees should ask their advisor to review the following:

- All procedures necessary to begin a retirement annuity
- All available payout options
- Possibility of transferring to alternative plan
- Beneficiary designation
- Unused Vacation Time Options
Major milestones and their impact to Retirement income

Different stages or events may trigger a retirement financial event for you or your spouse or partner. Please consider the following as you plan for retirement income.

- **Access to IRAs without an IRS 10% early withdrawal penalty tax**
- **Age at which you are eligible to receive Medicare**
- **Age for receiving the maximum amount of Social Security payments**

- **Turning 50**: People who are 50 or over by the end of the calendar year can make annual catch-up contributions to that tax year.
- **Turning 59½**: Earliest age that you may begin drawing Social Security
- **Turning 62**: Depending on your exact birth year, you may now be eligible for your "full" or "normal" Social Security payments
- **Reaching 65, 66, 67**: Must begin Required Minimum Distributions (RMDs) to meet IRS rules for IRAs and Qualified Retirement Plans
- **Reaching 72**: Age for receiving the maximum amount of Social Security payments
- **Reaching 70**: Trigger date or event

- **Potential implication to retirement income**