



## Education Minnesota – OSSEO

### OSSEO RETIREMENT INFORMATION

This information sheet is designed to answer commonly asked retirement questions. If you desire further information, contact EM-O by e-mail or call 763-315-3416. If you want additional insurance or benefit information from the District, contact your HR Generalist at 763-391-7007.

#### WHAT IS THE PROCESS TO RETIRE FROM THE DISTRICT?

Retirement/resignation forms are available on line at the district website, [staff.district279.org](http://staff.district279.org). You complete the retirement/ resignation form and send or deliver the form to HR. Be certain to keep a copy for your records. After receipt of the form (PF70) HR will send you an estimate of your Retirement Incentive and Insurance costs. A final copy of your benefits will be sent to you at the completion of the school year. If you wish an appointment, HR is willing to meet with individuals. However, HR usually has a special meeting for retirees in late March and outlines retirement information.

#### BY WHAT DATE MUST I NOTIFY THE DISTRICT?

A teacher may retire at any time of the year or on a certain date. However, to qualify for the Retirement Incentive Pay you must notify the district prior to **March 1<sup>st</sup>**, be at least 50 years of age, have 15 years of full time continuous service and must have been hired prior to July 1, 1990.

#### IS IT NECESSARY TO MAKE A RETIREMENT APPOINTMENT AT TRA?

Yes. Contact them at 651-296-2409. Consider using your personal day for the visit.

#### DO I HAVE TO RETIRE WHEN I REACH THE “RULE OF 90”?

No. The “rule of 90” is your age plus your years of teaching service. The combination of years gives you a retirement annuity from the Teachers Retirement Association. A person can retire prior to the “rule of 90” but there is a financial penalty. This means the monthly annuity amount will be reduced. Contact TRA or go on line to calculate the monthly benefit if considering retiring early. Not all teachers qualify for the “rule of 90” under current law (only those hired prior to July 1, 1989) otherwise your normal retirement age is the same as your Social Security retirement age.

#### WHAT IS MY DAILY RATE OF PAY?

Your annual contracted salary divided by 186 (contracted school days).

#### HOW DO I DETERMINE THE \$\$\$\$ OF THE RETIREMENT INCENTIVE?

Your incentive amount is determined on your salary and the number of accumulated sick leave days. The amount is calculated by multiplying your unused sick leave days by 82%. Multiply that number times your daily rate of pay. **Payment for 123 days is the maximum you can receive.**

Example: Top salary for 2020-2021 is \$95,000 - Daily rate of pay is \$510.75

Assuming 150 sick leave days.  $.82 \times 150 = 123$  days

123 days x \$510.75 daily rate of pay = **\$62,822.25 (Retirement Incentive)**

**DO PERSONAL DAYS COUNT FOR THE RETIREMENT INCENTIVE?**

No, only sick leave days are counted.

**IF I RETIRE BETWEEN AGES 50-54, DO I STILL GET THE INCENTIVE?**

Yes, providing you have 15 full time continuous years of service in Osseo. However, you would not receive payment until you reach age 55.

**WHAT IS THE PAYMENT SCHEDULE?**

For those 55 or older, if you retire between January 1 and June 30: Payment begins July 20.

For those 55 or older, if you retire between July 1 and December 31: Payment begins January 20.

**WHAT HAPPENS TO THE INCENTIVE ON JULY 20<sup>TH</sup> OR JANUARY 20<sup>TH</sup>?**

A check, with your name and social security number attached, is sent to our plan administrator of the incentive. The administrator is National Insurance Services in Milwaukee, Wisconsin. They also have a local office in Eden Prairie. The money is then sent to MID-AMERICA. When they receive the money, they will send you an "enrollment kit" (Phone 1-800-430-7999 or [www.mymidamerica.com](http://www.mymidamerica.com)).

**100% of your amount is placed in a Post Employment Health Reimbursement Account (HRA).**

If the teacher has proof of Lifetime coverage through their spouse or Tricare Coverage through the military, 100% of the incentive will be distributed into the Special Pay Deferral Plan.

All monies enter the plan tax deferred. No Social Security (6.2%) or Medicare Tax (1.45%) is charged saving you 7.65%. Both plans earn interest.

**Post Employment Health Care Account (HRA)**

The money stays in the account until depleted or goes to your taxable dependents if you should pass away. The purpose of the plan is to reimburse you for qualified out of pocket medical expenses.

If you have other medical coverage and will not have any medical expenses after retirement, you may ask HR to be exempted from the HRA. You must provide documentation that you are exempt from the HRA plan. If you are exempt, 100% of your incentive would go into the Special Pay Deferral Plan.

**Special Pay Deferral Plan**

The money goes into an interest bearing account. You may leave the monies; move the monies to your TSA or an IRA tax-free. Or, you may withdraw the money and you will be taxed on the amount.

**WHAT HAPPENS TO MY DEFERRED COMPENSATION?**

Once retired, there is not a district match. You should contact your financial advisor for advice.

**I AM ENROLLED IN THE HEALTH SAVINGS ACCOUNT, WHAT HAPPENS UPON RETIREMENT?**

You and the district stop contributing at retirement. The account and the funds in it are yours to manage. You continue to use it for medical reimbursements or expenses.

**HOW DO I QUALIFY FOR DISTRICT CONTRIBUTION FOR RETIREE INSURANCE?**

If you have sick leave in excess of 123 days, each day is calculated at your daily rate of pay beginning with day 124. The total days converted in dollars cannot exceed **\$37,800**.



The monthly district contribution toward the premium will be determined using the cumulative total amount earned divided by the number of months until you qualify for Medicare. The benefit amount will not exceed 100% of the premium of the insurance plan you have selected.

Example: 50 days (in excess of 123 days) x daily rate of pay of \$510.75 = \$25,538 divided by 36 months until Medicare eligible = \$709.38 district contribution toward premium.

**The district contribution towards premium can be used for premiums for health, dental and life insurance, if there is enough to cover all of them.**

If you are not full time FTE at the time of retirement the benefit is pro-rated to your current FTE.

#### **WHAT IF I DO NOT HAVE ENOUGH SICK LEAVE DAYS FOR RETIREE INSURANCE?**

You are allowed to continue health insurance, but you must pay the full premium(s).

#### **HOW MANY SICK DAYS DO I NEED TO BE ELIGIBLE FOR THE ENTIRE RETIREMENT INCENTIVE BENEFIT?**

If you are retiring in 2019-2020 school year, you will need the following sick leave accumulation in order to receive the full benefit: If you have fewer days than listed, your benefit will be prorated.

BA	<b>233 days</b>	MA	<b>208</b>
BA+15	<b>229</b>	MA+15	<b>206</b>
BA+30	<b>224</b>	MA+30	<b>203</b>
BA+45	<b>217</b>	MA+45	<b>198</b>

#### **HOW LONG CAN I STAY IN THE HEALTH INSURANCE PLAN?**

Until you are eligible for medical or death. At Medicare age (65), Osseo has a plan with U-CARE for health insurance to supplement Medicare.

#### **WHAT HAPPENS IF THE PREMIUM IS HIGHER THAN THE DISTRICT CONTRIBUTION?**

You pay the difference. The single premium rate for High Plan in 2022 is \$809.20, and the single premium rate for the Value Plan is \$727.48. **Benefit Extras**, our retiree insurance administrator (Alex) at 952-435-6858, will send you a coupon book for your premiums. The amount of your contributions for premiums may be reimbursed from your Health Savings Account (if you have one) or from the Post Employment Health Reimbursement Account (HRA).

#### **WHEN I RETIRE, CAN I STILL PURCHASE DENTAL AND LIFE INSURANCE?**

You can continue to have dental coverage and life insurance after you retire. You would elect these through Benefit Extras just like the health insurance and the retiree is responsible for 100% of the premiums for continuing dental or life insurances. You are eligible to continue dental coverage up to age 99 if you choose. You are responsible for the monthly premiums. You are able to continue your life insurance (group term and supplemental) for up to 18 months following your retirement date.

#### **IF I SUB, DO I PAY UNION DUES?**

Not if you are a day-to-day sub. If you are a long-term sub, more than 30 days, dues will be deducted.

# **Accumulated Sick Leave Days Required to Reach Maximum District Contribution for Retiree Health Insurance Available to All Teachers 2020-2021 - Since we don't have a new contract agreement, we are still under the 2020-2021 Salary Schedule**

The maximum district contribution for retiree Health Insurance is now \$37,800.

To determine the number of sick days needed to reach the maximum contribution, divide your salary by 186 days.  
That will be your daily rate of pay.

Now divide \$37,800 by your daily rate of pay.

That will be the number of days above 123 days to reach the maximum district contribution for retiree Health Insurance.

The 123 days is for the retirement incentive available to teachers, whose service began prior to July 1, 1990 and they have at least 15 years of full-time service.

It is calculated by taking .82 times your number of sick days at the time of retirement not to exceed 123 days.

NOTE:

Enter new salaries in top row below and it will calculate the rest of the document automatically

## **2020-2021 School Year**

	<u>BA</u>	<u>BA 15</u>	<u>BA 30</u>	<u>BA 45</u>	<u>MA</u>	<u>MA 15</u>	<u>MA 30</u>	<u>MA 45</u>
Salary	\$63,940	\$66,634	\$69,638	\$75,168	\$82,931	\$85,572	\$88,321	\$95,000
Daily Rate of Pay	\$343.76	\$358.25	\$374.40	\$404.13	\$445.87	\$460.06	\$474.84	\$510.75
Days Needed for Retiree H&H	110.0	106.0	101.0	94.0	85.0	83.0	80.0	75.0
Days needed for max. severance = 150	123	123	123	123	123	123	123	123
Total days needed for max. district contribution	233	229	224	217	208	206	203	198



# Health Reimbursement Arrangement

## Partial Listing of 213(d) Eligible Medical Expenses

Qualified Health Reimbursement Arrangement (HRA) expenses and premiums are outlined in Internal Revenue Code Section 213(d). To help you, we have created a partial listing of many of your most-inquired about IRS Section 213(d) expenses. For a full listing of eligible expenses, go to [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf).

### Premiums

- Medical Insurance
- Dental Insurance
- Vision Insurance
- Health Maintenance Organization (HMOs)
- Long Term Care Insurance\* (Tax Qualified)
- Medicare Part B
- Medicare Supplement

### Most Common Expenses

- Over-the-Counter Drugs\*\*
- Office Visit Copays
- Physician Service Copays
- Prescription Copays
- Insurance Plan Deductibles
- Insurance Plan Co-Insurance

### Other Services & Fees

- Anesthetist
- Chiropractor
- Christian Science
- Dentist
- Exam, physical
- Eye Exam
- Fertility Treatments
- Gynecologist
- Healing Services
- Hospital
- Laboratory
- Osteopath

- Physician
- Physiotherapist
- Psychiatrist
- Sex Therapist
- Specialists
- Surgeons

### Military Retiree Coverage (TRICARE formerly known as CHAMPUS)

- Copays
- Deductibles
- Office Visits
- Vision
- EXTRA Premiums
- Medicare Part B Premiums
- PRIME (HMO) Premiums
- PRIME Supplement Premiums
- Retiree Dental Premiums
- Standard Premiums

### Misc. Expenses

- Adoption (medical expenses incurred before adoption is finalized)
- Air conditioning and air filters used for alleviating illness
- Alcoholism and Drug Treatment Center Costs
- Ambulance Hire
- Artificial Limbs and Teeth

- Automobile Modifications (hand controls, special equipment, mechanical lifts)
- Birth Control Pills
- Braille Books & Magazines
- Childbirth Classes (birth preparation, not child rearing)
- Contact Lenses
- Dental Treatments
- Eye Exam
- Eyeglasses
- Fertility Treatments
- Food & Beverages for specific diseases
- Genetic Testing (to determine possible defects)
- Hearing aids & Batteries
- Immunizations
- Infertility Treatment
- Laser Eye Surgery
- Lead-Based Paint Removal
- Learning Disability (school or educator for learning disabled children recommended by doctor)
- Lifetime Care at Medical Facility
- Lodging for Medical Care or Treatment (subject to \$50/day per person)
- Medical Supplies & Equipment

- Norplant Insertion or Removal
- Obstetrical Expense
- Operations
- Optometrist
- Oral Surgery
- Organ Transplants
- Orthodontia
- Physical Therapy
- Prescription Medicines
- Private Hospital Room
- Retirement Home Fees, costs allocable to medical care
- Seeing-Eye Dog
- Speech Training for Child with Dyslexia or other Learning Disability
- Sterilization
- Stop-Smoking Programs
- Student Health Fees
- Support for Corrective Devices
- Telephone for Deaf
- Therapy Treatments \*\*\*
- Transportation Expense Relative to Illness (subject to IRS limits)
- Vaccines
- Vasectomy
- Viagra
- Vitamins (subject to doctor's verification)
- Weight Loss Program (to treat an existing disease)
- Wheelchair
- X-Rays

\*Subject to annual maximum limits.

\*\* Pursuant to PPACA Section 9002, effective January 1, 2011, over the counter drugs will no longer be considered eligible expenses without a doctor's prescription.

\*\*\* IRS Section 213(d) has indicated that therapy provided for the general improvement of mental health, relief of stress, or personal enjoyment, is not an eligible expense reimbursable from your HRA or FSA account. Therapy used to treat a specific medical need remains eligible. Therefore, this type of expense will require a doctor's note, with a diagnosis, to state the medical need for eligibility to be reimbursed.

# Health Reimbursement Arrangement

## Common Ineligible Expenses

The IRS does not allow the following to be reimbursed under your Health Reimbursement Arrangement as expenses to promote general health are not eligible. This is not an inclusive listing.

Babysitting and Child Care	Hair Loss Medication	Retin-A*
Breast Pumps*	Hair Transplant	Rogaine*
Calcium Supplements	Health Club Dues	Special Foods*
Cancer, Indemnity, and Long-Term Disability Insurance	Treatment Program (at a Health Club)*	(cost difference of common product)
Canceled Appointment Fees	Herbs & Herbal Medicines	Student Health Fee
Contact Lens Insurance	Homeopathic Drugs	Swimming Lessons
Cosmetic Surgery/Procedures	Illegal Operation or Treatment	Tattoo Removal
Custom Fit-overs (clip ons)	Insurance Premium Interest Charge	Teeth Whitening/Bleaching
Dancing Lessons	Lamaze Class***	Toiletries, Toothpaste, etc.
Diaper Service	Marriage Counseling	Varicose Vein Treatment*
Discounted Fees/Write-offs	Massage Therapy**	Veneers
Electrolysis	Maternity Clothes	Vision Discount Program Premiums
Exercise Equipment*	Personal Trainer	Vitamins*
Eyeglass Insurance	Prescription Drug Discount	Weight Loss Programs &/or Drugs*
Fitness Programs*	Pre-Tax Insurance Premiums	

\*Eligible only with Doctor's certification identifying the medical condition and length of treatment program.

\*\*IRS Section 213(d) has indicated that therapy provided for the general improvement of mental health, relief of stress, or personal enjoyment, is not an eligible expense reimbursable from your HRA or FSA account. Therapy used to treat a specific medical need remains eligible. Therefore, this type of expense will require a doctor's note, with a diagnosis, to state the medical need for eligibility to be determined.

\*\*\*Eligible expenses are limited to the mother's instruction related to birth.

Please be aware that the Internal Revenue Service looks to the reasonableness of the cost of the treatment.

## Questions?

If you have questions on eligible medical expenses, please call us at (855) 329-0095 or email us at [healthaccounts@MyMidAmerica.com](mailto:healthaccounts@MyMidAmerica.com).



## LETTER OF RESIGNATION

Name \_\_\_\_\_ Employee No. \_\_\_\_\_

Location \_\_\_\_\_ Date \_\_\_\_\_

Position \_\_\_\_\_

In accordance with the policy of the Board of Education, I hereby request a/an:

release from contract ☐

acceptance of resignation ☐

retirement ☐

Effective Date: \_\_\_\_\_

LAST DAY OF EMPLOYMENT

Reason: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
SIGNATURE OF EMPLOYEE

Instructions: Submit to Supervisor for signature prior to forwarding to Human Resources for processing.

\_\_\_\_\_  
**FOR ADMINISTRATIVE USE ONLY**  
\_\_\_\_\_

Recommended Approval:

\_\_\_\_\_  
PRINCIPAL/SUPERVISOR

\_\_\_\_\_  
DATE

\_\_\_\_\_  
HUMAN RESOURCES

\_\_\_\_\_  
DATE

BOARD DATE \_\_\_\_\_

LETTER DATE \_\_\_\_\_

MAINTENANCE DATE \_\_\_\_\_