

Retirement Benefits

The following statements are brief descriptions of the benefit programs generally offered to eligible academics upon retirement. Some variation in coverage may occur depending on the circumstances of the academic employee. Please address any questions about benefits in retirement to Benefit Services.

Cornell Children's Tuition Scholarship

Benefits are available to children of retired academic employees if the retiree is over fifty-five years of age and has ten years of full-time service with the university prior to retirement.

Health Coverage

Cornell University currently provides continuing health care coverage for academics that retire after age 55 with at least ten years of service. If you are not covered under the endowed health plan on your date of retirement, you must sign up within 60 days of your retirement date. If you decide not to continue your health insurance at any time and cancel your retiree coverage, you will not be able to re-enroll at a later date. In addition, academics may be eligible for a lifetime monthly credit, called sick leave credit, which is applied toward their health plan contributions. Detailed information is provided at retirement by the Office of Human Resources, Benefit Services.

Life Insurance in Retirement

Life insurance is available to contract college and endowed faculty and staff who are at least age 55 and have at least ten years of service with the university, provided you meet the requirements described below. This coverage is provided as part of your basic life insurance.

Basic Life Insurance \$3,000 Retiree Life Benefit

If you were younger than age 50 on January 1, 1980, or if your coverage through the Group Life Insurance Plan began after January 1, 1980, and you have had at least ten years of service, you will receive a \$3,000 life insurance policy, currently provided at no cost.

For contract college employees, the \$3,000 amount will be reduced by the amount of any death benefits payable under the Survivors' Benefit Program of the State of New York Department of Civil Service, the New York State Employees' Retirement System, and the Federal Civil Service Retirement System.

Employees who retire from the university with a \$3,000 benefit have the option to convert the difference between their Basic Life Insurance amount and \$3,000.

Decreasing Retiree Life Benefit

If on January 1, 1980, you were age 50 or older, employed at Cornell, and continued to work here until your retirement, you will receive decreasing life insurance coverage after retirement. The amount of your life insurance coverage for the first year after your retirement date will be equal to your budgeted annual salary, rounded to the next highest thousand. On each January 1, coinciding with or immediately following the next four anniversaries of your retirement date, your insurance amount will

be reduced by 20 percent of the original amount of retirement coverage, until it reaches 20 percent of the initial amount, or \$3,000, whichever is greater. It is at this time (January 1) that you may convert the amount that you are losing through the 20 percent reduction. You have 31 days to do this without medical underwriting.

For example, if your salary at retirement is \$30,000, your coverage will be reduced by \$6,000 per year as follows:

Retirement Year Life Insurance Coverage

- 1 \$30,000
- 2 \$24,000
- 3 \$18,000
- 4 \$12,000
- 5 and after \$6,000

Employees who retire from the university with a Decreasing Life Benefit do not have the conversion option for the Basic Life Insurance during the first year of retirement. Under this benefit, employees have coverage in the amount of full salary or the first year of their retirement (basic life insurance coverage is half of the annual salary amount).

Employees interested in information about converting their Basic Life Insurance should contact CIGNA HealthCare at (800) 423-1282.

Group Universal Life (GUL) Insurance Plan

As a retiree, you may continue the full amount of your Group Universal Life Insurance coverage. This coverage may be maintained either by continuing to pay premiums directly to CIGNA Group Insurance or by having your premiums paid out of the Cash Accumulation Fund, if your balance is adequate. The cash value that is not being used to fund your insurance coverage can be withdrawn to supplement your retirement income. You may also want to consider using the money in your Cash Accumulation Fund to “pre-fund” or prepay your retirement life insurance. When you retire, you can use all or some of the money in the fund to purchase a specified amount of paid-up insurance. By purchasing paid-up insurance, you will not need to make any additional payments to keep the policy in force.

For more information regarding your options at retirement with your Group Universal Life Insurance plan, please call CIGNA Group Insurance at (800) 231-1193.

Medicare

As noted above, academic employees retiring with ten years or more of service and age 55 or more, may continue their health care plans into retirement. Once retirees reach age 65, they become eligible for Medicare and the federal program becomes their primary health insurer with their Cornell plans paying secondary to Medicare. Thus, it is very important for persons to apply for Medicare on a timely basis. Local Social Security offices will take the application or the website can be accessed at www.ssa.gov.

Individuals retiring beyond age 65 must be covered under the Cornell health care plans as active employees until they do retire. The employee has the option to sign up for Medicare Part A at age 65. There is no premium for this coverage, but it will be secondary to the Cornell health plans and will usually not be used. Three months before retirement, the employee should get in touch with the Social Security Administration (see contact information in the previous paragraph) for details on Medicare eligibility and eligibility of covered dependent(s). Once retired beyond age 65, the employee will need to be registered with and covered under Medicare Parts A & B, as this coverage will become the primary health insurance.

Social Security

Academic employees should contact Social Security regarding benefits at least three months before the anticipated date of retirement, or turning the Social Security full retirement age. Under Social Security, employees may retire as early as age 62, but with reduced benefits. Full benefits are available at age 65 through age 67, depending on birth year. New rules allow Social Security retirement benefits to be paid out at the Social Security full retirement age without a penalty for other earnings.

Dental Insurance

Academic employees covered under the state health insurance plan (NYSHIP) may continue their dental insurance into retirement. Academic employees covered under the endowed dental insurance plan may continue their coverage for 18 months only.

Academic employees covered under the endowed dental plan administered by First Ameritas, are not eligible to continue coverage upon retirement. The plan is available to active employees only.

Please contact Benefit Services for more information.

Personal Accident Insurance

This insurance plan is available to retirees and their spouses who are under the age of 70.