



Massachusetts Society of Professors

The Union of Faculty and Librarians at UMass Amherst

MSP Retirement Workshop

March 20 & 23, 2023

Presenters:

Marilyn Billings (2021, Library)

Dave Gross (2019, Biochem & Molec Biol)

Bob Hallock (2020, Physics)

Kelly Pleasant (UMass HR)

Format of Workshop

- Please do not record or photograph the meeting
- There will be opportunities for asking questions.
- Workshop materials have been posted on the MSP website (umassmsp.org).
- If you have questions about your individual situation, please email them directly to: msp@umass.edu. All queries to the union are confidential.

Agenda

Introductions

Kelly

- Brief description of the retirement process
- How to get more information

Dave

- Overview of his finances
- UMass software licenses for retirees

Marilyn

- Pre-planning
- Social Security
- How she made decisions

Bob

- Post-retirement research and teaching
- Plans vs. reality

What about finances? Will I have to cut
back?

Income pre-retirement vs. post-retirement

	<u>2018</u>	<u>2022</u>		
Wages	\$137,126	\$92,872	Longevity 2019 \$26,107	
		SERS Opt. C		
Fed tax	(\$8,195)	(\$7,741)	Jun-Jul-Aug 2019 \$34,282	Retired first day of non-responsibility
State tax	(\$6,123)	\$0		
Medicare tax	(\$1,988)	\$0		
Health ins	(\$2,970)	(\$6,240)	Medicare	(\$4,051)
Dental ins	\$0	(\$1,383)	UniCare supplement	(\$2,189)
Parking	(\$529)	\$0		
MSP dues	(\$939)	(\$65)	MSP dues	(\$10/year, \$50/life)
			MTA & NEA dues	(\$65/yr, \$850/life)
State retirement	(\$12,768)	\$0		
403(b)	(\$10,400)	\$0		
Net	\$93,214	\$77,443		

What about access to UMass licensed software post-retirement?

- Software agreements now negotiated as the system level
- Issues have arisen with Adobe Creative Cloud, Office365 and GlobalProtect
- The Retired Faculty Association has an agreement with UMass IT for full access to Office365, GlobalProtect and an Adobe Acrobat Pro equivalent

What steps should I take before I retire?
How do I deal with health and dental
insurance?

Pre-retirement information gathering

- Prepared Budget estimates for ongoing expenses
- Calculated time remaining on large items to align with retirement date
 - Mortgage, car loan
- Attended local area retirement workshops (UMass Five College Credit Union and others)
- Contacted MA State Board of Retirement to obtain estimate of pension
 - Need to supply an estimated date of retirement
 - 3 options from which to choose – need to decide on 1 when retire

More pre-retirement planning

- Attended Retirement presentation by UMA HR (Kelly Pleasant) a few years ago, then again in 2020, learned about:
 - MA State Employees' Retirement System (MSERS)
 - Post-retirement work earnings, limits, etc.
 - Social Security options including WEP impact
 - Medicare
 - GIC health insurance benefits

Other choices and considerations

- Worked significant years (23) prior to UMass Amherst (also 23)
- Contacted Social Security Office in Holyoke to discuss options, including WEP (Windfall Elimination Provision) impact, over 2 years ago
 - Opted to file and suspend until age 70 (based on info from workshops too)
 - Opted FOR spousal benefit – suggest doing this if you qualify
- Health Insurance considerations
 - Individual (spouse, family?)
 - Review benefits, co-payments, location of coverage
 - Your retirement locations(s)
 - Dental coverage

Timeline and Decisions Made

- Medicare – enrolled in Part A at 65; enrolled in Part B when retired
 - NOTE: Plan to pay own premium if not on Social Security
- Scheduled appointment with UMA HR mid-Oct (HR recommends within 120 days prior to) for end of Dec. Retirement
 - NOTE: Lots of forms to fill out, includes Medicare, GIC, pension and more.
- Social Security – discussion in April 2022 (had made phone appointment)
 - They calculated WEP, various enrollment times + and – according to age
 - Can push out 4 months so schedule phone appointment to match
 - Deductions will include Medicare (after 1st month), federal taxes (7, 10, 12, or 22 %)
- GIC Health Insurance
 - Chose Unicare State Indemnity Plan / Medicare Extension (OME) with CIC (Comprehensive) since we plan to travel, spend time in Maine
 - NOTE: Plan to pay own premium until start receiving pension (3-4 months after retirement)

Other thoughts

- Unused vacation – Librarians: balance paid within first month of retiring - Taxes withheld from payment
- Longevity pay – 1.5 day's salary for each full year worked, paid within first month after retiring - Taxes withheld from payment
- Sick leave – donate to MSP Sick Bank (HR knows how to do this)
- Flex spending plans – no longer eligible
- Corestream Car / Home insurance – worked with Farmers (from MetLife) to pay premiums
- Parking – Retirees get 30 free passes to garage; reduced rates for more
- Dental Insurance Coverage
 - Found out that MSP Cobra coverage (up to 18 months after retirement) has much better coverage than the GIC Dental plan – will need to convert to that in July '23.

Financial considerations

- My pension is 57.5% of my salary, based on age and years of service.
 - Federal taxes (MA not required), health insurance premium will be taken out.
 - Received 1st payment March 31st after retiring Dec 31st, included retro payments for January and February, taxes taken out.
- Pension payments after retirement, prior to receiving pension:
 - GIC for Unicare health insurance premium, effective after retired 1 month = \$92.10 / month
 - Should be taken out of pension in April with adjustment for pre-payments.
- Payments for COBRA Dental plan (18 months)
 - Spouse plan = \$75.29 / month or \$225.87 / quarter
- Medicare payments after retirement, prior to receiving Social Security:
 - Standard Medicare premium for Part A and/or Part B + IRMAA = \$238.10 / month NOTE we legally have to pay IRMAA on Part B and Part D
 - Parts C and D are covered by GIC benefits

What is life like after retirement?

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It depends on what you negotiate in advance.

1970 - 2020. (faculty at UMass)

What I did pre-retirement:

- (1) What we all did**
- (2) Teach each semester**
- (3) Research-papers-grants**
- (4) Supervise students**
- (5) Service – all kinds**
- (6) Administration (now and then)**
- (7) Give talks at conferences**
- (8) Organize conferences**
- (9) Participate fully in many things**
- (10) Talk with staff**
- (11) Kept my door open**

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I Presumed I would do this forever.

Why? I loved it all. Job = Hobby

Early spring 2020 (prior to May 2020 retirement date).

Plans: What to do post-retire:

- (1) Maintain research***
- (2) Teach one course / year***
- (3) Travel – bucket list**
- (4) Clean home office**
- (5) Work on Photography**
- (6) Finish a Photo Book**
- (7) Organize family photographs**
- (8) Add to this - family history**
- (9) Coffee x 2 in the morning**
- (10) Visit friends**
- (11) Write papers, etc.***

* via a post-retirement appointment

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Did NOT enforce – mistake!

Starting summer 2020.

Reality: What I have done post-retire:

- (1) Maintain research - slowed
- (2) Teach one course / year - yes
- ~~(3) Travel~~ [COVID] Cooked a LOT more
- (4) Clean home office – yes ! ! !
- ~~(5) Work on Photography~~ Yard Work
- (6) Finish a Photo Book – good progress
- (7) Organize family photographs – some
- (8) Add to this - family history - some
- (9) Coffee x 2 in the morning – yes !
- ~~(10) Visit friends~~
- (11) Write papers – yes, some
- (12) Food Shopping
- (13) Lots and Lots and Lots of Zooms

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- (14) The freedom takes getting used to!

2020 +

What I miss the most:

- (1) Interactions with colleagues**
- (2) Interactions with students**
- (3) The immersion**
- (4) Supervise and nurture students**
- (5) Service – all kinds**
- (6) Administration (well, sort of)**
- (7) Giving talks at conferences**
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2020 +

What I don't miss:

- (1) Reading graduate applications**
- (2) Attending boring seminars**
- (3) Meetings on Dept. issues**
- (4) Certain faculty meetings**
- (5) Tedious requirements**
- (6) Mandatory deadlines**
- (7) An alarm clock**
- (8) Constraints on my time**
- (9) Etc.**

2020 +

The notion of “letting go”

- (1) Everyone is different**
- (2) COVID has forced an absence**
- (3) Some never want to quit (me!)**
- (4) Some can't wait to quit**
- (5) Soft Landing – works for me**
- (6) Letting go surprised me**

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2020 +

A few surprises

- (1) Letting go really did surprise me**
- (2) You may reflect more**
- (3) How did you ever do all you did?**
- (4) You may look back at forks in the road**
- (5) You may read more**
- (6) You will be busier than you expected**
- (7) You will become active in the RFA**

**A final bit of advice
(that I did not invent)**

Retire **to something.
Don't retire **from** something.**

What other things would you like to know?

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