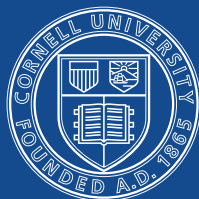




Retirement and Beyond

Benefits and programs available to retired Faculty and Staff from Arecibo Observatory



Cornell University
Division of Human Resources
Benefit Services

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Introduction

Cornell offers a wide variety of benefits and programs to endowed faculty and staff during their employment at the university. While some of these benefits will be discontinued upon retirement, others will continue throughout the retirement years.

The information in this brochure has been prepared for you, an endowed faculty or staff member, to assist in your planning for retirement. It describes the benefits that are available to you when you retire and answers some of the questions you may have about your future relationship with Cornell.

There is no mandatory age for retirement for Cornell faculty or staff. To receive certain benefits, however, you must be at least age 55 and have at least ten years of credited service at the university.

Before You Retire

You need to notify your department well in advance of your anticipated retirement date. This advance notice allows your department time to adequately address succession planning. It's not easy to replace long-term employees! When you retire, your department will complete the appropriate retirement form. It is important that you receive a copy of this form to make sure this information is accurate.

Unused Vacation and Sick Days

Staff will be reimbursed for unused vacation days. Sick leave will be turned into a credit against future premiums for your Cornell retiree health care plan, as described below.

Beneficiaries

You should keep the listing of your beneficiaries for your life and personal accident insurance and retirement fund accounts up-to-date. This information is highly confidential. Only you can check to see who is listed as your beneficiary and only you can change your beneficiary. Contact CIGNA Group Insurance at (800) 231-1193 to check your life insurance and personal accident insurance beneficiaries. Contact the investment vendors to check your retirement plan beneficiaries: TIAA-CREF: (800) 842-2776; Fidelity: (800) 343-0860.

Benefit Plans and Policies after Retirement

—*Health*—

Health Insurance Eligibility:

Health insurance is available to retiring endowed faculty and staff who are at least age 55, have at least ten years of benefits-eligible service with the university, and are covered by the Cornell Health Plan for the Arecibo Observatory at the time of their retirement. If you decide not to continue your health and/or dental insurance at any time and cancel your coverage, you will not be able to re-enroll at a later date.

Retiring Under Age 65

If you are under age 65 when you retire, your health insurance continues in the same plan and at the same cost charged to an active faculty or staff member. If you are covering a spouse or same-sex partner who is at least age 65 and is Medicare eligible, then Medicare will be primary for their coverage and the Triple-S Plan will be secondary. The spouse or same-sex partner must enroll in Medicare Parts A and B. *If your spouse or same-sex partner does not enroll in Medicare Parts A and B, the Triple-S Plan will still only pay as if Medicare paid as a primary insurer, which will result in a large financial burden.*

The university evaluates the health insurance program annually to determine new contribution levels. This means that the rate you are charged from year to year may vary.

Retiring At Age 65

If you retire on or near your 65th birthday, you need to contact the Social Security Administration to register for Medicare Parts A and B. Medicare becomes your primary coverage in retirement once you are age 65 and eligible for this coverage. The Social Security Administration suggests that you contact them at least 90 days before you retire and reach age 65. You can reach Social Security by calling their toll-free nationwide number (800) 772-1213 or by calling the local office in your area.

Once you have registered properly with the Arcibo Observatory Human Resources Office for the Triple-S Plan and with the Social Security Administration for the Medicare Parts A & B, you will have complete retiree medical coverage. You may pay your premium for the Cornell coverage by bank draft or direct billing. Social Security usually takes your Medicare premium directly from your Social Security income check each month.

*Please note: the Social Security Administration does not treat late applicants kindly. Individuals who apply late for Medicare coverage will be forced to wait until the national open enrollment period to enroll and wait six months for the effective date of coverage and the premium will be substantially higher for each month of late enrollment. Furthermore, if you do not have Medicare coverage, the Triple-S Plan will still only pay **as if Medicare paid first**, potentially leaving you with a substantial financial burden until you get Medicare coverage.*

Retiring After Age 65

Individuals who work beyond their 65th birthday remain on the Triple-S Plan for active employees. Dependents of active employees, regardless of age, also remain on the health plan as an active employee.

When you retire, you will need to contact the Arcibo Observatory Human Resources Office to complete the enrollment form in order to continue your (and your eligible dependents) health insurance coverage in the Triple-S Plan. The Triple-S Plan is designed to coordinate with Medicare, and includes prescription drug coverage.

As outlined in the previous section “Retiring At Age 65”, you will need to contact the Social Security Administration to register for Medicare Parts A and B. The Social Security Administration recommends that you contact them about 90 days before you retire. Once you retire at age 65 or older, Medicare becomes the primary payer for claims and Triple-S the secondary payer. It is very important for you (and your spouse if Medicare Eligible) to enroll in both Medicare Parts A & B. If you do not enroll in Medicare Parts A & B, the Triple-S Plan will still only pay as if Medicare paid first, and you could end up with a substantial financial burden until you do enroll in Medicare coverage. In addition, if you enroll late in Medicare Part B, you will be charged a penalty for those months you could have been but were not enrolled in Medicare Part B.

You can reach the Social Security office by calling toll free (800) 772-1213, or by visiting the local office in your area.

Medicare Part D - Prescription Drug Coverage

If you (and your spouse) are retired and age 65 or older, you will be eligible for prescription drug coverage through Medicare. It is important to understand that Cornell’s Triple-S Plan is just as good as the Medicare standard prescription.

The new Medicare law requires the University to provide an independent, actuarial certification of our health plan’s prescription drug coverage. The point of this requirement is to assure participants that their employer plan is at least the equivalent of the new Medicare Part D offering. Cornell’s prescription drug plan design easily passed the comparison test. Annually, the Arcibo Observatory Human Resources Office is required to provide you with a formal declaration of the results of the test for your records.

We are counseling retirees **not to enroll** in Medicare Part D because the Triple-S Plan meets Medicare’s requirement that the employer’s prescription drug coverage is as good as the Medicare standard prescription drug plan. If you

decide to enroll in Medicare's Part D coverage, then your prescription drug coverage through Triple-S will be secondary. In order to get reimbursed through Triple-S, you will need to submit a paper claim to Triple-S. You will not be able to use your Triple-S prescription drug card at the pharmacy counter or through mail order.

Note: Some people with limited income and resources may qualify for extra help and should contact the Social Security Administration at their special toll-free number, (800) 772-1213, or via the web at <www.socialsecurity.gov>. In some cases, it may make sense for these individuals to enroll in Medicare Part D. Then, the prescription drug coverage through Triple-S would be reimbursed on a secondary basis to Medicare Part D. If you have questions about Medicare benefits, call Medicare at 800-633-4227 or visit <www.medicare.gov>.

All Retirees, Both Under and Over Age 65

Endowed retirees can elect to either have their bank accounts drafted for their health insurance premiums every three months or to be billed. For more information on the Direct Debit or Billing, call Records Administration at (607) 255-6883. If you have sick leave credit, it will be applied to the cost of your health insurance. Please see the section on the Sick Leave Conversion Program below. The maximum sick leave credit that can be applied to your monthly premium is one half of the monthly cost of single retiree coverage.

For retirees under age 65, your medical and prescription drug card with Triple-S remain in effect. Once you turn age 65, you continue to use the Triple-S Plan which coordinates with Medicare.

Note: Cornell expects and intends to continue to offer health coverage to retired faculty and staff. However, it reserves the right to modify, suspend, or terminate the plan at any time.

Sick Leave Conversion Program

Endowed staff: You will receive credit for unused sick leave if you retire at age 55 or older with at least ten years of service at Cornell University, have participated in a Cornell health insurance plan at the time of retirement, and have accumulated sick leave at the time of retirement. This program converts your unused sick leave into a dollar credit, which is then applied toward the cost of your retiree health coverage. The maximum amount of sick leave is 90 days or 702 hours.

Example:

Formula: total hours of unused sick leave multiplied by final hourly rate divided by life expectancy value

(Group Annuity Mortality Table)

Total hours of unused sick leave = 702

Final hourly rate = \$20.00

Life expectancy value at age 60 = 232 months

Monthly premium credit amount = \$60.51

This credit is used to satisfy up to one-half the cost for single coverage under the chosen plan.

Endowed faculty, who do not accrue sick leave, are given the equivalent of 30 days sick leave at retirement, which is applied in the same method as above.

Life Expectancy Table (effective 2/2/2006)

Age in Retirement	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64
Life Expectancy (in months)	308	301	293	286	279	271	264	256	248	240	232	224	216	208	200

Age in Retirement	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79
Life Expectancy (in months)	192	184	176	169	161	154	147	140	133	126	119	113	106	100	94

Dental Plan

The Endowed Dental Plan, administered by Triple-S, is available to individuals who retire from the university. Retirees who decide to continue the dental coverage can either have their bank account drafted or to be billed every three months. Call Records Administration at (607) 255-6883 if you have any questions.

–Retirement Plans–

Cornell University Retirement Plan (CURP)

You are eligible to begin benefit distributions from your CURP Plan retirement account if your employment with the university has terminated or you have retired. It is not possible to begin distributions from the CURP Plan account while you are still actively working at Cornell unless you are a faculty member who is on the Phased Retirement Program. Once retired, you may delay receiving the benefits from this Plan until you attain age 70 1/2.

Requesting Benefit Distributions

You should contact the investment vendors to obtain and submit the proper distribution forms: TIAA-CREF at (800) 842-2776 or Fidelity at (800) 343-0860.

Retirement contributions made by the university under this Plan during your employment are fully and immediately vested, which means that you are the sole owner of the funds in your account. You decide how you want to receive these funds during your retirement years to best meet your needs.

Payment Options

Many payment options are available to you. You should study these options thoroughly before finalizing your retirement plans. These payment options include (may not apply to all funds):

- Single Life Annuity
- Survivor Annuity
- Guaranteed Period
- Systematic Withdrawal
- Interest Only Option
- Cash Withdrawal
- Transfer Payout Annuity
- Minimum Distribution at age 70 1/2

Both TIAA-CREF and Fidelity have materials that describe these payment options in detail. Contact the investment vendors directly to obtain materials on these payment options: TIAA-CREF at (800) 842-2776 or Fidelity at (800) 343-0860.

Direct Deposit: Your retirement benefits can be directly deposited into your personal account. Arrangements for direct deposit should be made with the investment vendors.

Remember that payment options are varied and may need to be discussed with a professional who understands the complexities of income tax law. Cash distributions will be taxable as ordinary income.

Tax Deferred Annuity (TDA) Plan

You are eligible to begin benefit distributions from your TDA Plan retirement account if your employment with the university has terminated or you have retired. You may also begin distributions from your TDA Plan account while you are still actively working if you have attained age 59 1/2. Once retired, you may delay receiving the benefits from this Plan until you attain age 70 1/2 unless actively at work for further deferral.

Requesting Benefit Distributions

You should contact the investment vendors to obtain and submit the proper distribution forms: TIAA-CREF at (800) 842-2776 or Fidelity at (800) 343-0860.

Contributions made to this Plan during your employment are fully and immediately vested, which means that you are the sole owner of the funds in your account. You decide how you want to receive these funds during your retirement years to best meet your needs.

Payment Options

Many payment options are available to you. You should study these options thoroughly before finalizing your retirement plans. These payment options include (may not apply to all funds):

- Single Life Annuity
- Survivor Annuity
- Guaranteed Period
- Systematic Withdrawal
- Interest Only Option
- Cash Withdrawal
- Transfer Payout Annuity
- Minimum Distribution at age 70 ½

Both TIAA-CREF and Fidelity have materials that describe these payment options in detail. Contact the investment vendors directly to obtain materials on these payment options: TIAA-CREF at (800) 842-2776 or Fidelity at (800) 343-0860.

Direct Deposit: Your retirement benefits can be directly deposited into your personal account. Arrangements for direct deposit should be made with the investment vendors.

Remember that payment options are varied and may need to be discussed with a professional who understands the complexities of income tax law. Cash distributions will be taxable as ordinary income.

Social Security

You may also be eligible to start receiving Social Security retirement benefits as early as the first full month that you are age 62. To find out if you are eligible and how much you can receive, contact the Social Security Administration at (800) 772-1213, call the local office in your area or on-line at <www.ssa.gov>. If you are retiring before the Social Security full retirement age, there may be reduced benefits from Social Security. Social Security will be able to answer any questions you might have concerning eligibility, restrictions, registration, payments, etc.

–Life Insurance in Retirement–

Life insurance is available to 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.

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:

<u>Retirement Year</u>	<u>Life Insurance Coverage</u>
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 for 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 Group Insurance at (800) 423-1282.

Group Universal Life (GUL) Insurance

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.

–Other Plans and Policies–

Personal Accident Insurance (PAI) Conversion

As a participant in the PAI plan, you and your eligible dependents may convert your insurance coverage to an individual policy if you are under age 70. A medical examination is not required to obtain an individual conversion policy. You have 31 days after your retirement date to complete an application for an individual policy. You will be billed by CIGNA for the premiums.

Coverage cannot exceed the amount purchased under your current PAI group plan, and cannot be less than \$25,000 or more than \$150,000. Call Benefit Services at (607) 255-3936 to obtain a PAI conversion application.

Cornell Children's Tuition Scholarship (CCTS)

The level of CCTS benefits at retirement is determined by the date you were hired as an active employee and your work status at the time of retirement. Call Benefit Services at (607) 255-3936 for more information.

Long Term Care

CNA provides a Long Term Care policy for Cornell staff and family members and retirees. A retiree can enroll at any time subject to proof of medical insurability. To get more information about this policy, or if you are enrolled and need to arrange for direct billing, contact CNA at (866) 234-9031.

–Benefits No Longer Available–

Certain benefits you enjoyed as a Cornell faculty and staff member were directly related to your employment. When you retire, you will no longer be eligible for those benefits through Cornell. Those benefits include Workers' Compensation, Short Term Disability, Long Term Disability, Tuition Aid or the Employee Degree Program, and Business Travel Insurance. However, if you retire while you are receiving long term disability benefits, you should call Benefit Services at (607) 255-3936 to review your change of status.

Other Retiree Benefits/Programs/Services

Cornell Retirees Association (CRA)

All Cornell staff automatically become members of the Cornell Retirees Association (CRA) upon retirement. Membership is voluntary and there are no dues or fees for participation. Retirees and their spouses/partners are encouraged to participate.

CRA provides a liaison with the university on important retiree issues. For more information, contact the CRA desk in 130 Day Hall or call (607) 255-0388. Events are also publicized in the staff newspaper, *Pawprint*. Please contact (607) 254-3555 when you retire, so that you can be placed on the *Pawprint* mailing list for free.

Taking Courses for Credit or Audit

Retirees are eligible to enroll in up to six credit hours per semester at no charge. You may enroll through Continuing Education and Summer Sessions in B-20 Day Hall, (607) 255-4987, with the permission of the course instructor and a representative of Benefit Services. This office can answer any of your questions about taking classes for credit.

Cornell's Adult University offers fabulous on-campus non-credit summer seminars and workshops, travel programs in the U.S. and abroad, and on-line educational programs for Cornell alumni, friends, and families. For information on all CAU programs, call (607) 255-6260, e-mail <cauinfo@cornell.edu>, or visit the CAU Web site at <www.sce.cornell.edu/cau>. To register for CyberTower, log on to <http://cybertower.cornell.edu>.

For Cornell Plantations workshops, call (607) 255-2400. For School of Industrial and Labor Relations workshops call (607) 255-9298.

Libraries

As a Cornell retiree you are entitled to full Cornell University Library privileges. Your retiree I.D. is your library card. Notices from the library will be sent by e-mail to your Cornell NetID unless you make other arrangements with the library. You can do this at the Public Services Office, 116 Olin Library, by e-mail: <libpublicservices@cornell.edu>, or by phone (607) 255-5069.

Intercollegiate Athletics and Athletic Facilities

Retirees with 25 years of service or emeritus professors are offered two tickets to all athletic contests except Men's Ice Hockey and post-season contests. All other retirees with 10 to 24 years of service to the university continue to be eligible for the same privileges they enjoyed when they were employed. All tickets can be obtained at the Athletic Ticket Office, Bartels Hall, by appearing in person and showing a retiree I.D. card. All retirees could be eligible for certain other discounted senior citizen tickets.

Contact the Ticket Office at (607) 255-4247 for more information. Athletic facilities that continue to be available to all retirees are:

Lynah Rink: Call (607) 255-3793 for more information.

Robert Trent Jones Golf Course: For more information, call (607) 254-6531.

Reis Tennis Facility: For more information, call (607) 272-0037.

Helen Newman Hall Bowling Center: Cornell retirees receive a discount on open bowling rates, and the opportunity to join other retirees for regular bowling. For more information, call (607) 255-4200.

Cornell Club

Retired faculty and staff interested in maintaining contact with the university should write to the Alumni Office, 626 Thurston Avenue, Ithaca, New York 14850, or call (607) 255-2390. The office will be pleased to provide the name, address and telephone number of the current president of the Cornell Club in the area in which the retired employee is living.

Cornell Club—New York

Retired Cornell faculty and staff members are eligible to join The Cornell Club in New York City at a discounted membership rate, in addition to the waived initiation fee. Annual membership dues are listed at <www.cornellclubnyc.com> and dues may be paid either quarterly or annually. For more information, please contact Lara Chrisomalis '02, director of marketing and membership, at (212) 692-1386 or e-mail <l.chrisomalis@cornellclubnyc.com>.

For More Information

More detailed information concerning any of the topics in this brochure can be obtained by contacting Benefit Services, Division of Human Resources, 130 Day Hall, (607) 255-3936, or e-mail: <benefits@cornell.edu>. Visit the Web site: <www.ohr.cornell.edu>.

While every attempt has been made to ensure the accuracy of this document, the legal documents, policies, or certificates pertaining to the various benefits prevail in the event of any discrepancy. This booklet does not constitute a legal document. The policies summarized here are subject to change. The language is not intended to create a contract between the university and its retired faculty and staff.

The university reserves the right to amend, modify, or withdraw in its sole discretion any provision contained herein. Neither this document, nor any of its terms or provisions, constitute a contractual obligation by the university. Policies and benefits for members of collective bargaining units may differ from those described herein. If you belong to a collective bargaining unit, refer to the terms and conditions of your contract for more information.