

Voluntary Retirement Incentive Plan

2024 Professional Staff Information Sessions

Voluntary Retirement Incentive Plan (VRIP)

What is it?

- One-time opportunity to retire on January 31, 2025.
- Lump-sum payment varies depending on your points group
- \$25,000 Health Reimbursement Arrangement (HRA)
- One or Two (depending on points group) Tuition Benefit Scholarships
- Available on a first come, first serve basis.

Eligibility

- Minimum age 55 as of December 31, 2024,
- Completed ten years of continuous full-time service , and
- Not affiliated with a collective bargaining unit
- Eligible professional staff and faculty must have a combined years of continuous service plus years of age that are greater than or equal to 80.
- Check your continuous service date by:
 - Navigating to the Employee tab in DrexelOne, go to “All BannerWeb Employee Services”, then click “Employee Dashboard.”
 - Click the ^ next to Employee Summary. The section will expand to show data relevant to your employment. The service date is labeled as “**Adjusted Service.**”

Am I eligible?

Were you employed by Drexel University on or before 12/31/2014, in a full time non-unionized role? If yes...

1. How many total continuous years of full-time service (whole number) do you have at Drexel? (**Answer = A**)
2. Will you be age 55 or older on 12/31/2024? If yes, how old will you be on this date? (**Answer = B**)
3. **When you add those two whole numbers (A (years of service) + B (age)), do you have a minimum of 80?**

If you are age 55 with 25 years of consecutive service, then your score is 80 and you are eligible in the 80+ group.

Points and Incentives

- **Group One/100+ Points** – 100% of base salary (12 months), plus \$25,000 HRA and two Tuition Scholarship Benefits
- **Group Two/90+ Points** – 75% of base salary (9 months), plus \$25,000 HRA and two Tuition Scholarship Benefits
- **Group Three/80+ Points** – 50% of base salary (6 months), plus \$25,000 HRA and one Tuition Scholarship Benefit

As an eligible participant for the VRIP, you also qualify for Drexel Retiree Health Benefits, which we will go into more detail later in this presentation.

Enrollment

When and how do I enroll?

- All eligible employees who received their Personal Incentive Summary on June 17, 2024 will receive an email containing the Voluntary Retirement Incentive Plan document the week of August 15th
- Enrollment windows open by group starting on September 23, 2024
 - Group One - September 23
 - Group Two – September 30
 - Group Three – October 7
- Complete and Return General Release of Claims ASAP
- You can revoke your election within 7 business days after the date you return the signed Election and General Release of Claims by submitting a signed Revocation Form to hr@drexel.edu.
- **Forms must be submitted Electronically to vrip@drexel.edu**

2024 VRIP Retiree Benefits Guide

Note: Everything covered in this presentation is also available for your reference in the VRIP Retiree Benefits Guide on the VRIP Website <https://drexel.edu/hr/benefits/vrip/>

VOLUNTARY RETIREMENT INCENTIVE PLAN 2024

The 2024 Voluntary Retirement Incentive Plan (VRIP) is an optional, one-time opportunity for eligible faculty and professional staff to retire in fiscal year 2025 with financial and other incentives. The VRIP is available on a first-come, first-served basis and is being offered to faculty and staff whose age plus years of service with the University total at least 80. Points are calculated using the sum of the years of service plus age.

- **Professional staff** who are participating in the 2024 VRIP will retire on January 31, 2025.
- **Faculty** who participate in the 2024 VRIP will retire on June 30, 2025.

For the 2024 VRIP, there is a financial cost threshold for the University of \$25 million. The program will close upon the earlier of (1) the date the financial threshold is reached or (2) November 15, 2024.

QUESTIONS AND CONSULTATIONS

- Email vrip@drexel.edu
- Schedule an individual consultation with an HR Benefits team member
- Consult the **FAQs and VRIP Benefits Guide** (flipbook or PDF)
- Schedule a free virtual financial consultation with TIAA:
 - General counseling: 1.800.842.2252
 - Schedule an individual session: Visit [TIAA's website](https://www.tiaa.com) or call 1.800.732.8353



Retirement Incentive Payment

How much: Portion of your current base annual salary (not including supplemental payments), based on points system.

Date of Payment: February 21, 2025

Form of Payment: same as your Drexel paycheck, direct deposit or check mailed to your home.

Taxes: Federal withholding will be deducted at a supplemental rate of 22%. Social Security, State and Local taxes will be deducted at the normal rate.

Health Reimbursement Arrangement (HRA)

- Tax Advantaged retiree healthcare savings account
- \$25,000 upfront funding, made available on or about February 21, 2025
- Retirees are not taxed on the employer contribution
- Can use to pay for qualified medical expenses incurred by you, your spouse or domestic partner and any child who has not attained age 26.
- Eligibility for the HRA is not connected to enrolling in the Drexel sponsored Health plans.
- **This is a reimbursement that will be processed through Optum Bank**

Tuition Scholarship Benefit

Incentive:

- Group One/100+ = Two Tuition Scholarship Benefits
- Group Two/90+ = Two Tuition Scholarship Benefits
- Group Three/80+ = One Tuition Scholarship Benefits

Details:

- The Tuition Scholarship Benefit covers 66% of the cost of tuition only. Additional fees or expenses are the responsibility of the designee.
- The designee does not have to be related to the retiree.
- The designee must be selected by June 30, 2027.
- The Tuition Scholarship Benefit must be utilized by the designee by June 30, 2045.

More details on the process coming soon. Visit VRIP webpage for updates.

Retiree Health Benefits

What Health Benefits are offered?

- Medical/Prescription
- Dental
- Vision

Who can I cover?

- Retiree
- Spouse or Domestic Partner of record at the time of retirement
 - Spouses or Domestic Partners established after retirement are not eligible

**Children are not eligible for coverage under the retiree plan. COBRA is offered when active health benefits terminate.

Under Age 65 Medical/Rx

- Same medical/rx plans that are available to active Drexel employees, but, at the retiree rate.
- The retiree rate is the full premium and no longer includes the employer contribution.
- Continue your current coverage at time of your retirement, with opportunity to change plan during open enrollment or a qualified life event.
- When you turn age 65, coverage will end and you can enroll in the 65+ retiree health insurance option available through Drexel at that time.

	CDHP	Keystone POS	PPO Basic	PPO High
Retiree Only	\$542.61	\$696.21	\$1,028.73	\$1,159.83
Retiree & Spouse/DP	\$1,226.65	\$1,573.83	\$2,322.02	\$2,617.01

These premiums are for 2024 plan year and are subject to change for 2025

65 and Over Medical/Rx

Age 65+ (Medicare Eligible) Medical/Rx Plan

- Secure Preferred PPO is a Medicare Advantage plan.
- Available to Medicare eligible retirees and spouses/domestic partners. This plan offers benefits beyond Original Medicare and includes an integrated prescription plan and vision benefits.
 - The Plan combines your Medicare Part A (hospital) and Part B (medical) with prescription drug benefits and additional covered services.
- Must be enrolled in Medicare Parts A & B, maintaining your Part B premiums with Social Security each month.

	Secure Preferred PPO
Retiree Only	\$278.52
Retiree & Spouse/DP	\$557.04

These premiums are for 2024 plan year and are subject to change for 2025

Dental and Vision

Dental

- Drexel University offers retirees the same dental coverage that active employees have. Currently there are three dental options through Cigna:
 - Cigna Basic PPO
 - Cigna Preferred PPO
 - Cigna DHMO

Vision

- Drexel University offers retirees the same vision coverage that active employees have. Drexel's vision plan is offered through Davis Vision, administered through Independence Blue Cross.

	Cigna Base	Cigna Preferred	Davis Vision
Retiree Only	\$21.16	\$32.36	\$4.33
Retiree & Spouse/DP	\$62.44	\$105.79	\$9.98

These premiums are for 2024 plan year and are subject to change for 2025

Enrolling In Retiree Health Benefits

How to Enroll:

- Review the Benefit Enrollment form that will be sent in the week of August 15, 2024.
- Return the completed enrollment form to vrip@drexel.edu by January 7. If waiving Drexel's plan(s), you can note that on the form and return, or just email advising that you are choosing to waive coverage.
- **Enrollment Deadline:** January 7, 2025 to avoid any delays in benefit transition, if enrolling in a Drexel sponsored health plan.

Questions on this process can be directed to vrip@drexel.edu.

Medicare Part B - Employer Information

- If you are age 65 or older and enrolled in a Drexel medical plan, you must submit a Medicare “Request for Employment Information” form (CMS-L562) to Social Security when applying for Medicare Part B.
- The form confirms that you had group health plan coverage with an employer plan since turning age 65.
- Section B must be completed by Drexel Human Resources.
- HR will email you a copy of this form, with Section B completed, at the end of the revocation period.

Things to Consider

If you or your spouse/partner are age 65 or older:

- Make an appointment with your local Social Security Office to sign up for Medicare Parts A and B, if you have previously waived Part B.
 - The typical timeline that Social Security requires for processing enrollments for Part B is 60 days before you want the benefit effective.
- Drexel will provide confirmation of enrollment in health/prescription insurance for those who are Medicare Eligible and are being covered under our 'Active' employee benefits.

Things to Consider, cont'd

- The standard Medicare Part B premium amount in 2024 is \$174.70. Most people pay the standard Part B premium amount; however, the premium is income based and is determined using your modified adjusted gross income as reported on your IRS tax return.
 - If you have a higher income, you will pay an additional Income Related Monthly Adjustment Amount (IRMAA). More information on premiums and IRMAA can be found on the Social Security website: <https://www.ssa.gov/benefits/medicare/medicare-premiums.html#anchor1>
- Note that those who receive VRIP will have an inflated income in the year that they receive their payment. This may cause an increase in the premiums after that year's taxes are filed, but you can discuss with Social Security how to go about appealing the monthly premium if that does occur.
 - Appeals to IRMAA can be made with Social Security directly, please visit the Medicare website for more information on this please visit their website: <https://www.ssa.gov/medicare/lower-irmaa>

Medicare Information Session

Health Advocate will be conducting a live information session about navigating Medicare and the health insurance marketplace.

Medicare Basics: What You Need to Know

July 31, 2024

12:00 PM-1:00 PM

Register in Career Pathway by clicking on the Event Calendar then clicking on Medicare Session on July 31.

*Participants in our Wellness Incentive Program are eligible to earn 15 points (a \$15 credit) for attending this event. You must sign-in to zoom with your name in the participants'' box to receive credit.

Changing Your Benefit Elections

- Can change your election during Drexel's annual open enrollment period or if you experience a qualified life event.
- Enrollment in the Drexel retiree medical/rx plan at a later date is available only if you and/or your spouse/domestic partner have maintained continuous coverage in another health plan (other than Medicare).

Important Dates

- **VRIP Enrollment Deadline:** November 15, 2024, or once the \$25 million financial threshold has been met.
- **Revocation Period:** Within 7 business days after the date you return the signed VRIP Election and General Release
- **Retiree Benefit Enrollment Deadline:** January 7, 2025.
- **Date of Retirement and last day of Active Employee Benefits:** January 31, 2025
- **First Day of Retiree Benefits:** February 1, 2025
- **VRIP Single Lump Sum Payment:** February 21, 2025
- **HRA Funding:** on or about February 21, 2025

403(b) Defined Contribution Plan

When you leave the University, you have several options for your 403(b) account. You can keep your funds in the Drexel plan, rollover your account to an eligible retirement plan or IRA, or take a distribution. You are required to start taking certain withdrawals from your account when you reach the "applicable age" as defined by the IRS per below:

1. **age 70½** - if you attained age 70½ prior to January 1, 2020
2. **age 72** - if you attained age 70½ after December 31, 2019 and age 72 prior to January 1, 2023
3. **age 73** - if you attain age 72 after December 31, 2022 and age 74 prior to January 1, 2033
4. **age 75** - if you attain age 74 after December 31, 2032

The rules around when and how much you must withdraw from your workplace retirement plans can get tricky. TIAA will walk you through it. Watch the video for the basics on RMDs. Review the five steps to see how RMDs apply to you and what to do next. Click on the link below or call 800.842.2252 for more information.

[5 Step Guide to Understanding What is RMD | TIAA](#)

457(b) Retirement Plan

Within 60 days of your separation from employment, you must elect to take a distribution from your 457(b) account or postpone distribution to a later date.

TIAA will send you an election packet either email or USPS mail.

If you do not make an election within 60 days, your account will be automatically paid to you as a single lump-sum payment. This payment is taxable to you.

Schedule a consultation with TIAA Financial Consultant for the 457(b) plan, Sabrina Evenosky, by calling 800.732.8353 or sign up for an appointment online at TIAA.org/schedulenow-drexel

Working in Retirement

- There are times when professional staff members return to employment or have an agreement to work and receive salary in an adjunct, per diem, casual, or temporary role, for example, after they have retired from Drexel.
- For purposes of taking distributions from the 403(b) Plan, retirees receiving income from Drexel are considered active employees, meaning:
 - You are not eligible (according to the terms of the 403(b) Plan) to take Required Minimum Distributions (RMD) even if you are of RMD eligibility age.
 - You are not eligible to take distributions if you are under 59 1/2
 - However, if you are over age 59½, you can take in-service distributions from your account until you have terminated from all service with Drexel.

Vacation/Sick Payout for Professional Staff

- You will be paid for accrued, unused vacation and sick time as follows:
 - **Vacation** - Up to 100 hours.
 - **Sick**
 - Under age 65 – No sick time payout.
 - 65 and older - Up to a maximum of 35 days of accrued sick time.
- Ensure that all leave reports or timesheets are submitted and approved by your supervisor prior to January 31, 2025. The earlier the better for payroll processing.
- Payment will not be issued until all outstanding leave reports or time sheets are approved.
- If all leave reports or time sheets are approved, then payment will be included in your January 31, 2025, paycheck.

Other Benefits

- **Tuition Benefits**

- Tuition remission: You, spouse/domestic partner, and dependent children are eligible for your lifetime.
- Tuition exchange: If your dependent child was awarded a tuition exchange scholarship prior to your retirement, the scholarship will continue after you retire in accordance with the tuition exchange policy.

- Supportline
- Courtesy Retiree ID Card
- Lifetime Email Access
- Recreation Center membership offers
- Annual Retiree Luncheon
- Dragon Perks Voluntary Benefits

Resources

- **SupportLinc:** Retirement Coaches Connect with a live SupportLinc representative by calling their 24/7 helpline at 1.888.881.5462
 - <https://www.supportlinc.com/>
- **Health Advocate:** Medicare Consultations: 866.695.8622
- For more information on Medicare and the costs associated with it, please visit their website: <https://www.medicare.gov/basics/costs/medicare-costs>
- More information on premiums and IRMAA can be found on the Social Security website: <https://www.ssa.gov/benefits/medicare/medicare-premiums.html#anchor1>
 - Appeals to IRMAA can be made with Social Security directly, please visit the Medicare website for more information : <https://www.ssa.gov/medicare/lower-irmaa>
- Apply for Medicare online: www.medicare.gov
- Apply for Social Security online: www.socialsecurity.gov

Additional Resources

VRIP Support – Visit <https://drexel.edu/hr/benefits/vrip/> to access the VRIP Benefits Guide, Frequently Asked Questions (FAQ's) and more. For questions on the Voluntary Retirement Incentive Program email vrip@drexel.edu.

Individual Consultations: Visit <https://drexel.edu/hr/benefits/vrip/> to book a consultation with a representative from the Drexel Human Resources Benefits Team member.



Thank You!
Questions?