



Pre-Retirement Training

Employee Benefits Office

Today's Agenda

- Deferred Compensation (457(b) Plan
 - Retiree Benefits
-

DEFERRED COMPENSATION PLAN



Final Paycheck Contributions

- Terminal check has no Deferred Compensation (457(b)) contributions unless you have a Final Compensation Amendment form on file.
 - Large balance payouts can be directed into 457(b) to defer Federal and State taxes.
 - Social Security and Medicare (7.65%) will be deducted unless you have reached the annual income maximum.
-

Defer Taxes from Terminal Check

- Consider transitioning all vacation, CTO, HIL accruals into the 457(b) plan up to the annual maximum allowed by the IRS.
- Also can contribute ½ sick accrual pay-out for those who are eligible.
- Check with Benefits to see if the limits can be increased through the Three-Year **Limited Catch-Up Program***.

2023 IRS Limits	
Under Age 50	\$22,500
Age 50 or over	\$30,000
Limited Catch-Up	\$45,000*

Special Limited Catch-Up Program

- Special provision that allows you to “make-up” for previous years (back to 1979) that you did not contribute the maximum allowed by the IRS
 - Can only participate in the 3 years **BEFORE** retirement year.
 - Can only double the Normal Limit, not the over 50 Limit (\$22,500 + \$22,500 = \$45K Max).
 - DC Staff completes an underutilization calculation
 - Employee signs an enrollment form
 - SAP (payroll system) opens employee record for the Limited Catch-up program
-

Final Paycheck Contributions - sample

Cashing Out Accruals

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay	40.86	71.00	2,901.06	57,688.77
Leave Without Pay				0.00
CTO taken				746.64
Sick Leave Pay				1,411.55
Sick Leave-Family				820.23
Vacation Pay				495.95
Holiday				1,852.88
Standby Pay				1,503.90
Overtime Time and 1/2				2,448.20
Overtime FLSA Adjustm				26.24
Term CTO Pay-SP Elig	40.86	25.80	1,054.19	1,054.19
Terminal Vacation Pay	40.86	103.90	4,245.35	4,245.35
Correctional/MHTC				246.82
Total Compensation			8,200.60	72,540.72
PRE-TAX DEDUCTIONS				
EE Paid VSP Pre Tax				139.00
EE Kaiser HMO Tier B				5,281.20
CERS Pension High			274.15	5,954.95
Total Pre-Tax Ded.			274.15	11,375.15
TAXES PAID				
IncTax-Federal			1,337.08	6,331.56
IncTax-California			525.24	1,575.49
TX EE Medicare Tax			118.91	973.25
TX EE Social Security Tax			508.43	4,161.47
SDI Tax-California			29.01	618.21
Total Taxes			2,518.67	13,659.98
AFTER-TAX DEDUCTIONS/ADJUSTMENTS				
Misc Union (017)				70.00
Union Dues (017)				540.64
Total After-Tax Ded.				610.64
Total Net Pay			5,407.78	46,894.95

Net Pay Details	Amount
Payroll Check	5,407.78

Accruals to 457(b) Plan

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay	40.86	71.00	2,901.06	57,688.77
Leave Without Pay				0.00
CTO taken				746.64
Sick Leave Pay				1,411.55
Sick Leave-Family				820.23
Vacation Pay				495.95
Holiday				1,852.88
Standby Pay				1,503.90
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PRE-TAX DEDUCTIONS				
EE Paid VSP Pre Tax				139.00
EE Kaiser HMO Tier B				5,281.20
CERS Pension High			274.15	5,954.95
457 Plan FT Pre-Tax			5,299.54	5,299.54
Total Pre-Tax Ded.			5,573.69	16,674.69
TAXES PAID				
IncTax-Federal			245.11	5,239.59
IncTax-California			47.11	1,097.36
TX EE Medicare Tax			118.91	973.25
TX EE Social Security Tax			508.43	4,161.47
SDI Tax-California			29.01	618.21
Total Taxes			948.57	12,089.88
AFTER-TAX DEDUCTIONS/ADJUSTMENTS				
Misc Union (017)				70.00
Union Dues (017)				540.64
Total After-Tax Ded.				610.64
Total Net Pay			1,678.34	43,165.51

Net Pay Details	Amount
Payroll Check	1,678.34

Taxation of Final Paycheck Contribution

- Because the sellback is considered supplemental income, taxation is higher than a regular paycheck.

Formula to determine taxation is:

- Value of the Accruals x 26 pay periods = Annualized amount
- Example:

Value of the Accrual	Multiplied by # of pay periods per year	Transaction taxed as if you make this much
\$5,299.54	26	\$137,788.04

Additional Questions?



Retiree Benefits



Retiree Benefits Options



- Medical
 - Dental
 - Vision
 - Life insurance – elected directly with carrier
 - RHSP – time to start using those County contributions!
 - HSA - providing eligibility retirements are met
 - Refer to Retiree Summary for full details
-

Benefits Transition

All benefits end on the **last day of the month** you are in Active status (includes Vacation, PTO/CTO, Sick Leave)

	MEDICAL	DENTAL	VISION	EAP	FSA	LIFE CI
Week 1	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	
Week 2					RETIREMENT DATE! 9/10	
Week 3						
Week 4			BENEFITS END 9/30			

Enrollment Options

Enroll in some/all of the County Plans

Elect benefits under COBRA*

Enroll in other option or spouse/domestic partner's benefits*

Purchase individual coverage*

***THERE ARE LIMITS ON RETURNING TO COUNTY PROGRAM**

Medical Plan Enrollment

- Available to all eligible retirees
 - Medical plan eligibility is determined by your physical zip code, not mailing address
 - Leaving the region before age 65 may limit your coverage options
 - Cost is 100% retiree paid
 - Deductions taken post-tax from pension paycheck
 - If you elect COBRA, it becomes your exclusive election, you cannot elect both COBRA and retiree benefits
-

Medical Plan Options

Non-Medicare Options (Under Age 65)



KAISER PERMANENTE®



Sutter Health



Western Health Advantage

Choose **HMO** or **High Deductible**
(individual accrued deductible carries over)

Medical Plan Options

Medicare Options (Over Age 65 or Disabled)

If you have **Medicare** Parts A & B at the time you retire - You immediately enroll in a Medicare Advantage Plan through the Benefits Office



- Kaiser Senior Advantage Gold
- Kaiser Senior Advantage Silver



- UHC HMO
- UHC NPPO

Your basic Medicare benefit gives you other non-County sponsored options throughout the country if you decide to relocate elsewhere.

DO NOT enroll in a separate non-County Medicare or Medicare Part D Rx plans or you will lose your County coverage!

Out of Area Coverage

TRAVEL-Emergency coverage only outside of service area

MOVING-May require a change in medical plans or research on Affordable Care Act (ACA) or other individual plans in the new area/state.



- Coverage in other areas may be available
 - Kaiser has coverage in various areas for both early retirees and Medicare retirees
 - Nationwide PPO available through WHA/Anthem for early retirees
 - Nationwide PPO available through UHC for Medicare Retirees
 - **Contact Benefits Staff to determine coverage options if planning to move**
-

Dental Plan Options

Delta Dental -Different benefits than the active dental plan

- **Two coverage levels:**
 - **Standard Plan – \$1,500 annual maximum (Network, PPO and EPO)**
 - **Enhanced Plan - \$2,500 annual maximum (Network, PPO)**



If you elect COBRA, it becomes your exclusive election, you cannot elect both COBRA and retiree benefits

Vision Plan Option

VSP – Same benefits as the active vision plan

- **Annual Exam: \$15 copay**
- **Frame Allowance: \$130/every other year**
- **Benefits identical to 1 employee plan**



If you elect COBRA, it becomes your exclusive election, you cannot elect both COBRA and retiree benefits

Life Insurance/ Critical Illness



- Current coverage ends last day of month
- Can convert within 31 days of retirement date
- No cash value to current County coverage
- Conversion to whole life plan, so will be more expensive
- Contact carrier for questions and conversion-phone number in COBRA letter

Premium waiver available if disabled while Active and under age 60, must apply prior to separation to keep coverage

Retiree Health Savings Plan (RHSP)

\$25 Employer contribution account now becomes active!
Can use as of the day you retire – save receipts.

Used for tax-free reimbursement of health expenses
and some premiums for you, spouse and/or
dependents (IRS compliance).

Meritain will mail a benefits packet ~2 weeks after
retirement.

Quarterly fee - \$7.50

ICMA-RC is now

MissionSquare
RETIREMENT

RHSP-Reimbursements

- Examples of reimbursable expenses include:
 - Premiums
 - Medical, dental and vision expenses such as co-pays, out of network expenses, lenses/frames
 - Prescriptions
 - Medicare Part B expenses
 - Can set up a recurring monthly reimbursement and direct deposit.
-

Health Savings Account (HSA)

- Your HSA funds go with you and you can continue to spend existing HSA funds
- No HSA contributions through pension payroll
- Can make new post-tax contributions **IF** you meet requirements:

- MUST BE ENROLLED IN HDHP PLAN
- CANNOT HAVE MEDICARE
- MUST HAVE \$0 BALANCE IN RHSP



TIP: Always use RHSP funds first-they are the least flexible !

Health Savings Account (HSA)

- Unlike RHSP, HSA money can be withdrawn for non-benefit uses but is included as income and is taxable (20% penalty under age 65)
 - In addition to medical expenses, you can use funds to pay for qualified dental, vision and hearing expenses.
 - At age 65 your funds can be used for your Retiree medical premiums as well
 - Dependent premiums reimbursable if account holder is 65 years old
-

Waiving Initial Enrollment

If you waive benefits at Retirement, RETURN IS POSSIBLE if the following are met:

- **WITHIN 30 DAYS OF A LIFE EVENT**
 - (ex. loss of group coverage, becoming Medicare eligible)
 - Losing benefits through Covered California is not eligible event
 - Non-payment of COBRA premium is not eligible event
- **DURING OPEN ENROLLMENT**
 - Must provide proof of 12 months of continuous creditable coverage

Refer to the Retiree MyBenefits Summary or the Retiree Health Insurance Administrative Policy for details

Changing Coverage

- OPEN ENROLLMENT -Effective January 1st
- MOVE IN/OUT OF SERVICE AREA
- NEWLY ELIGIBLE FAMILY MEMBER
- DROPPING FAMILY MEMBER
- CHANGE IN COVERAGE ELIGIBILITY

Effective 1st
day of
month after
event and
enrollment

**Always review Open Enrollment materials
each year for cost and coverage changes**

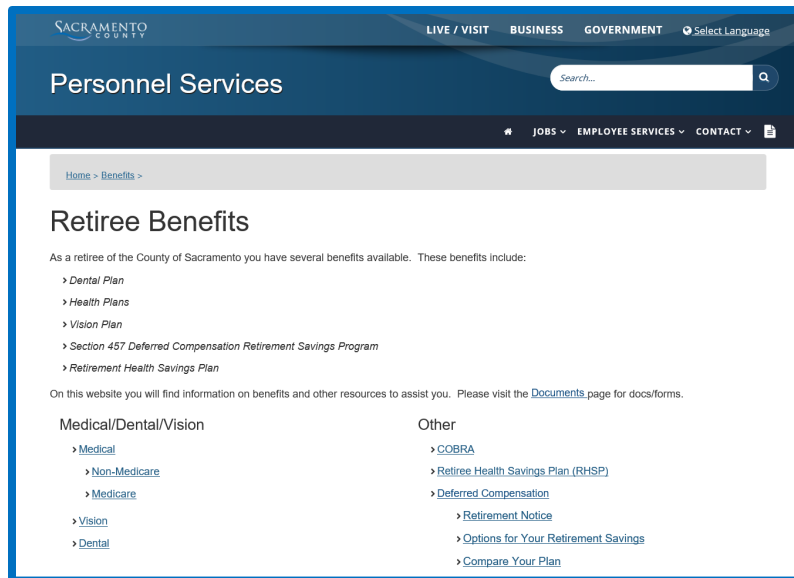
Contact the Benefits Office to determine if
your event necessitates a change

Benefits Information

All Retiree benefit information is online for easy access:

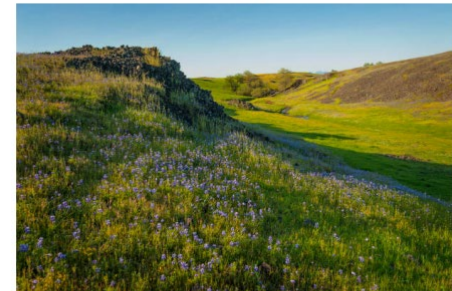
<https://personnel.saccounty.gov/Benefits/Pages/RetiredEmployee.aspx>

Forms, documents, and links to vendors and providers are available at all times.



2023 MyBenefits Summary

Making the rest of your life,
the best of your life

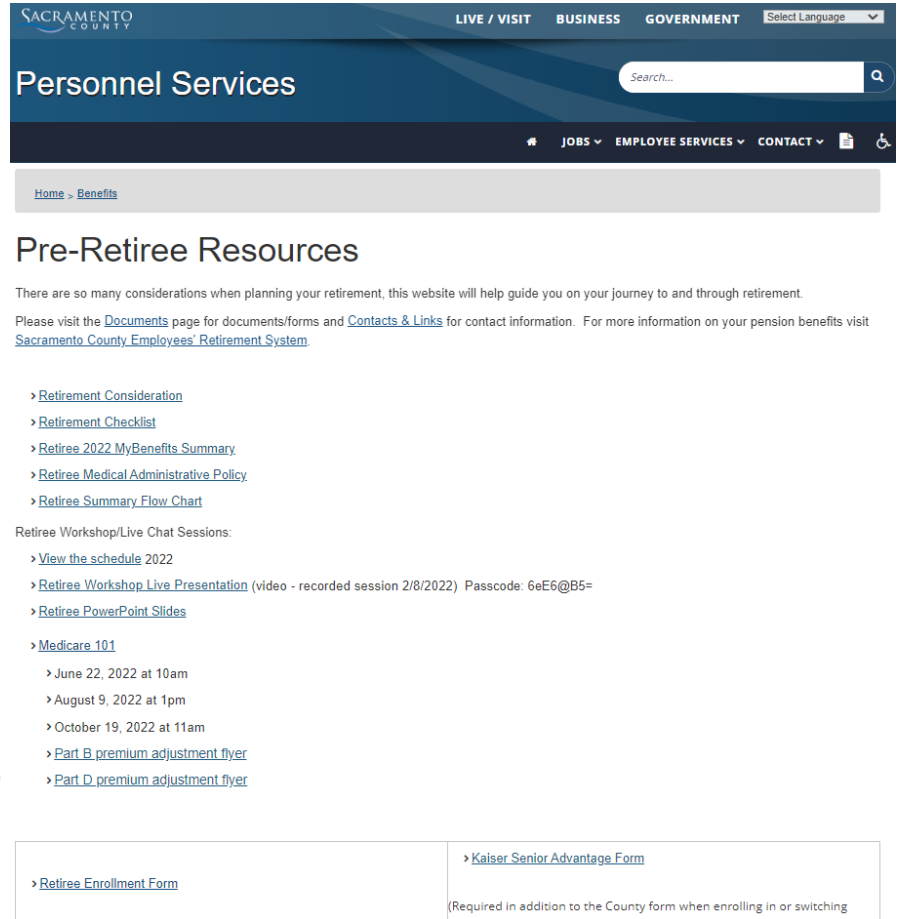


SACRAMENTO
COUNTY
Retiree

**Always review Open Enrollment materials
each year for cost and coverage changes**

Resources

- We've created a pre-retiree website that contains all the forms and materials you need to make your retiree benefit decisions.
- The website is accessible from work or home, and is located at:
- <https://personnel.sacounty.gov/Benefits/Pages/Pre-Retiree-Resources.aspx>



The screenshot shows the Sacramento County Personnel Services website. The header includes the Sacramento County logo, navigation links for LIVE / VISIT, BUSINESS, and GOVERNMENT, and a language selection dropdown. The main heading is "Personnel Services" with a search bar. Below the header, there's a breadcrumb trail: Home > Benefits. The section title is "Pre-Retiree Resources". The text states: "There are so many considerations when planning your retirement, this website will help guide you on your journey to and through retirement. Please visit the [Documents](#) page for documents/forms and [Contacts & Links](#) for contact information. For more information on your pension benefits visit [Sacramento County Employees' Retirement System](#)". A list of links follows: Retirement Consideration, Retirement Checklist, Retiree 2022 MyBenefits Summary, Retiree Medical Administrative Policy, and Retiree Summary Flow Chart. Below this, it lists "Retiree Workshop/Live Chat Sessions" with links to View the schedule 2022, Retiree Workshop Live Presentation (video - recorded session 2/8/2022) with Passcode: 6eE6@B5=, and Retiree PowerPoint Slides. Further down, there are links for Medicare 101, including dates and times for sessions in June, August, and October 2022, and links for Part B and Part D premium adjustment flyers. At the bottom, there are links for Retiree Enrollment Form and Kaiser Senior Advantage Form, with a note that the Kaiser form is required in addition to the County form when enrolling in or switching.

SACRAMENTO COUNTY

LIVE / VISIT BUSINESS GOVERNMENT Select Language

Personnel Services Search...

Home > Benefits

Pre-Retiree Resources

There are so many considerations when planning your retirement, this website will help guide you on your journey to and through retirement. Please visit the [Documents](#) page for documents/forms and [Contacts & Links](#) for contact information. For more information on your pension benefits visit [Sacramento County Employees' Retirement System](#)

- > [Retirement Consideration](#)
- > [Retirement Checklist](#)
- > [Retiree 2022 MyBenefits Summary](#)
- > [Retiree Medical Administrative Policy](#)
- > [Retiree Summary Flow Chart](#)

Retiree Workshop/Live Chat Sessions:

- > [View the schedule 2022](#)
- > [Retiree Workshop Live Presentation](#) (video - recorded session 2/8/2022) Passcode: 6eE6@B5=
- > [Retiree PowerPoint Slides](#)

- > [Medicare 101](#)
 - > June 22, 2022 at 10am
 - > August 9, 2022 at 1pm
 - > October 19, 2022 at 11am
 - > [Part B premium adjustment flyer](#)
 - > [Part D premium adjustment flyer](#)

> Retiree Enrollment Form	> Kaiser Senior Advantage Form (Required in addition to the County form when enrolling in or switching
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CONTACTS

Employee Benefits Office (EBO)

700 H Street, Room 4650

Phone: (916) 874-2020

FAX: (916) 874-4621

Email: MyRetireeBenefits@saccounty.gov

Pre-retiree website:

<https://personnel.saccounty.gov/Benefits/Pages/Pre-Retiree-Resources.aspx>

Additional Questions?



Thank you

- Thank you for your time today
- Please reach out to the benefits team for any additional questions please call us at 916-874-2020
- Congratulations and good luck!

