

# Faculty Senior Associates Program (FSAP)

## Benefits Summary

The following is a summary of your benefits while a member of the Faculty Senior Associates Program (FSAP). Please note that benefits coverage for faculty will not be affected by participation in the Faculty Senior Associates Program (FSAP), except for income maintenance programs such as long-term disability, sick pay benefits, and retirement contributions. Benefits such as Health Care Plans, Dental Plans, and Life Insurance will not be altered because of FSAP participation unless you elect to change your level of coverage.

### HEALTH CARE PLANS

When you join the Faculty Senior Associates Program, you and your eligible dependents continue to be eligible for the following Health Care Plans:

- YOUR PPO Plan
- YOUR HSA-Eligible Plan

If you are currently enrolled in a University Health Care Plan, your coverage will remain with your current Third-Party Administrator (TPA). Members of the Faculty Senior Associates Program not currently enrolled in a University Health Care Plan, who wish to enroll for coverage, will need to select their Health Care Plan. The Health Program Guide explains key features of the health care plans and provides a comparison grid for review. The guide is available online at [www.rochester.edu](http://www.rochester.edu) or from the Benefits Office.

Upon becoming eligible for Medicare (normally at age 65), members of the Faculty Senior Associates Program and/or their spouses continue to be eligible for the University's Health Care Plans (noted above) as an ACTIVE faculty member (primary to Medicare, if choosing to enroll in Medicare as well).

You and the University share the cost of your Health Care Plan coverage. A schedule of your share of the premiums can be found online at <https://www.rochester.edu/human-resources/benefits/health-care/rates/>. These premiums are deducted from your Faculty Senior Associates Program checks on a pre-tax basis.

### MEDICARE

#### Medicare Part A and Part B

Generally, you are eligible for Medicare at age 65. This age is not scheduled to rise as the full retirement age for Social Security benefits gradually rises to age 67. (Medicare also may be available to you if you have been entitled to Social Security disability benefits for two years.) Medicare is paid for, in part, by a portion of the taxes you and the University paid toward Social Security while you were working.

Medicare is a federal health insurance program administered by the Social Security Administration. It is a two-part program: Part A is Hospital Insurance, which helps pay for medically necessary inpatient hospital care; Part B is Medical Insurance, which can help pay for medically necessary doctors' services.

**If you are enrolled in the University Health Care Plans as an ACTIVE member** of the Faculty Senior Associates Program, **you do not have to apply for Medicare Part B** until the seven-month period beginning with the month in which you no longer participate in the Faculty Senior Associates Program. (This usually occurs at age 70). Three months prior to exiting the program, please contact the Office of Total Rewards to obtain form the appropriate forms and information to initiate enrollment in Medicare Part B at that time. However, **you may elect to enroll in Medicare Part A at age 65**, since there is no premium for Medicare hospital insurance (Part A).

If you do not apply for Medicare Part A during the applicable seven-month enrollment period(s) described above, you may apply later. If you apply later, you will only be covered retroactively for a maximum of six months before you apply. If you do not apply for Medicare Part B within the initial seven-month enrollment period, you will be required to apply during the first three months of a calendar year and you may have to pay higher premiums. In this case, your coverage will become effective on July 1st of that year. Also, if you do not apply for Part B on time, you will be subject to certain waiting periods before your coverage is effective. There is no retroactivity for Part B coverage, regardless of when you apply.

There is no premium for Medicare hospital insurance (Part A). If you enroll for Medicare medical insurance (Part B), the premium is deducted from your monthly Social Security check.

#### Medicare Part D

Medicare Part D is the prescription drug coverage portion of Medicare. Medicare Prescription Drug coverage became available in 2006 to everyone with Medicare. Enrollment in Part D is voluntary. Prescription drug coverage offered by the University Health Care Plans is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage.

The Notice of Creditable Coverage for Medicare Part D Eligible Beneficiaries is on pages 12, 13, and 14 and provides important information about prescription drug coverage and Medicare. Please refer to the Health Program Guide and Health Plans Comparison Chart for information on the prescription drug coverage available to University of Rochester Faculty and Staff. (Please note that in cases where individuals qualify for special assistance due to limited income or financial resources, Medicare Part D prescription drug benefits may provide more generous coverage than the University of Rochester Health Care Plans.)

For more information about your Medicare choices and benefits, you can call 1-800-MEDICARE. Information is also available at [www.medicare.gov](http://www.medicare.gov). If you have questions, you also may contact the Benefits Office of Human Resources. The Social Security Administration also has established a toll-free number for general services and information with representatives available from 7 a.m. to 7 p.m. (800-772-1213). Information is also available at [www.socialsecurity.gov](http://www.socialsecurity.gov).

### DENTAL PLANS

You will continue to be eligible for coverage under the University of Rochester Dental Plans. Your eligible dependents will also remain eligible to be covered by the Plans. You and the University share the cost of your Dental Plan coverage. A schedule of your share of the premiums can be found online at <https://www.rochester.edu/human-resources/benefits/health-care/rates/>. These premiums are deducted from your Faculty Senior Associates Program checks on a pre-tax basis.

### GROUP LIFE INSURANCE

While a member of the Faculty Senior Associates Program, you continue to be eligible for University-Paid Basic Term Life and Accidental Death & Dismemberment (AD&D) Insurance based on your pre-FSAP salary. If you are enrolled in Group Universal Life (GUL) insurance; Optional Accidental Death & Dismemberment (AD&D) and/or Optional Dependent Group Term Life insurance with Securian Financial, you may continue coverage under the Faculty Senior Associates Program. Your life insurance premiums (based on your pre-FSAP salary for GUL and Optional AD&D insurance) will be deducted from your Faculty Senior Associates Program checks. If you have questions concerning your life insurance coverage, you may contact Securian Financial by phone (1-800-941-2192); email ([LifeBenefits@securian.com](mailto:LifeBenefits@securian.com)); or the web ([www.LifeBenefits.com](http://www.LifeBenefits.com)).

### TUITION BENEFITS

Many people find Retirement a perfect time to “go back to school” to continue their education for their own satisfaction and enjoyment. As a member of the Faculty Senior Associates Program, you will be eligible for a 70% tuition waiver benefit for two credit-bearing courses in each relevant semester or mini-semester at the University of Rochester. Ordinarily, graduate tuition assistance benefits up to \$5,250 in a calendar year are not taxable. However, graduate tuition assistance benefits that exceed \$5,250 in a calendar year are taxable wages and the imputed income will be reported on a Form 1099 each year the benefit is received.

Your dependent children remain eligible for tuition benefits, regardless of whether they had begun college prior to your participation in the Faculty Senior Associates Program. Please see the Tuition Benefits Plan Summary available online at <https://www.rochester.edu/human-resources/wp-content/uploads/2019/11/TuitionSPD.pdf> for tax implications for dependent children of grandfathered domestic partners.

### VOLUNTARY BENEFITS

While a member of the Faculty Senior Associates Program, you continue to be eligible for Voluntary Benefits (Allstate Identity Protection, MetLife Legal Plan, VSP Vision Care and Group Auto & Home insurance). If you are enrolled in any of these voluntary benefits, you may continue coverage under the Faculty Senior Associates Program. Your premiums will be deducted from your Faculty Senior Associates Program checks. If you have questions concerning your voluntary benefits, you may contact Corestream by phone (1-888-935-9595); email ([customerservice@corestream.com](mailto:customerservice@corestream.com)).

### SOCIAL SECURITY BENEFITS

Your Social Security retirement benefits are, of course, completely separate from any income you receive as a result of your participation in the University of Rochester Retirement Program.

Social Security retirement benefits are based on your earnings during your working years and continue for your lifetime. You may begin receiving benefits as early as age 62. Beginning with persons born in 1943, the full retirement age gradually increases from age 66, eventually reaching age 67 for persons born in 1960 and later.

Your husband or wife can also receive a Social Security spouse's benefit based on your earnings. A reduced spouse's benefit can be paid as early as age 62. Of course, your spouse may be entitled to a Social Security benefit based on his or her own earnings, which is paid instead of the spouse's benefit if it is larger.

Faculty Senior Associates Program payments are reduced at the Full Retirement Age (FRA), by the amount of the full Primary Social Security benefit to which the participant is entitled to receive at FRA whether or not the participant chooses to receive it. Beginning with persons born in 1943, the full retirement age gradually increases from age 66, eventually reaching age 67 for persons born in 1960 and later..

To begin receiving Social Security retirement benefits, contact your local Social Security Office. The Rochester Social Security Office is located at 200 East Main Street, Second Floor, Rochester, New York 14604; the Greece Social Security Office is located at 4050 Ridge Road West, Rochester, New York 14626. The Social Security Administration has also established a toll-free number for general services and information with representatives available from 7 a.m. to 7 p.m. (800-772-1213). Information is also available at [www.ssa.gov](http://www.ssa.gov).

## RETIREMENT PROGRAM BENEFITS

Upon entering the Faculty Senior Associates Program, you will have the option of receiving a full or partial distribution of your investments in the University of Rochester Retirement Program.

When you withdraw your Retirement accumulations, you may choose from among several methods of payment. As you review the options shown on pages 9 and 10, please note that you may select more than one method of payment. You may request more detailed information about the various payment options from the recordkeeper TIAA directly. In addition, at any time, you may request TIAA to provide you with illustrations of your Retirement income under its various payment options. You also may elect to transfer or rollover your investments to an Individual Retirement Account (IRA), another 403(b) plan, 401(k) plan, or other qualified retirement plan in which you participate.

Since the pre-tax portion of the money in the Retirement Program has not been taxed, it will generally be subject to ordinary income tax when it is paid out to you. In other words, you will pay taxes on the University's direct contribution, your own pre-tax voluntary contributions, and the earnings on both.

Generally, Roth after-tax 403(b) contributions are not subject to income tax since you already paid taxes on the contributions. You also will not pay income tax on any earnings on your Roth after-tax contributions as long as you're at least age 59 ½ (die or become disabled) and your withdrawal is made at least five years after making your first Roth after-tax contribution. The five-year period begins on the first day of the year in which you make your first contribution to your Roth after-tax account.

Federal law generally requires 20% income tax withholding from retirement distributions paid to you in a lump sum or in installments over less than a 10-year period from pre-tax voluntary contributions, the University's direct contributions and non-qualifying Roth after-tax voluntary contributions – unless the money is rolled over directly to an IRA or another employer's qualified plan. Withholding is permitted but not required from retirement benefits paid to you as a hardship distribution, as lifetime income, as a series of substantially equal payments over a period of 10 or more years, or as minimum required distributions, but the benefits will be subject to taxation.

It is recommended that when you take a distribution from any investment fund you consult a tax advisor. The tax implications of the various methods of payment are complex. Someone familiar with your personal situation and the applicable tax laws would be in the best position to assist you in making decisions about choosing your payment options.

When you wish to receive benefits from the Retirement Program, we suggest that you contact the recordkeeper TIAA directly regarding your available options and to receive the distribution forms that you will need to complete to begin payments from these accounts. TIAA contact information can be found on page 10. Please note that for purposes of the Retirement Program, a severance from employment occurs only when a participant ceases to be employed by the University of Rochester and all members of its Controlled Group. (Members of the controlled group include Highland Hospital, Highlands at Brighton, Highlands at Pittsford, Highlands Living Center, Inc., UR Medicine Home Care (previously Visiting Nurse Service, Visiting Nurse Signature Care), Nicholas Noyes Memorial Hospital, Jones Memorial Hospital, F.F. Thompson Health System, Inc., St. James Hospital, and Finger Lakes Health.) Therefore, if you are currently employed by, or become employed by a member of the Controlled Group, you may not withdraw or rollover your University of Rochester Retirement Program accumulation. Participants should keep TIAA advised of their current address.

Schedule a one-on-one appointment: TIAA can provide you with personalized advice through a one-on-one consultation. Visit [TIAA.org/schedulenow](http://TIAA.org/schedulenow) to schedule your appointment at additional no cost to you.

The University reserves the right to modify, amend, or terminate the plans at any time, including actions that may affect coverage, cost-sharing, or covered benefits, as well as benefits that are provided to current and future retirees.

### Contact TIAA

**Participant Information Center**  
Phone: 1-800-410-6497  
Representatives available  
Mon - Fri 8:00 a.m. - 10:00 p.m.

**Automated Telephone Service**  
Phone: 1-800-842-2252  
24 hour access

**Internet Address**  
<http://www.tiaa.org/rochester>

## RETIREMENT PROGRAM 403(b) SUMMARY OF PAYMENT OPTIONS

**Minimum Distribution:** Federal law requires that a participant in a tax-favored retirement program, like the University of Rochester's, start receiving benefits or making withdrawals by April 1 following the year they reach their "required minimum distribution age" or sever from employment from the University and members of its controlled group, whichever comes later. If you attain age 72 after 2022, the required distribution age is 73. If the "minimum distribution" requirement is not met, the participant is subject to a non-deductible tax penalty equal to 25% of the amount that should have been distributed. Minimum distribution options through TIAA will pay participants who are subject to this requirement the minimum amount of income the IRS requires each year from accounts held by them without converting their accumulations into a lifetime annuity. Roth accounts are not subject to the minimum required distribution rules.

## RETIREMENT PROGRAM 403(b) SUMMARY OF PAYMENT OPTIONS

<p><b>Tier 1 and 2:</b> Target Date Fund Series and Core Funds</p>	<ul style="list-style-type: none"> <li>• Single Lump Sum Payment(s)<sup>1</sup></li> <li>• Systematic Cash Withdrawals</li> <li>• Minimum Distribution Option</li> </ul>
<p><b>Tier 3:</b> TIAA Traditional Annuity (RCP/GSRA/SRA only); TIAA Restricted<sup>2</sup> and Inactive Funds<sup>3</sup></p>	<ul style="list-style-type: none"> <li>• Single Lump Sum Payment(s)<sup>1</sup></li> <li>• Systematic Cash Withdrawals</li> <li>• Fixed Period Annuities (for periods of 2 to 30 years for SRA; 5 to 30 years for GSRA; not available for RCP)</li> <li>• Lifetime Income<sup>4</sup> <ul style="list-style-type: none"> <li>- One-Life Annuity</li> <li>- Two-Life Annuity</li> <li>- One-Life Annuity or Two-Life Annuity with a Guaranteed Period</li> </ul> </li> <li>• Minimum Distribution Option</li> </ul>
<p><b>Tier 3:</b> TIAA Traditional Annuity (RC/GRA/RA only)</p>	<ul style="list-style-type: none"> <li>• Lifetime Income<sup>4</sup> <ul style="list-style-type: none"> <li>- One-Life Annuity</li> <li>- Two-Life Annuity</li> <li>- One-Life Annuity or Two-Life Annuity with a Guaranteed Period</li> </ul> </li> <li>• Fixed Period Annuities (for periods of 2 to 30 years for GRA; not available for RA or RC)</li> <li>• Transfer Payout Annuity (TPA) - Receive income in 10 substantially equal annual installments for GRA and RA; 84 monthly installments (7 years) for RC.</li> <li>• Interest-Only - This option provides monthly payments of the total current interest earned on your TIAA Traditional balance. Your principal remains intact while you receive the payments. Interest-Only payments are generally available only to individuals between age 55 and 70½.</li> </ul>
<p><b>Tier 4:</b> TIAA Self-Directed Brokerage Account (SDBA)</p>	<p>You cannot receive a distribution or a withdrawal directly from the SDBA. To receive distributions or withdrawals from the funds in your SDBA, you first must transfer the amount back to another core investment option in Tiers 1-3 available through the retirement plan. To initiate a transfer out of the SDBA to another account or fund available through the retirement plan, call (800) 410-6497 (online transfers are not available). The transfer back to the plan from the SDBA takes 48 to 72 hours.</p>

**Note:** One-Life Annuity options guarantee to pay a lifetime income that you cannot outlive regardless of how long you live. Two-Life Annuity options pay you and your annuity partner (usually your spouse) a lifetime income. The annuity options with a guaranteed period pay you (and your annuity partner if you elected a Two-Life Annuity option) a lifetime income, but provide payments to a beneficiary if you (and your annuity partner, if applicable) die within the period you selected.

<sup>1</sup> Single lump sum payment is available from the RC or GRA account only within 120 days after severance from employment from the University and members of its controlled group, subject to a 2.5% surrender charge. If your TIAA Traditional balance is less than \$5,000, you may be able to transfer or withdraw the entire amount in a lump sum.

<sup>2</sup>TIAA-CREF Restricted Funds are investment options that are closed to contributions and transfers in as of June 15, 2012 and consist of the following seven funds: CREF Core Bond Account, CREF Equity Index Account, CREF Global Equities Account, CREF Growth Account, CREF Inflation-Linked Bond Account, CREF Social Choice Account, and TIAA Real Estate Account.

<sup>3</sup>TIAA-CREF Inactive Funds are investment options that are closed to contributions and transfers in as of July 6, 2018, except participants can transfer amounts between the three inactive funds to the extent provided under the contracts: CREF Stock Account, CREF Money Market, and TIAA Traditional Annuity under the RA, GRA, SRA and GSRA contracts.

<sup>4</sup>For those who elect a lifetime annuity, the Retirement Transition Benefit option provides for a single cash payment of up to 10% of the accumulation amount being annuitized as income with the first periodic annuity payment.

Definitions for frequently used benefits terms about programs and offerings can be found [here](#). Legal notices pertaining to our plan can be found [here](#).