

RETIREMENT BENEFITS POLICY #205

Policy Administrator:	Executive Director or designee
Authority:	Section 89900 of the Education Code and Section 42400 of Title 5 of the California Code of Regulations
Effective Date:	03/25/20
Updated:	1997, 06/20/13, 11/14/13, 2/27/20
Cross References:	Related policies

Policy Statement: This policy defines the retirement benefits for eligible (full-time and part-time benefited) CSU Fullerton Auxiliary Services Corporation (ASC) employees. The ASC’s retirement benefits policy is comprised of 403(b) retirement plan, medical benefits, Medicare Part B and sick leave accrual pay. ASC reserves the right to modify or discontinue this policy at any time, with or without notice.

403(B) Retirement Plan: ASC currently provides a 403(b) retirement plan for eligible employees through TIAA-CREF (Teachers Insurance and Annuity Association-College Retirement Equities Fund). The full description of the plan is provided in the CSU Fullerton ASC, Defined Contribution Adoption Agreement and the Summary Plan Description. ASC may modify this benefit plan from time to time as appropriate, to accommodate new benefits made available from TIAA-CREF. ASC will notify all affected employees regarding any plan revisions.

Full-time and part-time benefitted ASC employees are eligible to participate immediately upon employment with a two-year “cliff” vesting period. An employee is required first to enroll and begin participating in the plan before the employer is required to making matching contributions. ASC will contribute to an employee’s plan based on the employee’s own contribution:

<u>Employee’s Contribution</u>	<u>ASC’s “Matching” Contribution</u>
<2% of compensation	0% of participant compensation
2%-4% of compensation	4% of participant compensation
5% or more of compensation	8% of participant compensation

403(b) retirement is the first of the month following the sixtieth (60th) birthday of the employee. Employees may receive early retirement benefits when they become disabled. Employees may request a retirement benefit package by calling TIAA-CREF at 800-842-2252.

Medical Benefits: To receive medical benefits, the employee must meet the age and years of service requirements.

- ASC Retirement Age & Years of Services Requirements:
- Age 60-64 and 20+ years of service100% of the maximum employer contribution*
 - Age 65+ and 20+ years of service100% of the maximum employer contribution**

Age 65+ and 15-19 years of service 75% of the maximum employer contribution**

Age 65+ and 10-14 years of service 50% of the maximum employer contribution**

* Under “Active” cost sharing until reaching age 65.

** Retirees must assign ASC their Medicare Part B coverage. A copy of their Medicare Part B must be submitted to ASC human resources department.

Medical Coverage

1. Employees hired before December 31, 1991 will receive lifetime medical coverage if they retire at age 50 or older with at least five (5) years of ASC employment service. This continues the policy for employees hired when CALPERS benefit was provided.
2. Medical coverage is provided for life except when (i) the retiree or dependents obtain coverage that was not approved by ASC; (ii) ASC cancels health coverage for all employees; or (iii) the retiree fails to pay any co-payments as required by the plan selected.
3. The ASC contribution to the medical coverage will be determined by the ASC Board of Directors on an annual basis. The retiree and/or dependent must pay the “Active” cost share if Medicare Part B is not yet available to them.
4. Employees who have retired and become eligible for Medicare must sign up for Part A and Part B of the Medicare benefit. If applicable, the retiree’s dependent must also sign up for Medicare Part A and Part B. Otherwise, the retiree’s dependent(s) will pay for the cost share under “active” premium.
5. Retiree dependents may retain eligibility upon the death of the covered retiree. Spousal/dependent coverage will terminate upon: (i) divorce from the retiree; (ii) remarriage after the death of the retiree; or (iii) becoming insured by other coverage. Employees are eligible for coverage for COBRA as appropriate.
6. Spouse/dependents are eligible to receive retirement medical benefits upon the death of an employee who has already met retirement eligibility. Spouse/dependent coverage will terminate upon (i) remarriage or (ii) becoming insured by other coverage. Spouse dependents are eligible for coverage under COBRA as appropriate.
7. Retirees are eligible to purchase their own medical plan, in lieu of enrollment in ASC plan. ASC will reimburse covered retirees up to the employer’s maximum contribution for that retiree and based on the retiree’s “tier”.

Medicare Part B: Retirees are eligible to receive reimbursement for their Medicare Part B deductions from their Social Security benefits. This is processed the first of every month, following the previous quarter.

Sick Leave Accrual Pay: To qualify for sick leave pay, the employee must be eligible to receive retirement benefits at separation. Employees will be paid an equivalent amount up to forty percent (40%) of their unused sick leave accrual, up to a maximum of \$20,000 at retirement.