

Rule of 75 Retirement Criteria

Change to Retirement Eligibility
for University of Delaware Faculty and Staff
Effective January 1, 2024



UNIVERSITY OF DELAWARE
HUMAN RESOURCES

UD Retirement Eligibility Criteria

Effective January 1, 2024, individuals will be subject to the Rule of 75 eligibility criteria:

- Any age and 30 benefits-eligible years of service
- Age and service when combined equal 75 (must be at least age 55 when combined with service; must have at least 10 benefits-eligible years of service when combined with age)

Examples					
	Age	Service	Total	UD Retirement Eligible	Reason
Example 1	55.0	25.0	80.0	Yes	Age + Service is at least 75
Example 2	65.0	10.0	75.0	Yes	Age + Service is at least 75
Example 3	54.0	32.0	86.0	Yes	Service > 30
Example 4	68.0	8.0	76.0	No	Service years < 10
Example 5	53.5	21.5	75.0	No	Age < 55

Note: A vested employee under the State Employees' Pension Plan cannot collect a pension from the State of Delaware until the employee is no longer an active employee with the University of Delaware.

SEPP Retirement Criteria

HIRED 7/1991 - 12/31/2011	HIRED 1/1/2012 AND AFTER
<p>Full Pension: any age and 30 years service age 60 and 15 years service age 62 and 5 years service</p>	<p>Full Pension: any age and 30 years service age 60 and 20 years service age 65 and 10 years service</p>
<p>Reduced Pension (Early Retirement): any age and 25 years service age 55 and 15 years service reduction factor = 0.2% Must have 5 consecutive years of service</p>	<p>Reduced Pension (Early Retirement): any age and 25 years service age 55 and 15 years service reduction factor = 0.4% Must have 5 consecutive years of service</p>

Participants in the State Employees' Pension Plan (SEPP) are subject to the age and service criteria requirements of the SEPP, through which they receive their monthly pension and health insurance coverage in retirement. Employees who also meet the University's retirement eligibility will have access to ***additional University retiree benefits***, including retiree-paid University group life insurance, educational benefits, University ID card (library and gym access), Wellness Dollars and parking privileges.

Health Benefits After Retirement

- If you are under age 65, you may enroll in a non-Medicare plan (Highmark Blue Cross Blue Shield or Aetna). The University will continue to pay approximately 93% of the medical premium.

<https://www.udel.edu/faculty-staff/human-resources/benefits/rates/>

- If you are age 65 or older, Medicare A & B will become your primary plan. You will be eligible to enroll in the Highmark *Special Medicfill* Plan and the University will continue to pay 95% of your supplement premium.

https://www.udel.edu/content/dam/udelImages/human-resources/benefits/retirementforms/Medicare_Brochure_403b.pdf

- Dental and Vision coverage are based on group rates and the retiree pays the full premium. The dental coverage providers are Delta Dental or Dominion Dental. NVA is the provider for vision coverage.



Health Benefits After Retirement for SEPP

Health Insurance-State share breakdown based on date of hire and years of service

Eligible Pensioners hired on or after Jan. 1, 2007

(Except those receiving a disability pension or receiving LTD benefit from The Hartford)

- Less than 15 years service: 0% state share paid by state
- 15 years-less than 17.5 years service: 50% state share paid by state
- 17.5 years-less than 20 years service: 75% state share paid by state
- 20 years or more service: 100% state share paid by state

Eligible Pensioners hired by the State on or after July 1, 1991, through Dec. 31, 2006

(Except those receiving a disability pension or receiving an LTD benefit from The Hartford)

- Less than 10 years service: 0% state share paid by state
- 10 years-less than 15 years service: 50% state share paid by state
- 15 years-less than 20 years service: 75% state share paid by state
- 20 years or more service: 100% state share paid by state

State Share Percentage Rates Effective July 1, 2023

- [Current Non-Medicare Health Insurance Premium rates effective July 1, 2023](#)
- [Current Medicare Supplement-Special Medicfill Premium rates effective July 1, 2023](#)
- * [Dental](#) and [vision](#) premiums are group rates, these premiums are the same for all SEPP participants regardless of pension years of services.



Medicare Enrollment Process

- When an employee aged 65 or older is planning to retire, they should apply for Medicare Part B at least 90 days prior to their retirement date. Medicare Parts A and B will become the primary insurance upon retirement. Human Resources will provide verification that the employee and/or spouse have been on UD's active coverage, a penalty will not be assessed for not enrolling at age 65. The State of Delaware and UD offer an optional Medicare supplemental plan which can include prescription coverage (Medicare Part D).
- Additional information on Medicare can be obtained at the Social Security Administration Office, on Medicare's website at www.medicare.gov or by contacting the State of Delaware, Department of Insurance's Delaware Medicare Assistance Bureau (DMAB) at <https://insurance.delaware.gov/divisions/dmab/> or at 1-800-336-9500.
- Medicare FAQ's - <https://open.omb.delaware.gov/FAQs-Medicare.shtml>
- If you plan to enroll in the optional Medicare supplemental plan offered by the State of Delaware and UD, it is important to enroll in Medicare in a timely manner (90 days prior to the effective date) to avoid any delays.



Questions About Rule of 75

Does this change affect me if I was already eligible to retire under the previous retirement criteria?

- No, because you were already eligible, you remain eligible to retire.

If the State Employee Pension Plan (SEPP) is my retirement plan, does the Rule of 75 affect my retirement eligibility?

- The SEPP retirement criteria has not changed. Rule of 75 is only for UD staff enrolled in the TIAA/403b retirement plan as their retirement plan. There are UD retiree benefits that staff with pension as their retirement plan can be eligible for if they ALSO qualify for Rule of 75.

How can I tell what retirement plan I am enrolled in?

- Exempt positions usually have the TIAA/403b retirement plan and non-exempt positions usually have the SEPP retirement plan. If you are unsure, you can view your pay stub in web views. Staff members enrolled in the SEPP will see a deduction for the State Pension Plan in the before-tax deduction area of their pay stub and under employer paid benefits area. See [Understanding your pay stub](#).



Ready to Retire?

- It is important to plan for retirement, see the [TIAA website](#) to schedule a meeting or to access webinars and online resources.
- For employees in the TIAA/403b Retirement Plan, 3-4 months prior notice is requested to process a retirement.
- For employees in the SEPP Retirement Plan, 4-5 months prior notice is requested to process a retirement.
- If you or your dependent are over age 65 at time of retirement, the minimum amount of notice to process a retirement is 3 months.
- Once a retirement date is determined, contact hrhelp@udel.edu to schedule an appointment.



Questions?



hrhelp@udel.edu



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