



Retirement Planning Guide

Duke | HUMAN RESOURCES



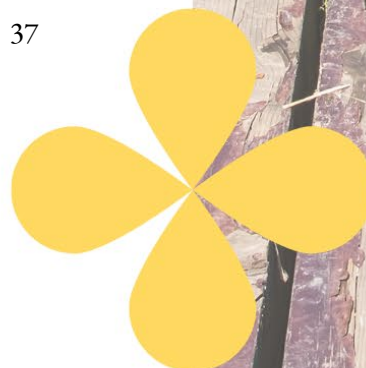
Your Roadmap to Retirement

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Duke

Retirement Planning Guide

This guide has been prepared by Duke Human Resources Benefits to assist you in planning for retirement. Our goal is to provide you with a summary of useful information as you begin to plan for retirement.

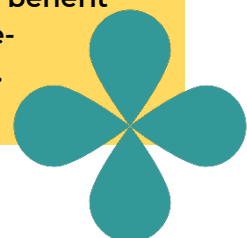
We suggest this guide be studied several years before retiring in order to help you formulate a complete retirement plan.

This guide includes information about the benefits that will continue in retirement, information about the “Rule of 75” and how it is used to determine eligibility for continuing health and dental insurance in retirement, as well as eligibility to continue the Children’s Tuition Grant program as a retiree. The “Rule of 75” is NOT used to determine whether you are ready to retire. This is a personal decision that a financial or a tax advisor can help you determine. Fidelity Investments, Duke’s primary recordkeeper for the Faculty and Staff Retirement Plan, can help you create a plan for your retirement, estimate your monthly retirement income, and determine if you are on track to retire. To schedule an appointment with Fidelity, visit [Fidelity.com/Duke](https://www.fidelity.com/duke).

If you need a retiree health insurance eligibility determination, retiree health insurance pricing, or have additional questions about other Duke benefits that would continue in retirement, please email HR@Duke.edu or call the Human Resources Information Center (HRIC) at **919-684-5600** to have those questions addressed.



The word “spouse” is used in this retirement planning guide. This means legal spouse. In addition, it refers to an employee’s registered same-sex spousal equivalent providing the employee was hired prior to January 1, 2016 and registered his/her partner at Duke HR prior to January 1, 2016. This employee’s registered partner is pre-certified under Duke’s Same-Sex Spousal Equivalent Policy and is included in the meaning of “spouse” for the purpose of benefit programs wherever permissible under federal and state law. The pre-certification status continues for the course of this relationship only.



Where Are You in Your Retirement Journey?

I am gathering information or preparing to retire

Several resources are available to help you start your retirement planning or assist you in gathering important information about retirement:

- **Schedule a Retirement Planning Session with Fidelity** – A Fidelity representative can help you create a plan for your retirement, estimate your monthly retirement income, and determine if you are on track to retire. They will look at how much you've saved, how much you'll need, and help you build an income plan for cash flow designated to last. To schedule an appointment today, visit Fidelity.com/Duke.
- **Estimate your future Social Security benefits** – Register with the Social Security Administration to estimate your future benefit. Visit SSA.gov.
- **Review this guide carefully** – The Retirement Planning guide has been prepared to assist you in planning for your retirement. It includes information about the benefits that will continue in retirement, information about the Rule of 75 and how it is used to determine eligibility for continuing health and dental insurance in retirement, as well as eligibility to continue the Children's Tuition Grant program as a retiree. The "Rule of 75" is NOT used to determine whether you are ready to retire. This is a personal decision that a financial advisor or a tax advisor can help you determine.
- **Generate a pension estimate of your Employees' Retirement Plan (ERP) Benefit** – If you are or have been a non-exempt employee, generate an estimate of your ERP Plan benefit through the **Duke@Work** self-service website under "MyBenefits." *This is the same tool Duke Benefits uses when calculating your benefit.*

Six Months Before Retiring

- **Review eligibility requirements for Retiree Health Insurance, Medicare, and other benefit programs** – If you need a retiree health insurance eligibility determination (Rule of 75), retiree health insurance pricing, or have additional questions about other Duke benefits that would continue in retirement, please email HR@Duke.edu or call the Human Resources Information Center (HRIC) at **919-684-5600** to have those questions addressed.
- **Review Medicare Eligibility** – If you or a covered dependent are age 65 or older or otherwise Medicare-eligible, you will need to sign up for Medicare prior to your last day of work. You should apply for Medicare (Parts A & B)* 2-3 months prior to your last day of work. For information on how to apply for Medicare, please visit Medicare.gov.
- **Generate a pension estimate of your Employees' Retirement Plan (ERP) Benefit** – If you are or have been a non-exempt employee, generate an estimate of your ERP benefit through the **Duke@Work** self-service website under "MyBenefits."
- **Contact your 403(b) retirement service provider(s)** to understand income and distribution options including the required minimum distribution rules.

90 Days Before Retiring

- **Apply for Medicare (Parts A & B)*** – If you or a covered dependent are age 65 or older or otherwise Medicare-eligible, you will need to sign up for Medicare prior to your last day of work. You should apply for Medicare (Parts A & B) 2-3 months prior to your last day of work. For information on how to apply for Medicare, please visit Medicare.gov.

*Note about Medicare Parts A & B

You are initially eligible to enroll in Medicare A & B beginning three months before you turn age 65. For those who work beyond age 65 and have access to creditable coverage through an employer plan, Part B enrollment can be delayed. However, you should still enroll in Part A at age 65.

45-60 Days Before Retiring – Schedule an Appointment with Benefits

Once you have decided that you will retire from Duke, schedule a virtual or phone appointment with Duke Benefits. Appointments are designed to allow you to assist you in completing any paperwork relevant to your official retirement such as:

- **Retiree Health Insurance** – If you are eligible for retiree health insurance, options for payment of premiums will be covered.
- **Employees' Retirement Plan (ERP) benefit** – If you are currently paid on the biweekly payroll or have previously been paid on a biweekly basis and you are eligible for a benefit from the ERP Plan, payment options will be discussed.

If you are not eligible for Duke's retiree health insurance and/or are not eligible for a benefit from the ERP, an appointment may not be necessary.

In preparation for your appointment, do the following:

- **Review this guide carefully; and**
- **Review Medicare Eligibility** – If you are already Medicare eligible and still working, you should apply for Medicare (Parts A & B) 2-3 months prior to your last day of work. See note in the previous page. For information on how to apply for Medicare, please visit [Medicare.gov](https://www.medicare.gov).

To schedule an appointment with Duke Benefits, visit:
HR.Duke.edu/Benefits/Retirement/Planning

Retirement Date is Less Than 45 Days Away

Call the Human Resources Information Center at **919-684-5600** immediately. You need to allow at least 30 days for:

- Your **Medicare enrollment** to be completed; and
- Your **pension paperwork** to be processed.

Questions about Retiree Health Insurance Eligibility (Rule of 75)?

If you need a retiree health insurance eligibility determination (Rule of 75), retiree health insurance pricing, or have additional questions about other Duke benefits that would continue in retirement, please email HR@Duke.edu or call the Human Resources Information Center (HRIC) at **919-684-5600** to have those questions addressed.



Retirement Road Map Process

Steps you can take to prepare for retirement

Attend a Retirement Planning Seminar

- Duke Benefits Office offers retirement planning seminars. Employees and faculty age 50 and older are encouraged to attend.
- Other seminars may be offered periodically concerning estate planning, taxes, wills and trusts, and other retirement needs.

Create a retirement income plan

- Meet with a financial planner to assist you in planning for your retirement.
- You may also meet with Fidelity Investments for a complimentary retirement income planning session.

Review and update your beneficiaries

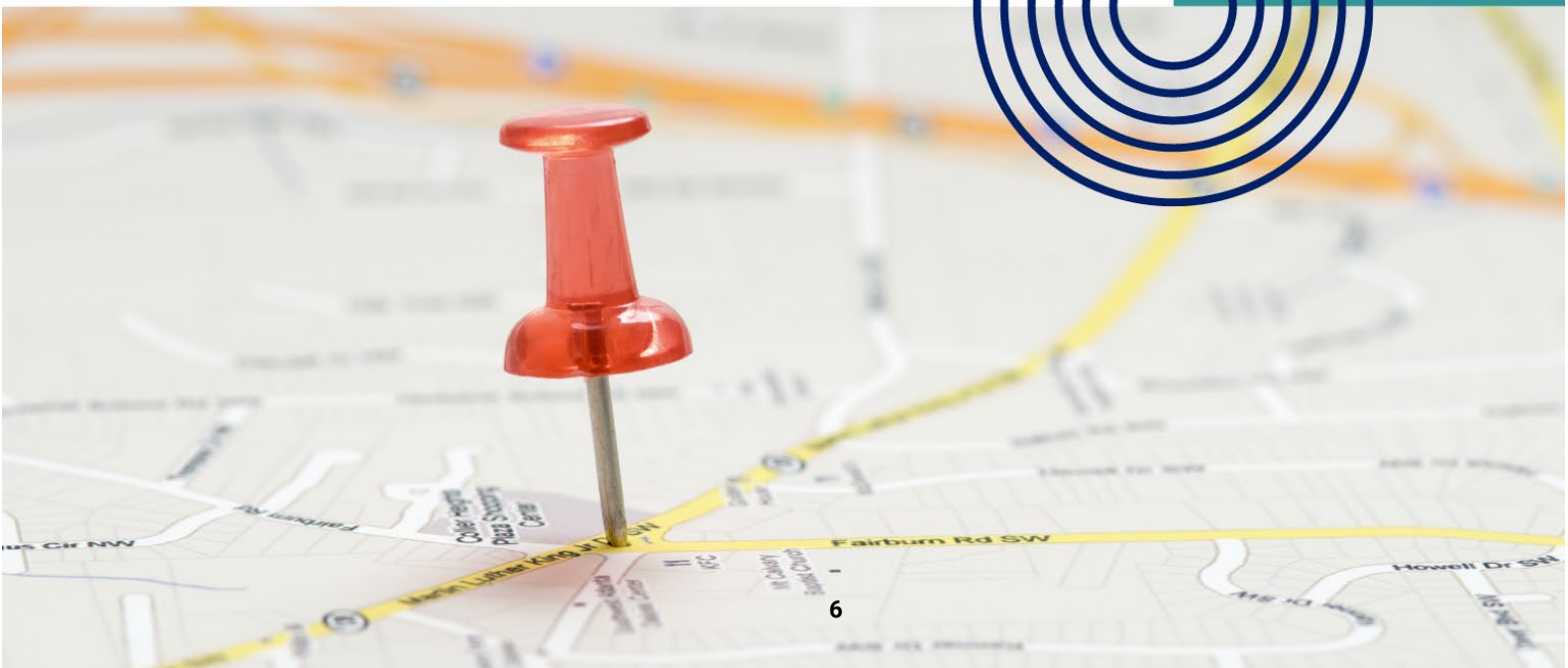
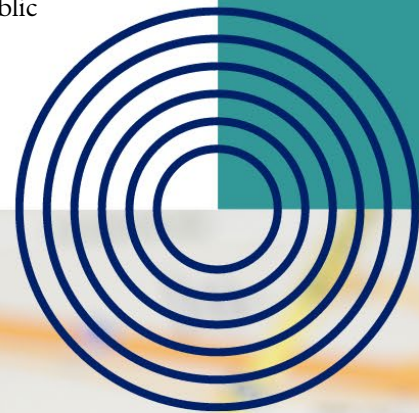
- Review your beneficiaries for your 403(b) Retirement Plan and life insurance.

Designate a power of attorney or set up a trust

- Situations may occur when you cannot act on your own behalf in certain legal, financial or healthcare matters. You may grant someone you trust to act as “Power of Attorney” on your behalf. A trust is a plan where a trustee holds money that you have transferred and manages it according to a written trust agreement. A healthcare or financial power of attorney is a legal document that allows another individual to make decisions on your behalf if you become incapacitated.

Re-evaluate your retirement income plan

- Consult a financial planner, estate planner, tax attorney or a certified public accountant to assist you in planning for your retirement.



Review and update your health insurance

One year before retirement

- If you are eligible for retiree health insurance coverage, you can only continue coverage for eligible family members who are covered prior to your retirement date.
- Add your spouse or child (age 26 or younger) to your medical and/or dental plan during Open Enrollment the year before you retire if you wish to cover them on your retiree health plan.

Project your retirement income

Approximately 6 months prior to retirement

- If you are paid on the biweekly payroll, or have prior biweekly service, generate an estimate of your Employees' Retirement Plan benefit (ERP/pension) at **Duke@Work** under "My Benefits."
- If you have a 403(b) balance, your retirement service representative can provide your projected retirement income and distribution options.

Schedule an appointment with HR

Approximately 45-60 days prior to retirement

Call the Human Resources Information Center at **919-684-5600** or register online at

[HR.Duke.edu/Benefits/Retirement/Planning](https://hr.duke.edu/Benefits/Retirement/Planning) to schedule an appointment to complete the required paperwork for those benefits that you are eligible to continue after retirement.

Please note: if you are not eligible for Duke's retiree health insurance and/or are not eligible for a benefit from the Employees' Retirement Plan (ERP), an appointment may not be necessary.

Provide written notice of your retirement

- You must formally notify your immediate supervisor prior to retirement:
 - Biweekly paid employees: 2 weeks
 - Nurses and monthly paid employees: 1 month



Are You on Target?

Fidelity can help you estimate your monthly retirement income, create a plan for saving for tomorrow while maintaining your budget today, and determine if you are on track to retire.

To schedule an appointment with a Fidelity retirement planner, visit **Fidelity.com/Duke**, or call **(800) 343-0860**.

Access Fidelity's Planning Center:



Key Ages for Retirement Planning

Age 40-50

Determine eligibility for Duke's Retiree Health Insurance (Rule of 75) by contacting the Duke Human Resources Information Center.

Age 50

Make catch-up contributions to your 403(b) Faculty and Staff Retirement Plan.

Age 59 1/2

Begin taking withdrawals without penalty from your voluntary contributions to your 403(b) Faculty and Staff Retirement Plan.

Age 62

Review your Social Security benefit options at ssa.gov or 888-759-3908.

You may claim a reduced Social Security Benefit if you have retired.

Age 64 + 8 months

Enroll in Medicare Part A (even if actively working) and Part B (if you are no longer working). You can apply for Medicare online at ssa.gov or contact the Social Security Office.

Age 65-67

Start taking full Social Security benefits according to your birth year.

Age 73

You must begin taking Required Minimum Distributions (RMDs) from most retirement accounts.

Retirement Benefits Checklist

✓	Benefits	Continues after retirement?	Contact Numbers	Other Information
	Health Insurance	CONDITIONAL	919-684-5600 (Human Resources Information Center)	Refer to the retiree health eligibility requirements in the Duke Retirement Planning Guide, p. 13.
	Dental Insurance	CONDITIONAL	919-684-5600 (Human Resources Information Center)	Refer to the retiree dental eligibility requirements in the Duke Retirement Planning Guide, p. 19.
	Vision Insurance	NO	919-684-5600 (Human Resources Information Center)	If enrolled at retirement, you may continue coverage under COBRA for up to 18 months.
	DukeWELL	CONDITIONAL	919-660-9355	You may continue if enrolled in Duke Select or Duke Basic at retirement and are under age 65.
	Reimbursement Accounts	NO	877-924-3967 (WageWorks/ HealthEquity)	You may submit claims for healthcare expenses incurred up to last day of the pay period of your last day worked and dependent care expenses up to the last day of the plan year. You may continue the health care reimbursement account through COBRA.
	Basic Group Life	YES	800-423-2765, Option #1 (Lincoln Financial Group)	May convert to an individual life policy within 31 days of your last day worked; otherwise, coverage terminates.
	Supplemental Life	YES	800-552-9670 (Mercer Voluntary Benefits)	If enrolled at time of retirement, you may continue current coverage at the retiree group rate via direct billing until age 95.
	Universal Life*	YES	919-819-0456 (Holroyd Agency) 800-793-0223 (North Carolina Mutual)	Contact the Holroyd Agency or North Carolina Mutual about direct billing options for continued coverage in retirement.
	Post Retirement Life Insurance	CONDITIONAL	919-819-0456 (Holroyd Agency)	Contact the Holroyd Agency if enrolled in post-retirement group life insurance plan.
	Post Retirement Certificate	CONDITIONAL	919-684-5600 (Human Resources Information Center)	Refer to the Post Retirement Certificate eligibility requirements in the Duke Retirement Planning Guide, p. 23.
	Survivor Benefit to Spouse/Estate	NO	919-684-5600 (Human Resources Information Center)	Available for active employees only. This benefit stops on your last day worked.
	Long Term Care Insurance*	YES	800-732-0416 (Prudential)	Within 30 days of your last day paid, contact Prudential about continuing coverage in retirement via direct billing.
	Personal Accident Insurance (AD&D)*	YES	402-351-3349 (Mutual of Omaha)	May convert to an individual policy within 31 days of retirement; otherwise, coverage terminates.
	Personal Casualty Insurance (MetPay Auto & Homeowners Insurance)*	YES	800-552-9670 (Mercer Voluntary Benefits)	Within 30 days of your last day paid, contact Mercer Voluntary Benefits about continuing coverage via direct billing.

✓	Benefits	Continues after retirement?	Contact Numbers	Other Information
	Voluntary Short Term Disability insurance	NO	N/A	This benefit ends on your last day worked.
	Long Term Disability Insurance	NO	N/A	This benefit ends on your last day worked.
	Duke University Federal Credit Union	YES	919-684-6704	You may establish or retain your credit union membership. Contact the credit union to make new arrangements for existing deductions. Dukefcu@Duke.edu
	Parking and Transportation Services*	YES	919-684-7275	Contact the parking office for clarification of your parking privileges and costs. Tranpark@Duke.edu
	Doing Good in the Neighborhood*	YES	919-684-6960	May continue through credit card deduction or electronic check. DoingGood.Duke.edu
	LIVE FOR LIFE*	YES	919-684-3136	Update your payment information with Live for Life. Must have a Duke ID Card if enrolled at Brodie or Wilson Gyms.
	Duke ID Card	Departmental Discretion	919-684-5800	Departmental sponsorship through OIT Guest Tool is required for card and memberships. There will be a charge for the card. DukeCard.Duke.edu
	Duke Email Access	Departmental Discretion	919-684-2200 (OIT)	An active NetID is required. Your department may request guest access for a NetID along with Duke email access online at OIT.Duke.edu
	Duke Faculty and Staff Retirement Plan*	NO	Retirement Service Providers Fidelity: 800-343-0860 Fidelity.com/Duke TIAA: 800-842-2776 TIAA.org/Duke Corebridge Financial (AIG/VALIC): 800-448-2542 CorebridgeFinancial.com/RS	If applicable, Duke's contribution would continue for PTO/vacation payout. Contact your retirement service provider(s) to discuss your distribution options.
	Employees' Retirement Plan (ERP)	CONDITIONAL	919-684-5600 (Human Resources Information Center)	Refer to the ERP Section of the Duke Retirement Planning Guide, pp. 25-26, for more information.
	Children's Tuition Grant Program	CONDITIONAL	919-684-5600 (Human Resources Information Center)	You may be able to continue this benefit into retirement. Refer to the Duke Retirement Planning Guide, p. 22, for more information.
	Employee Tuition Assistance Program	NO	919-684-5600 (Human Resources Information Center)	This benefit ends on your last day worked.

* If enrolled as of last day worked, deductions will continue to come out of any accrued PTO/vacation payments that you may receive. If you wish to cancel deductions, submit your written request to the appropriate vendor/department.

Duke Benefits

Health Insurance

To continue receiving the health insurance plan in retirement, you must meet the following criteria:

- You must be actively employed at Duke and participating in the health insurance plan as the subscriber at the time of retirement. Health insurance may also be continued for your spouse and eligible dependent children who are covered at the time of your retirement*.
- In order to receive a medical University Contribution, you must be eligible and receiving the medical University Contribution at the time of retirement.
- You must meet the eligibility requirements for your operating entity. See next page.
- If you meet the retiree health eligibility requirements and retire (early or normal), as a retiree, you may suspend health coverage and contributions at any time while employed and receiving benefits elsewhere. **
- Re-enrollment in the health plan must occur within 60 days of the termination of other employer-sponsored coverage. Proof of continuous coverage through another employer plan will be required. If you attempt to re-enroll after this 60-day period, you must pay the full premium (including the employer share) retroactive to the termination of the prior employer coverage and up to the time of re-enrollment. Thereafter, you shall pay the retiree share. Only those dependents covered while under a Duke Health Plan at the time of retirement are eligible for re-enrollment.
- If the retiree dies while working for another employer after retirement from Duke, his or her spouse must enroll in the Duke Health plan as a surviving spouse within 60 days of the retiree's death and provide proof of continuous coverage.

What is the “Rule of 75”?

The “Rule of 75” is the sum of your age and your years of service from your most recent continuous service date. The “Rule of 75” is used as a portion of the eligibility requirements for continuing health and dental insurance in retirement as well as eligibility to continue the Children's Tuition Grant program as a retiree.

The “Rule of 75” is NOT used to determine eligibility to receive a benefit from the Employees' Retirement Plan (ERP) or a distribution from the Faculty and Staff Retirement Plan. For specific eligibility requirements for the various benefit programs in retirement, please refer to the section within this guide that discusses the specific benefit.

- Retirees (and their covered spouses) may not be enrolled in any other health plan once eligible for Medicare. Thus, if the retiree is eligible for coverage through another employer plan or Medicare supplement, the individual must choose which plan to keep, and may not continue under Duke Plus if enrolled in another plan.

* You may only add a dependent to your coverage after retirement in the event of a marriage or birth that has occurred after 1/1/2020. In that situation, you have a one-time opportunity to add a new spouse or new dependents within 30 days of the date of the marriage or birth.

**Coverage under another plan available to you as a retiree of another employer, through a spouse's active or retiree health plan, or from service with the military does not count as “an employee under another employer-sponsored plan.”

Eligibility/Premium Requirements

Eligibility and premium requirements are based on your operating entity as follows:

Duke University (Company Code 10 in SAP)

You are eligible for retiree health if you meet one of the following criteria:

CRITERIA	ELIGIBLE RETIREE PAYS...
If you met the "Rule of 75" prior to January 1, 2002	20% of the individual premium
If you met the "Rule of 60" prior to January 1, 2002 and meet the "Rule of 75" at the time of retirement	30% of the individual premium
Meet "Rule of 75" at time of retirement	40% of the individual premium

Note about Transfers: If you have transferred to Duke University from the Duke University Health System, you will not immediately fall under the eligibility rules for Duke University. You must work at least 5 continuous years for Duke University after the date of transfer in order to be eligible for Duke University rules; otherwise, the Duke University Health System rules apply.

Duke University Health System (All Other Company Codes in SAP)

Employees employed by Duke University Health System prior to July 1, 2002 with no break in service - you are eligible for retiree health if you meet one of the following criteria:

CRITERIA	ELIGIBLE RETIREE PAYS...
If you met the "Rule of 75" prior to January 1, 2002	20% of the individual premium
If you met the "Rule of 60" prior to January 1, 2002 and meet the "Rule of 75" at time of retirement	30% of the individual premium
If you had at least 15 years of continuous service (but did not meet the "Rule of 75") as of July 1, 2002, and meet the "Rule of 75" at time of retirement	40% of the individual premium
Have 15 years of continuous service after age 45	40% of the individual premium
Meet the "Rule of 75" at time of retirement	100% of the individual premium

Employees hired on or after July 1, 2002 with no break in service are eligible for retiree health coverage if you have 15 years of continuous service after age 45. Retiree pays 100% of the premium. The "Rule of 75" does not apply.

Note about Transfers: If you have transferred to the Duke University Health System from Duke University, you will remain under Duke University eligibility rules if at the time of the transfer you met the "Rule of 75" or had 15 or more years of continuous service as of July 1, 2002. Otherwise, the Duke University Health System rule of 15 years of continuous service after age 45 applies.

Federal legislation effective for calendar year 2025 will favorably impact the 2025 Duke Plus premium for Health System retirees participating in Duke Plus who are ineligible for Duke's contribution towards the premium. Federal subsidies in 2025 will offset a portion of the premium paid by these retirees in 2025. Duke reserves the right to change, amend or terminate any benefit plan or program at any time and for any reason, with respect to both current employees and retirees, including eligibility to participate as well as Duke's contribution towards the premium.

Health Care Plan Offerings

If the retiree and his/her covered family members are not Medicare-eligible, Duke provides a choice of group health care plans at open enrollment each fall. A comparison sheet of the health plans is available from the Human Resources Information Center by phone at **919-684-5600** or at **[HR.Duke.edu/medical](https://hr.duke.edu/medical)**. You may not continue enrollment in Duke Select/Basic if you move outside the service area; you must enroll in Duke Options, Blue Care or Duke USA.

When you or a covered family member becomes eligible for Medicare (after you have terminated active employment), that person is required to enroll in Medicare Parts A and B and the Duke Benefits Office must be notified.

If you or any of your covered family members are Medicare-eligible, then all of you will be covered under the Duke Plus health plan.

Please note, all of the provisions of the health care benefits are subject to change, including plans offered, services covered, payment arrangements, and Duke's contributions towards premiums.

Premium Payment

- You are responsible for paying the retiree health insurance premium. Arrangements to have it drafted from your checking or savings account on or after the 25th of each month should be made during your appointment with a Benefits Representative.
- If you are receiving a retirement check from the Employees' Retirement Plan (ERP), the premium can be deducted from your retirement check.
- Duke contributes towards the premium for spouse/registered same-sex spousal equivalent and other dependents, except for those where the retiree is paying the full premium.

Cancellation of Coverage

- Your health coverage will be terminated if you do not make timely premium payments. If your coverage is terminated, you cannot re-enroll.
- If you cancel coverage, you cannot re-enroll in retiree health.
- If you discontinue coverage for your spouse or child, they may not re-enroll.



COBRA Continuation

- If you are not eligible for continuation of the health insurance plan in retirement, you may be eligible to continue the coverage under the federal COBRA law for up to 18 months, unless you become eligible for Medicare. You are responsible for the full premium payment, plus an additional 2% administrative fee.
- You will receive a COBRA notification by mail. Follow the instructions in the letter or you may contact our COBRA Administrator, WageWorks/HealthEquity, at **877-722-2667** to enroll in COBRA coverage.

Medicare and Duke Plus

If you or your spouse will be age 65 or older when you retire, or if you and/or your covered spouse become eligible for Medicare due to disability, Medicare will play an important role in your health insurance coverage. The Social Security Administration is responsible for determining eligibility and enrolling individuals in Medicare Parts A and B. Medicare premiums are based on your modified adjusted gross income as reported on your IRS tax return reported 2 years prior to your retirement. Medicare Part D premium is included in your Duke Plus premium. You may pay a higher monthly premium, called IRMAA, for Medicare Part B and D based on your income. If you do not sign up for Part B when you are first eligible, you may incur a late enrollment penalty. To obtain more information about your Part B and D premium, contact Social Security at [Medicare.gov/Basics/Costs/Medicare-Costs](https://www.medicare.gov/Basics/Costs/Medicare-Costs). If you have additional questions about Medicare, contact the Medicare Hotline at **800-633-4227**.

Enrollment requirements

Medicare Part A – Hospital Insurance

- **At age 65, whether or not you are retired**, you should enroll in Medicare Part A. This can be initiated by contacting your local Social Security office. Once you are within 3 months of your 65th birthday, you can arrange a telephone interview or make an appointment at your local office for an office visit.
- **You will need to submit your most recent W2** form and a birth certificate, or some other proof of date of birth. All supporting documents you submit will be returned to you.

Questions About Medicare?

For more information about Medicare, contact Medicare at [Medicare.gov](https://www.medicare.gov) or **800-772-1213**.

For information about Medicare supplemental policies, please contact Seniors' Health Insurance Information Program (SHIIP) for the county in which you live. Information can be found online at [NCdoi.com/SHIIP](https://www.ncdoi.com/SHIIP).



Medicare Part B – Medical Insurance

Once you are age 65 and retired, Medicare becomes the primary payer and Duke becomes the secondary payer through the Duke Plus health plan. Enrollment in Medicare Part B is required for retirees and their covered spouses age 65 or older, or any early retiree and/or their spouse who is receiving Social Security disability and becomes eligible for Medicare.

- **If you retire at age 65 or later but do not enroll** in Part B at the earliest opportunity, you will pay higher Medicare premiums for this coverage than you would have otherwise; and you will be required to pay what Medicare would have paid for any medical services. You may only enroll during the Medicare open enrollment period from January through March. Your effective date of coverage will be July 1, and you will pay a lifelong penalty for the delay in enrollment. You may not participate in Duke Plus if you have not enrolled in Medicare Part B when eligible.
- **Exception:** If you are retiring after reaching age 65, or are covering a spouse who is age 65 or older at the time of your retirement, this penalty may be avoided as long as you provide Social Security with verification that you were covered by Duke's active group plan during the period between reaching age 65 and retiring. You must obtain this letter of verification from Duke Benefits at your retirement appointment and enroll prior to your retirement date (with the effective date the first of the month after retirement) in order to avoid this penalty.

Medicare Part D – Prescription Drug Coverage

Duke Plus health insurance automatically includes pharmacy coverage. The Duke Medicare Prescription Drug Plan (PDP) acts like a Medicare Part D Plan. You cannot be enrolled in two Medicare prescription plans simultaneously. If you (and/or your spouse) enroll in Medicare prescription coverage under a plan outside of Duke's plan, your coverage for both pharmacy and medical under Duke Plus will end and you will not be allowed to re-enroll in Duke's plan (which includes both medical and pharmacy coverage).

Note: If you are not eligible for or choose not to keep Duke Plus, you should still sign up for Medicare Parts A, B, and D. If you do not enroll in Medicare Parts B and D when you are first eligible, you may incur a penalty.

If you and/or spouse are over 65

- **The person(s) that are** over age 65 must enroll in Medicare Part A and B effective the 1st of the month in which you retire. Medicare will be the primary insurance and Duke Plus will be secondary.
- **If you are over age 65**, Express Scripts will also ask for you to complete a questionnaire about your coverage as an active Duke employee. Please complete this questionnaire as soon as you receive it.
- **You may not be enrolled** in two Medicare plans. If you are eligible for another retiree plan or enroll in a Medicare supplement, you must drop Duke Plus and will not be eligible to re-enroll.

Medicare Part D (pharmacy benefit)

- **Duke Plus** has a Part D prescription drug plan administered by Express Scripts that is incorporated within the medical plan.

How much does Medicare Part B and D cost?

- **Most people** will pay the standard premium amount. If your modified adjusted gross income is above a certain amount, you may pay an Income Related Monthly Adjustment Amount (IRMAA). Medicare uses the modified adjusted gross income reported on your IRS tax return from 2 years ago. This is the most recent tax return information provided to Social Security by the IRS.
- **If you do not sign up** for Part B when you are first eligible, you may have to pay a late enrollment penalty.
- **If enrolled under Duke Plus**, please send Duke HR Benefits a copy of your Medicare card, showing Parts A and B, once you receive it. You may send via email HR@Duke.edu, fax (919-681-8774), or mail to Duke HR Benefits, 705 Broad St, Box 90502, Durham, NC 27708.

Important Information about Timely Enrollment

If you are planning to retire on or within the 3-month period after your 65th birthday, you must complete your enrollment in Medicare Part B PRIOR to the month of your 65th birthday. Otherwise, you may not have Medicare Part B in place by your retirement date. Contact your local Social Security office for more information.

Medicare and Duke's Health Plan Coverage at a Glance

	DUKE EMPLOYEE	COVERED SPOUSE
At 65 (regardless of employment status)	Sign up for Medicare Part A the month before your 65th birthday.	
At age 65, Duke employee is actively working	Coverage will continue with active plan, but employee and spouse must register for Part A at age 65.	
Duke employee retires after age 65 and spouse is over 65	Primary Insurance: Medicare Parts A & B. Secondary Insurance: Duke Plus which includes Part D pharmacy administered through Express Scripts.	
Duke employee retires after age 65 and spouse is under 65	Primary Insurance: Medicare Parts A & B Secondary Insurance: Duke Plus, which includes Part D pharmacy plan	Primary Insurance: Duke Plus, which includes pharmacy benefits, and uses the United Health Choice network for providers. Spouse turns 65: Primary Insurance: Medicare Parts A & B Secondary Insurance: Duke Plus, which includes Part D pharmacy plan.
Duke employee retires before age 65 and spouse is under 65	Primary Insurance: Current Duke plan but moved to the retiree group If spouse turns 65 before Duke employee, health insurance will convert to Duke Plus: Primary Insurance: Duke Plus, which includes pharmacy benefits and uses the United Health Choice network for providers. Secondary Insurance: N/A Duke retiree turns 65: Primary Insurance: Medicare Parts A & B Secondary Insurance: Duke Plus, which includes Part D pharmacy plan.	Primary Insurance: Current Duke plan, but moved to the retiree group. If spouse turns 65 before Duke employee, health insurance will convert to Duke Plus: Primary Insurance: Medicare Parts A & B. Secondary Insurance: Duke Plus, which includes Part D pharmacy plan. Duke retiree turns 65: No changes to spouse coverage.
Duke employee retirees (regardless of age) and Duke employee or spouse becomes eligible for Medicare due to disability	The eligible person must sign up for Medicare at the time of eligibility. At that time, health insurance will convert to Duke Plus for both, with Duke Plus being secondary insurance for the Medicare-eligible person and primary insurance for the individual who is not Medicare-eligible.	

IMPORTANT! Once you have retired from Duke, if you OR your spouse become eligible for Medicare due to age or disability, the eligible person **MUST** enroll in Medicare and your coverage **MUST** switch to Duke Plus, the only retiree plan that Duke offers that is compatible with Medicare.

Medicare and Duke Plus – Case Studies



Example 1: Joan and Bill

Joan is a Duke employee and covers herself and her spouse, Bill, on Duke's health insurance. They are both over the age of 65.

- They both signed up for Medicare Part A when they were age 65.
- They can keep Duke's health insurance as their primary health insurance as long as Joan is still actively working full-time.
- Upon Joan's retirement, they will both need to sign up for Medicare Part B. They qualified for participation in retiree health and will be enrolled in Duke Plus as their secondary coverage. Included with Duke Plus is a Part D plan (pharmacy plan).
- Medicare is now their primary insurance.

NOTES

If Bill was under 65, Duke's health insurance would still become Duke Plus because Joan is 65 or older. Duke Plus would be Bill's primary insurance until he became Medicare- eligible.

The Duke Plus network for Bill would be through United Health Choice network: umr.com/find-a-provider



Example 2: Chris and Pat

Chris is a Duke employee and covers himself and his spouse, Pat, on Duke's health insurance. They are both under the age of 65 at the time of Chris' retirement.

- Chris and Pat can keep Duke's health insurance as their primary health insurance, but will be moved to the retiree group.
- When Pat turns 65 but Chris remains under 65, Duke's health insurance will convert to Duke Plus and Pat will need to sign up for Medicare Parts A & B.
- Included with Duke Plus is a Part D plan (pharmacy plan).
- Medicare will be primary insurance for Pat and Duke Plus will be secondary.
- Duke Plus will be primary insurance for Chris.
- The Duke Plus network for Chris would be through United Health Choice network: umr.com/find-a-provider

NOTES

Chris will need to sign up for Medicare upon turning 65. At that time, Medicare will be primary for both Pat and Chris and Duke Plus will be secondary.

If Chris or Pat become disabled and become eligible for Medicare due to disability (even if they are under age 65), the eligible person must sign up for Medicare at the time of eligibility. At that time, Duke's health insurance will convert to Duke Plus for both Chris and Pat, with Duke Plus being secondary for the Medicare-eligible person and primary for the spouse.

Dental Insurance

To continue receiving the dental insurance plan in retirement, you must meet the following criteria:

- **You must be actively employed at Duke** and participate in the dental insurance plan as the subscriber at the time of retirement. Dental insurance may also be continued for your spouse and eligible dependent children who are covered at the time of your retirement.
- **Meet the eligibility requirements** for your operating entity described below.
- **If you meet the retiree dental eligibility** requirements and retire (early or normal), as a retiree, you may suspend dental coverage and contributions at any time while employed and receiving benefits elsewhere.* Re-enrollment in the dental plan must occur within 60 days of the termination of other employer-sponsored coverage. Proof of continuous coverage through another employer plan will be required. If you attempt to re-enroll after this 60-day period, you must pay the full premium retroactive to the termination of the prior employer coverage and up to the time of re-enrollment. Only those dependents covered while under a Duke dental plan at the time of retirement are eligible for re-enrollment.

***Coverage under another plan available to you as a retiree of another employer, through a spouse's active or retiree dental plan, or from service with the military does not count as an "employee under another employer-sponsored plan."**

Eligibility/Premium Requirements

Eligibility and premium requirements are based on your operating entity as follows:

Duke University (Company Code 10 in SAP)

You must meet the "Rule of 75" which requires that your age and most recent continuous service date with Duke be equal to or greater than 75.

Note about Transfers: If you have transferred to Duke University from the Duke University Health System, you will not immediately fall under the eligibility rules for Duke University. You must work at least 5 continuous years for Duke University after the date of transfer in order to be eligible for the Duke University rules; otherwise, Duke University Health System eligibility rules apply.

Duke University Health System (All Other Company Codes in SAP)

- **Employees employed by** Duke University Health System prior to July 1, 2002 with no break in service – You are eligible for retiree dental coverage once you meet the "Rule of 75" (age plus most recent continuous service date).
- **Employees hired on or after** July 1, 2002 with no break in service – You are eligible for retiree dental coverage if you have 15 years of continuous service after age 45.

Note about Transfers: If you have transferred to the Duke University Health System from Duke University, you will remain under Duke University eligibility rules if at the time of the transfer you met the "Rule of 75" or had 15 or more years of continuous service as of July 1, 2002. Otherwise, the Duke University Health System eligibility rule of 15 years of continuous service after age 45 will apply.

Premium Payment

- **You are responsible for paying** the retiree dental insurance premium. Arrangements to have it drafted on or after the 25th of each month from your checking or savings account should be made during your appointment with a Benefits Representative.
- **If you are receiving a retirement check** from the Employees' Retirement Plan (ERP), the premium can be deducted from your retirement check.

Cancellation of Coverage

- **Your dental coverage will be terminated if** you do not make timely premium payments. If your coverage is terminated, you cannot re-enroll.
- **If you cancel coverage**, you cannot re-enroll in retiree dental.
- **If you discontinue coverage for** your spouse or child, they may not re-enroll.

COBRA Continuation

- **If you are not eligible for continuation** of the dental insurance plan in retirement, as outlined above, you may be eligible to continue coverage as provided for under the federal COBRA law for 18 months. You are responsible for the full premium payment which is the active employee rate, plus an additional 2% administrative fee.
- **You will receive a COBRA notification by mail.** Follow the instructions in the letter or you may contact our COBRA Administrator, **WageWorks/HealthEquity**, at **800-526-2720** to enroll in COBRA coverage.

Vision Insurance

If you are enrolled in the vision plan when you retire, you are eligible to continue coverage as provided under the federal COBRA law for 18 months. You are responsible for the full premium payment which is the same as an active employee, plus an additional 2% administrative fee. You will receive a COBRA notification by mail. Follow the instructions in the letter or you may contact our COBRA Administrator, **WageWorks/HealthEquity**, at **800-526-2720** to enroll in COBRA coverage.

Reimbursement Accounts

If you are participating in the Reimbursement Accounts, you may continue to submit claims for healthcare expenses incurred up to the last day of the pay period of your last day worked and dependent care expenses incurred until the last day of the plan year. If you are enrolled in the Duke Basic medical care plan, you received a contribution from the University to your Health Care Reimbursement Account. Eligible health care expenses are reimbursable until the last day of the following month after your last day worked, to coincide with the end date of your Duke Basic medical coverage. The plan year is January 1 through December 31. You may also continue your health care reimbursement account through COBRA. You are responsible for after-tax contributions, plus an additional 2% administrative fee. Continuing payments allows you to access your annual election amount for the rest of the calendar year. You will receive a COBRA notification by mail. Follow the instructions in the letter or you may contact our COBRA administrator, **WageWorks/HealthEquity**, at **800-526-2720** to enroll in COBRA coverage.

Life Insurance

Basic Group Life

The \$10,000 Basic Group Life Insurance policy may be converted to a whole life individual policy within 31 days of your last day worked. Otherwise, the coverage terminates. Please contact the Lincoln Financial Group at **800-423-2765**, option #1 for premium and enrollment information.

Supplemental Life

At the time of retirement, if you have been enrolled in Supplemental Life insurance, deductions will discontinue, but your coverage will remain active until you notify Mercer Voluntary Benefits, in writing, that you wish to cancel your coverage. If you wish to continue coverage, contact Mercer Voluntary Benefits at **800-552-9670** to be switched to direct billing at the retiree rate. You may continue your current coverage at the retiree group rate, or reduce coverage to a multiple of the last salary on file, including one times salary, reduce to a flat dollar amount of \$25,000, or decrease coverage in increments of \$50,000 to an amount not less than \$25,000. Coverage may be continued until age 95. For a comparison of active employee rates versus retiree rates please visit the HR Benefits website at HR.Duke.edu/supplementalrates.

Universal Life

If you are enrolled in one or both of the Universal Life plans, deductions will continue to come out of any accrued PTO/vacation payouts you may receive. If you wish to cancel these deductions, you must contact the appropriate vendor and submit your request in writing. If you would like to continue this coverage in retirement, please inform the vendor for direct billing options. The providers are the Holroyd Agency at **919-819-0456** and North Carolina Mutual at **800-793-0223**.

Other Benefits

Children's Tuition Grant Program

You may be eligible to participate in the Children's Tuition Grant Program if you were eligible for the benefit prior to retirement. (You must have completed five years of full-time service as a Duke University employee, been full-time at the time of retirement, and either were paid 80% or more from funds of a division designated as tuition grant eligible or have been pre-certified as tuition grant eligible.) You must also meet all of the following conditions as of your retirement date:

- **You must be at least age 65** at retirement or the sum of your age plus your years of service with Duke must be equal to or greater than 75 based only on your most recent continuous service date,
- **Your separation of service** from Duke must not have been due to disciplinary reasons,
- **You must, when practicable, provide formal notice** at the time of your termination to Duke that you have a child who is eligible to use the benefit, providing your child's name and date of birth,
- **Your child must** meet the eligibility requirements, and
- **You must not be eligible** for a similar tuition grant program from a subsequent employer.

Additionally, the following conditions apply:

- **If at retirement you meet the "Rule of 75"** and/or are at least age 65, and providing you have met the other Children's Tuition Grant Program eligibility criteria (for example, are in a paid, full-time status at the time of retirement with five years of full-time consecutive service), you will retain eligibility to participate in the program should you subsequently return to employment with Duke, irrespective of whether that is on a full-time or part-time basis.
- **If you meet the "Rule of 75"** and reduce your work schedule to less than 30 hours per week, you will lose your eligibility for the program,
- **If you are a full-time faculty or staff member** and have met the "Rule of 75," you may begin a personal leave of absence, in lieu of retirement, and

retain eligibility for the program, providing the leave does not extend beyond 12 months, and

- **If you are a faculty or staff member who** does not meet the "Rule of 75" prior to beginning a personal leave of absence, you will not retain eligibility for the program unless you return to Duke in a full time, benefits-eligible position prior to retirement and continue active employment until meeting the "Rule of 75."

Duke Disability Insurance

The Duke Disability Insurance stops on your last day worked.

Employee Tuition Assistance Program

The Employee Tuition Assistance Program stops on your last day worked.

Long Term Care Insurance

If you are currently enrolled in the Long Term Care Insurance Plan, premiums will continue to come out of any accrued PTO/vacation payments that you may receive. If you wish to cancel these deductions, you must contact Prudential and submit your request in writing. To continue coverage, contact Prudential at **800-732-0416**.

Personal Accident Insurance

Personal Accident Insurance deductions will continue to come out of any accrued PTO/vacation payments that you may receive. If you wish to cancel these deductions, you must contact the Human Resources Information Center at **919-684-5600**. This policy may be converted to an individual policy within 31 days of retirement. Otherwise, the coverage terminates. Please contact Mutual of Omaha at **402-351-3349** for conversion information only.

Personal Casualty Insurance

If you are enrolled in Personal Casualty Insurance (home, renters, and auto insurance) at the time of retirement, deductions will continue to come out of any accrued PTO/vacation payments that you may receive. If you wish to cancel these deductions, you must contact Mercer Voluntary Benefits and submit your

request in writing. To continue coverage, contact Mercer Voluntary Benefits at **800-552-9670**.

Post Retirement Certificate

If you were hired at Duke before December 1, 1974, have participated in Duke's group life insurance plan for at least ten years, and retire at age 65 or older, you may be eligible for a certificate. If eligible, you will receive this certificate through the mail after retirement. The certificate generally provides a \$2,500 death benefit to your surviving spouse or estate. The certificate has no cash surrender value and is not transferable.

Vacation, Sick Time or Paid Time Off (PTO)

Duke University Staff

- **Vacation Time:** Staff in monthly or biweekly paid positions are eligible for payment for unused accrued vacation time upon retirement. As a retiree, you may elect to have your vacation time paid out over payroll cycles or in one lump sum. Contact your department's payroll representative at least 30 days before your retirement to choose your payout option.
- **Sick Pay:** Staff paid on a biweekly basis who leave Duke and are covered by the Employees' Retirement Plan (ERP) will have their accrued sick time added to their years of credited service earned as of their retirement date. Additional details can be found in the Employees' Retirement Plan section of this Guide.

Note: Employees are not paid out for unused sick time. Monthly paid employees who have an ERP at the time of retirement will not have sick time added to their years of credited service.

Duke University Health System (DUHS)

- **Short Term Bank (STB):** Monthly and biweekly paid staff are eligible for payment for unused accrued hours in their short term bank upon retirement. As a retiree, you may elect to have your STB paid in a lump sum or over payroll cycles. Contact your department's payroll representative at least 30 days before your retirement to choose your payout option.

Long Term Bank (LTB): Long term bank hours will be paid if the person retiring is age 55 or older. As a retiree, you may elect to have your LTB paid in a lump sum or over payroll cycles. Contact your department's payroll representative at least 30 days before your retirement to choose your payout option.

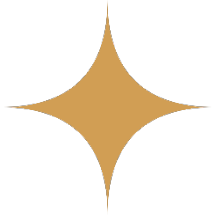
- **Carry Over Bank (COB):** Staff paid on a biweekly basis who leave Duke and are covered by the Employees' Retirement Plan (ERP) will have their Carry Over Bank (COB) hours added to their years of credited service earned as of their retirement date.

Note: Employees are not paid out for unused COB time. Monthly paid employees who have an ERP pension benefit at the time of retirement will not have COB time added to their years of credited service.



Income Sources

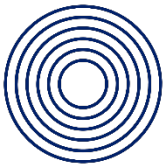
Many financial experts estimate that you will need 80% to 90% of your final working income in retirement. It is not likely that any one retirement benefit plan will replace this much of your income. However, the three sources below can work together to help you retire more comfortably.



Your Contributions and Other Personal Savings

Faculty and Staff Retirement Plan

The Faculty and Staff Retirement Plan is designed to provide you with a retirement income. You may contribute to this plan regardless of whether you are an employee paid on a biweekly basis or on a monthly basis. Your contributions, plus interest, earnings, and capital appreciation on the contributions will be used to provide your retirement benefits.



Duke's Contribution to Your Retirement Plan

Employees' Retirement Plan (ERP)

The Employees' Retirement Plan (ERP) is a defined benefit pension plan provided to employees paid on a biweekly basis. This plan is paid for entirely by Duke; however, vesting rules apply;

Or

Faculty and Staff Retirement Plan

The Faculty and Staff Retirement Plan is a defined contribution plan. In general, salaried employees paid monthly receive a Duke contribution to the Faculty and Staff Retirement Plan after completing one year of service; however, vesting rules apply.



Social Security

A program administered by the federal government. You and Duke contribute equally through payroll taxes.

Employees' Retirement Plan (ERP)

The Employees' Retirement Plan (ERP) is a traditional defined benefit pension plan offered by Duke University. The Plan plays an important role in your future by working with Social Security benefits and your personal savings (including your contributions to the Duke Faculty and Staff Retirement Plan) to help provide you with lifetime income when you retire. The cost of the Plan is paid entirely by Duke.

Eligibility

You are eligible to become a member in the ERP as a biweekly paid employee, if you have:

- Reached age 21, and
- Worked at least 1,000 hours during your first year of employment or in any future fiscal year.

Credited service

Credited service includes all of your continuous service after you become a Plan member. If you are no longer eligible to participate in the Plan, but you are still an employee of Duke, you stop accruing credited service when you are no longer an eligible employee except for purpose of determining eligibility for early retirement.

Vesting

Participants are vested, or entitled to a benefit, after five years of continuous service after age 18, or upon attaining age 65. You earn a year of continuous service for each fiscal year in which you are paid for at least 1,000 hours.

When You Can Retire

The Plan offers a variety of retirement dates to give you more flexibility in deciding when to retire.

- **Early Retirement:** You may retire at any time after you reach age 45 and complete 15 years of credited service.
- **Normal Retirement:** Age 65.
- **Postponed Retirement:** You may decide to continue working past your Normal Retirement Date. During this time, you will continue to earn benefits as provided under the terms of the Plan. You will earn an additional 10% for extra credited service over the age of 65.

How Your Benefit Is Calculated

Your benefit is calculated according to the formula listed below which is based on your average final compensation and years of credited service. Average final compensation is the average of your annual earnings in your highest-paid five consecutive fiscal years during your last 10 years of credited service.

1.25% of *average final compensation*
Times

Years of credited service up to 20 years
Plus

1.66% of *average final compensation*
Times

Years of credited service over 20

If you are an active Plan member paid on the biweekly payroll when you leave Duke, your unused sick or carry-over bank hours are converted to a fraction of a year and added to your years of credited service for the purpose of calculating your benefit.

Your benefit is calculated on an annual basis. You receive 1/12 of your annual benefit each month. The formula listed above shows how much you would receive if payments start at your Normal Retirement Date and continue for your lifetime only. If payments start earlier or if you choose a payment option with benefits continuing to someone after your death, your benefit will be reduced.

Generate an Estimate of Your Benefit

You can generate estimates of your ERP benefit based on different retirement dates or ages by logging into the Pension Plan Projection tool through **Duke@Work** or at [HR.Duke.edu/erp](https://hr.duke.edu/erp).

How Your Benefit is Paid

When it is time to receive your retirement benefit, you can select one of several payment options. The options are all actuarially equal even though they provide payment in different amounts and over different time periods.

- **Single Life Annuity** You receive your full monthly benefit for as long as you live. No benefit is paid after your death.
- **100% Joint and Survivor Annuity** You receive a reduced monthly benefit during your lifetime. Upon your death, your beneficiary receives an equal monthly benefit for the remainder of his/her lifetime.
- **75% Joint and Survivor Annuity** You receive a reduced monthly benefit during your lifetime. Upon your death, your beneficiary receives a benefit of 75% of your reduced monthly benefit for the remainder of his/her lifetime.
- **50% Joint & Survivor Annuity** You receive a reduced monthly benefit during your lifetime. Upon your death, your beneficiary receives a benefit of 50% of your reduced monthly benefit for the remainder of his/her lifetime.
- **Level Income Option** If you retire before you reach age 62 or 65, you receive larger benefit payments from the Plan until you reach age 62 or 65, and smaller benefit payments thereafter when you are likely eligible to receive Social Security. No benefit is paid after your death.
- **Lump Sum** If the lump sum value of your benefit is not greater than \$10,000, you may request that your benefit be paid to you in a lump sum. Lump sum payments will be considered a complete and final payment of all benefits payable to you under the Plan.

If the total lump sum value of your benefit under the Plan when you terminate employment with Duke is \$1,000 or less, your benefit will be paid automatically to you in a single cash lump sum amount unless you elect to rollover the benefit to another qualified retirement plan, traditional IRA or Roth IRA. You may not elect an optional form of payment.

If You Are Married

If you are married, or have a registered same-sex spousal equivalent and wish to designate someone other than your spouse as beneficiary, or to elect a payment option other than one of the joint and survivor annuities, your election will not be valid unless you have your spouse's written, notarized consent on a Plan form.

Taxation of ERP Benefit Payments

When you receive a distribution from the pension plan, it generally will be subject to federal income tax, and in some cases, state and local taxes. Please note that special rules apply if you receive a lump sum payment. Please see HR.Duke.edu/erp for more information.

Selecting a Payment Option

To receive a benefit when you retire, you must complete election forms and other necessary documents. Your application cannot be completed and signed more than 90 days before your benefit is to begin.

You can elect, change, or cancel a payment option any time before your pension payments begin. Your option election becomes effective when your pension begins. After payments start, you cannot change your beneficiary and/or your form of payment in any way, as your choices are then irrevocable.

Return to Work at Duke After Retiring

If you retire under the Plan and are later re-employed at Duke, your benefit will continue if you complete less than 1,000 hours of service in a fiscal year.

If you complete 1,000 hours of service or more in a fiscal year, your payments will stop. When you retire again, your benefit will be recalculated using the benefit formula then in effect and all of your service and earnings, with an adjustment to recognize the benefits you received before you were re-employed. Please be aware that your pension payments will not begin the first of the month following your last day worked.

Faculty and Staff Retirement Plan (403(b) Plan)

The Faculty and Staff Retirement Plan has been designed to provide you with a retirement income. You may contribute to this plan regardless of whether you are an employee paid on a biweekly basis or on a monthly basis. Plan contributions, plus interest, earnings, and capital appreciation on the contributions will be used to provide your retirement benefits.

Normal Retirement Date

The normal retirement date under the Plan is the day on which you attain age 65. However, you may elect to retire at any age following termination of employment with Duke. Upon termination of employment, you may elect to receive vested plan benefits or may postpone the commencement of your vested benefits up to any date permitted under the retirement service provider's contract or agreement; however, you must comply with Required Minimum Distribution (RMD) rules.

Key considerations

You will need to make decisions regarding the withdrawal of your vested retirement funds. These are important decisions that impact the level of income you will receive, the taxability of that income, and how long that income will last. Please note the following:

- **If you terminate prior to age 65** and have worked at Duke for less than three years, your account may be subject to vesting rules. For additional information about vesting, please visit [HR.Duke.edu/vesting](https://hr.duke.edu/vesting).
- **If your vested account balance is \$1,000 or less** following your termination of employment with Duke, your account will automatically be distributed as a lump sum, unless you elect otherwise in the time permitted, or such distribution is otherwise prohibited or impracticable.
- **You do not have to annuitize** your accumulations even if your funds are invested with one of the annuity retirement service providers, Corebridge Financial (AIG/VALIC) or TIAA. However, if you do wish to annuitize all or part of your money, you may contact your retirement service provider for annuity information.
- **In general**, you have to be terminated on Duke's payroll system in order to take a distribution from your retirement plan. Your separation date is usually updated with your retirement service provider after your final paycheck.
- **If you are an Emeritus Faculty**, you are considered to be terminated for the purpose of the retirement plan and therefore must comply with RMD rules. Your termination date is the date that you moved to the Emeritus status regardless of whether you continued to receive pay.
- **Make sure to designate a beneficiary** for your retirement plan and keep the designation current. Your beneficiary designation supersedes your will, so if you do not name a beneficiary, your money could go to an unintended heir. Contact your retirement service provider to update your beneficiary. For additional information regarding beneficiary designation, please review the Summary Plan Description at [HR.Duke.edu/spd](https://hr.duke.edu/spd).

Distribution Options

Since retirement isn't the same for everyone, you will need to understand the options available to you under the Plan and make decisions regarding the withdrawal of your vested retirement funds. You are responsible for selecting your 403(b) retirement payment option. Contact your retirement service provider to begin distributions and to obtain more specific information regarding distribution options. The following highlights some of the many options you have available:

Systematic withdrawals

This payment option allows for flexibility in the amount and/or frequency of payments. You may change the amount or stop the withdrawal at any time.

- **Systematic withdrawals** may be appropriate if you are waiting for other income to begin (such as Social Security or an employer pension), or if you want to offset an income loss or reduction (such as transitioning into retirement by reducing your work schedule).
- **Generally**, systematic withdrawals are taxable as ordinary income.
- **Specific funds** may have restrictions that do not allow for systematic withdrawals. You will need to contact your retirement service provider for further information.

Lump Sum Payments

Generally, full or partial withdrawals of vested account balances may be requested at any time. Specific funds may have restrictions that do not permit full withdrawals.



Annuities

An annuity can provide steady income that is guaranteed for your lifetime, regardless of how long you live. Once you have selected this option, you will not be able to change your election or the amount of the payment. Annuity payments may or may not keep up with inflation. There are two basic types of annuities:

- **Fixed Income Annuity**—The company providing the annuity makes long term investments and the monthly income is guaranteed at a pre-set rate. For example, you receive the same benefit for life.
- **Variable Income Annuity**—This type of annuity is based upon a variety of investment options such as stocks, bonds, and money markets. Market fluctuations will affect the income payments under a variable annuity and the resulting payment could decrease or increase.

Within these two types of annuities, you can choose from a variety of annuity income options, including, but not limited to:

- **Single Life**—The income is paid only during your lifetime. Upon death, payment ceases.
- **Joint and Survivor**—Provides two people with income for as long as either one lives.
- **Guaranteed Period**—An annuity that provides guaranteed income for a fixed period of years. Should you die before the period is complete, benefits will continue to your beneficiaries for the remainder of the period.

If you would like an annuity distribution to be made, arrangements must be made with your retirement service provider. Once you have selected an annuity payment option and have signed and submitted the paperwork, your decision is irrevocable.

Other Options

Your retirement service provider may have specifically designed distribution methods to meet the varying needs of individuals. Contact your retirement service provider for additional information.

Other Considerations

Required Minimum Distribution Rules

You may wish to defer beginning your retirement income. However, you should be aware that the IRS requires that, after a certain point, you begin to withdraw from your 403(b) retirement plan account. This is known as the Required Minimum Distribution (RMD) rules. These are as follows:

- **Retirement contributions** and earnings that were invested after 1986 are subject to minimum distribution, and your Required Beginning Date (RBD) is as follows:
- **If you turn age 73** between January 1, 2023 and December 31, 2032 your RBD is April 1 of the year following the year you attained age 73 or, if later, April 1 of the year following the year in which you terminated employment with Duke.
- **If you turn age 75** after December 31, 2032, your RBD is April 1 of the year following the year you attained age 75 or, if later, April 1 of the year following the year in which you terminated employment with Duke.
- **Only contributions** and earnings up to 1987 (account balance on 1/1/1987) are known as your “pre-approved accumulations.” These contributions only become subject to minimum distribution rules at age 75 regardless of when you were born.
- **Once you begin minimum distributions**, you must continue to receive income each year thereafter to satisfy these rules. You are responsible for beginning minimum distributions and your retirement service provider can provide you with guidance.
- **If you do not comply** with these rules, you could become subject to a 25% excise tax on your minimum distribution.
- **If you are of sufficient age** to begin minimum distributions, you may wish to select the minimum distribution payment option. This option may be appropriate if you want to maximize income deferral and preserve your accumulation, you have other income that is adequate for your basic income needs or you want to postpone selecting an annuity or other distribution method.

- **You can withdraw** more than the minimum required amount.
- **Your withdrawals will** be included in your taxable income except for any part that was taxed before or that can be received tax-free (such as qualified distributions from designated Roth after-tax contributions).

Consult with your tax accountant or your 403(b) retirement service provider to obtain more information.

You may also visit the IRS site at [IRS.gov/Retirement-Plans/Plan-Participant-Employee/Retirement-Topics-Required-Minimum-Distributions-Rmds](https://www.irs.gov/Retirement-Plans/Plan-Participant-Employee/Retirement-Topics-Required-Minimum-Distributions-Rmds).

Taxation of Benefit Payments

Benefit payments are included in your income in the year of payment. In addition, substantial tax penalties may be imposed on withdrawals prior to attainment of age 59½, death, or disability. You should consult your accountant, tax attorney, or other qualified financial adviser before making a withdrawal from the plan.

In the case of certain benefit payments, you may defer taxation on the payment by electing a direct rollover of all or part of such distributions to an IRA or another employer’s eligible retirement plan that accepts rollovers. If a benefit payment is eligible for direct rollover treatment, but you do not elect rollover treatment, the retirement service provider is required to withhold 20% of the taxable portion of the benefit payment.

For more information about the taxation of benefit payments or whether a benefit payment is eligible for direct rollover treatment, contact your retirement service provider.

Taxation of Roth After-Tax Contributions

In general, to make a qualified tax-and-penalty-free withdrawal of Roth contributions and earnings, the following conditions must be met:

- **The account** must have been established for at least five years, and
- **The withdrawal** must be taken at or after age 59½, or as the result of disability or death.

The five-year period begins on January 1 of the year you make your first Roth after-tax contribution, which can be made at any time during the year. Even if you contribute in December, you will still receive a year's credit. Also, you do not have to make a contribution every year. Your first contribution "starts the clock."

Distributions that do not meet these conditions are considered nonqualified withdrawals. Nonqualified withdrawals are treated as a prorated return of Roth contributions and earnings. The portion of the distribution that represents earnings will be subject to ordinary income tax and possibly a 10% federal penalty tax for early distributions. However, the portion of the withdrawal that represents a return of Roth contributions would not be subject to tax.

For more information about the taxation of Roth after-tax contributions or whether a distribution is a qualified withdrawal, contact your retirement service provider.

Investment Strategies in Retirement

Along with deciding which distribution option will meet your income needs at retirement, it's also important to think about how you should invest in retirement. You are encouraged to meet with your 403(b) retirement service provider or your financial professional to discuss your plans. They can help you identify the investment track that may be right for you.

Monthly Paid Employees Who Were Previously Paid Biweekly

If you are currently a monthly paid employee and at some point in your career at Duke you were paid on a biweekly basis, you may be eligible for a benefit from the Employees' Retirement Plan (ERP). Please carefully review the ERP section of this Guide and contact the Human Resources Information Center at **919-684-5600** for additional information.

Social Security

In planning your retirement, you will need to take into account Social Security benefits. Basic information regarding Social Security benefits is provided here, but you are encouraged to contact the Social Security office or website [SSA.gov](https://www.ssa.gov) for a personalized estimate of your benefits.

General Information

While working at Duke, both you and Duke contribute to Social Security. When you retire, your Social Security benefit amount will depend upon when you decide to retire, when you begin to receive your Social Security benefits, and your history of earnings throughout your career.

Retiring Early

Social Security benefits may start as early as age 62; however, the benefit amount is reduced based upon your age when the benefit begins. The early retirement benefit is less than your full retirement amount would have been if income had commenced at your full retirement age. Benefits payable to people who retire earlier than their full retirement age are reduced to account for the longer period of time the benefits will be payable.

Normal Retirement Age for a Full Benefit

If you were born in or before 1937, the retirement age for full or normal Social Security benefits is 65 years. If you were born in 1938 or later, the normal retirement age for receiving full benefits is increased beyond 65 years. Please contact Social Security Administration for more details.

Working During Retirement

You can work while you receive Social Security retirement earnings; however, your earnings will reduce the amount of those retirement benefits until you reach your full retirement age. Contact Social Security Administration for the most current information.

Retirement Planning Resources

- **Meet one-on-one** with Duke's retirement service providers. To schedule an appointment, go to [HR.Duke.edu/Carriers](https://hr.duke.edu/Carriers).
- **Visit [Fidelity.com/Duke](https://www.fidelity.com)** to access financial planning resources, available to all Duke faculty and staff, provided by Fidelity Investments.
- **View an online** Social Security presentation at [SSA.gov](https://www.ssa.gov).

Survivor Benefits

The following benefits may be available to the surviving spouse or estate of an eligible employee or faculty member who dies after retiring from Duke. Duke Benefits should be notified promptly of the death of the retiree by calling **919-684-5600**.

Health/Dental Insurance

- **Surviving spouse and dependents** of deceased retirees covered under one of Duke's health and/or dental insurance plans remain eligible to participate.
- **Surviving spouse** becomes ineligible if they remarry.
- **Family members** not covered at the time of the employee's death are not eligible for health or dental benefits.
- **Dependents become ineligible** when they reach the age of 26, or if the surviving parent remarries.

Other Survivor Benefits that may be available

Post Retirement Certificate	A one-time payment of \$2,500 will be paid to the surviving spouse or estate of a deceased retiree who was issued a Post Retirement Certificate after retirement. In order to be eligible for the Post Retirement Certificate, the employee or faculty member must have been hired at Duke before December 1, 1974, have participated in Duke's Group Life Insurance Plan for ten years or longer, and must have retired no earlier than age 65.
Basic Group Life Policy	A retired employee or faculty member may have converted the \$10,000 Basic Group Life Insurance policy to a whole life individual policy. If the policy was converted, the beneficiary has several benefit payment options. The individual policy should contain information on filing claims. If the policy cannot be located, call Lincoln Financial Group at 800-423-2765, option #1.
Supplemental Life Insurance	A retired employee or faculty member may have continued Supplemental Life Insurance coverage. After the death of the covered retiree, the surviving spouse or other beneficiary should call 800-552-9670 to file notice with the insurance claims administrator, Mercer Voluntary Benefits. A claims packet will be sent to the named beneficiary.
Universal Life	The surviving spouse or beneficiary of a deceased employee or faculty member enrolled in the Universal Life Insurance policy should contact the appropriate provider for information. The providers are the Holroyd Agency at 919-819-0456 or North Carolina Mutual at 800-793-0223.
Post Retirement Life Insurance	The surviving spouse or beneficiary of a deceased employee or faculty member enrolled in the Post Retirement Life Insurance Plan should contact the Holroyd Agency at 919-819-0456 for information.
Long Term Care Insurance	A surviving spouse currently enrolled in the Long Term Care Insurance program should contact Prudential at 800-732-0416.
Social Security	The benefit amount to be received by a surviving spouse will depend upon current regulations. Social Security Administration should be notified promptly of the death of the covered employee.

Employees' Retirement Plan (ERP)	The availability and amount of survivor retirement income will depend upon the option selected by the participant at the onset of retirement income payments. Duke Benefits should be notified promptly of the death of the participant.
Duke Faculty and Staff Retirement Plan	The availability and amount of survivor retirement income will depend upon the option selected by the participant at the onset of retirement income payments. The retirement provider(s) should be notified promptly of the death of the participant.
Children's Tuition Grant Program	Tuition Grant benefits will continue for qualified children of an eligible deceased retiree according to program guidelines.

Note: It is in the best interest of the employee, retiree and their beneficiaries to have a safe deposit box or some secure place to store all important papers.



Privileges and Memberships after Retirement

Duke University Federal Credit Union	You can remain a member after retirement and retain the same privileges as active employees. You may also sign up as a new member at any time. For more information, visit the Duke Federal Credit Union at 2200 West Main Street, Durham, NC 27705 or call 919-684-6704 . You may also visit Dukefcu.org .
Faculty Club	If you are an active member at the time of retirement, you are able to continue your membership into retirement. If you have questions, contact the Faculty Club at 919-684-6672 .
Duke Center for Living	If you were eligible for membership at the time of retirement, you are eligible to continue your membership or to become a member when you retire. If you have questions, contact the Center for Living at 919-660-6660 .
Duke University Retiree Association (DURA)	The Duke University Retirees Association (DURA) exists to provide meaningful opportunities for Duke retirees to stay in touch with colleagues, enjoy social interactions, and find ways to volunteer services at Duke. Membership is open to all Duke retirees. DURA members receive the DURA newsletter and notices of meetings and social gatherings. Activities include two annual meetings of the membership, usually in the months of April and December. Combining refreshments, entertainment, and the necessary business of DURA, these events afford members the opportunity to visit with friends and former co-workers. If you wish to become a member, contact Staff and Family Programs at 919-684-9040 or sign up online at HR.Duke.edu/Dura .
Duke University Retiree Outreach (DURO)	DURO is a volunteer organization composed of retired Duke employees who serve the community through the Duke Durham Neighborhood Partnership. DURO offers a variety of rewarding volunteer activities at Lakewood Elementary School, including tutoring, helping in the library, gardening and working on special projects and events. For more information, please call 919-668-6300 .
Osher Lifelong Learning Institute at Duke	The Osher Lifelong Learning Institute (OLLI) at Duke (formerly DILR/Duke Institute for Learning in Retirement) is a vibrant learning community with more than 2400 members that offers more than 400 courses annually in several locations throughout the Triangle. Part of a national network of over 100 lifelong learning institutes funded by the Bernard Osher Foundation, OLLI at Duke is dedicated to providing excellent education for adult learners on a wide range of topics. The majority of courses are taught by retired faculty and OLLI members. For more information, contact OLLI at 919-681-3476 or visit Learnmore.Duke.edu/Olli .
Duke Golf Course Membership	Retirees can purchase a golf membership. The phone number is 919-681-2288 .
Library Card	Retirees can obtain access to book collections at main campus libraries by completing a form at the circulation desk and paying an annual fee of \$100.00. Access to online materials is only available with an active NetID. The Perkins Circulation Desk can be reached at 919-660-5870 or email Perkins-Requests@Duke.edu .

Other Helpful Resources

Human Resources Information Center/Benefits

HR.Duke.edu/Benefits

919-684-5600

Social Security:

SSA.gov

888-759-3908 (local office)

800-772-1213 (regional office)

Medicare Part A & Medicare Part B

Medicare.gov

800-633-4227

Contact Social Security to enroll in Part B: 800-772-1213

Seniors' Health Insurance Information Program (SHIIP)

NCdoi.com/SHIIP

855-408-1212

Duke Plus (Medical & Behavioral health/substance abuse)

UMR.com

866-318-3853

Express Scripts Medicare D Prescription Plan (PDP)

Express-Scripts.com

800-877-8185

Durham Center for Senior Life (DCSLNC)

DCSLnc.org

919-688-8247

Personal Assistance Service (PAS)

Short term counseling and referrals at no charge to retirees and their immediate family members.

PAS.Duke.edu

919-416-1727

Out-of-state employees should contact Business Health Services (BHS) at 800-327-2251

Resources for Faculty

One year before your projected retirement date

In addition to clarifying and updating information you have obtained about your benefit plan selections, Medicare, Social Security and the retirement plan selections you have made, as a faculty member, you have other things to consider. It is also the time to formulate specific decisions and establish a specific time frame for implementing these decisions.



Step 1: Notify your department chair and appropriate Dean

This is the time to discuss continued departmental activities if you expect to remain active in the department after retirement. Such activities could include teaching, research and committee service as well as office space availability.



Step 2: Check with University Libraries regarding the disposition of your personal and professional library

You may wish to learn about the options for disposing of your personal and professional library by contacting the Collections Strategy Department at **919-660-5877**.

The book and journal collections of the Duke University Libraries are extensive and are likely to contain copies of most books that are represented in faculty collections. Library subject specialists are available to visit your office and review your collection to determine whether it contains items of particular interest that are not duplicated in the Libraries and are thus suitable for addition to Duke's collections. They can also suggest ways to donate to other institutions or book dealers who may find the collections of interest. Although the law precludes the Libraries from assigning a monetary value for your collection or the books that you donate, staff are available to provide assistance, such as a list of reputable appraisers who will, for a fee, provide you with the monetary value of your donation. A gift of library materials will, in most cases, qualify for a deduction for tax purposes. However, a qualified appraiser must evaluate donations proposed to be in excess of \$5,000. Inquiries may be directed to the Collection Strategy Department (**919-660-5877**) or to the appropriate subject specialist librarian. The Libraries will provide acknowledgment of any gifts that are designated for the Duke collections.



Step 3: Check with University Archives regarding the disposition of your personal papers

The University Archives is interested in acquiring unique and significant records that pertain to the history of Duke University.

Examples of these paper or electronic records include, but are not limited to: correspondence and subject files, academic program and curricula documentation, departmental/committee minutes, records about symposia and special projects, and any other documents that will help us tell the story of your time here at Duke! The University Archives staff is ready to discuss your records and answer any questions you may have.

For more information on transferring records to the Archives, please email **Uarchives@duke.edu** or visit the Archives website: **Library.Duke.edu/Rubenstein/Uarchives**.



Step 4: Discuss seeking emeritus status with your Department Chair and appropriate Dean

If you are eligible, you should contact your Dean about making a recommendation for emeritus status to the Provost as early as a year and, if possible, no later than six months prior to your retirement date. Tenure track faculty who retire after reaching age sixty-five or have served Duke for more than ten years, are eligible to receive the emeritus title of the same faculty rank they held at retirement.

Emeritus status includes the following privileges: inclusion in faculty mailing lists, invitations to attend appropriate University functions, the right to be considered for Research Council grants.



Step 5: Discuss seeking office, laboratory, or studio space with your Department Chair and appropriate Dean

Because space is at such a premium at Duke, office, laboratory, and/or studio space is usually relinquished upon retirement so that it is available for reassignment to active faculty. However, professors often continue to contribute after retirement through research, teaching, or other service. A retiring professor may contact the Dean (in consultation with the Department Chair) to allocate space for such purposes.

The Dean, on advice of the Department Chair, will weigh each request against alternative uses for the space in advancing the scholarly purposes of the University. In estimating the probabilities of future contributions by the retiring professor, past contributions will be considered. If space is allocated, it will be preferably for a maximum of two years; however, subsequent requests may be presented at the expiration of the original assignment. Retiring professors may apply for library carrel space to the appropriate libraries.

Parking privileges are more generous for emeriti faculty, although specific parking arrangements such as fees for specific gated parking lots, free parking in open lots, etc. will vary. You must contact Parking Services at **919-684-7275** for clarification of your parking privileges and associated costs.

Important Information and Reminders

Notification from the COBRA administrator

- **You will receive a notification** from the COBRA administrator, Wage Works/Health Equity.
- **If you are eligible** for retiree health and/or dental insurance, the COBRA notice can be ignored.
- **If you are enrolled** at time of retirement and you would like to continue your vision insurance for up to 18 months, you should elect COBRA for vision coverage.
- **If you are not eligible** for retiree health, you may continue health coverage for up to 18 months or until you become Medicare-eligible.
- **If you are not eligible** for retiree dental, you may continue dental coverage for up to 18 months.

Health, Dental and Vision Deductions

- **Health, dental and/or vision** insurance deductions will stop according to your last day of work. These deductions will NOT continue to be taken from any accrued PTO/vacation payment(s) that you may receive.

Reimbursement Account Deductions

- **Reimbursement Account deductions** will stop according to the last day of work that you reported to the Duke HR Benefits Office. If you are enrolled in the Duke Basic medical care plan, you received a contribution from the University to your Health Care Reimbursement Account. Eligible health care expenses are reimbursable until the last day of the following month after your last day worked, to coincide with the end date of your Duke Basic medical coverage. These deductions will NOT continue to be taken from any accrued PTO/vacation payment(s) that you may receive.

Life Insurance, Long Term Care, and Personal Casualty Insurance Deductions

- **Universal Life, Personal Accident Insurance, Long Term Care, and Personal Casualty Insurance** deductions will continue to come out of any accrued PTO/vacation payment(s) that you may receive. If you wish to cancel these deductions prior to your last day worked, you must contact the appropriate vendor and submit your request in writing.

- **Supplemental Life Insurance** deductions will end as of your last day worked; however, you are able to continue coverage at the retiree rate via direct billing, by contacting the vendor.

Faculty and Staff Retirement Plan

- **Your Employee contributions** to the 403(b) retirement plan will continue to come out of any accrued PTO/ vacation payment(s) that you receive. If you wish to cancel these contributions, you must log into **Duke@Work** and stop the contributions.
- **If applicable**, Duke's contributions to the 403(b) retirement plan will continue while receiving any accrued PTO/vacation payout.

Vacation/PTO Payout

- **Accrued vacation or PTO payout** (according to HR policy) can be paid in a lump sum or paid out over payroll cycles. Contact your department's payroll representative 30 days prior to retirement to choose your payment option. The option chosen will not affect your retirement start date.

Other Important Information about Medicare (If you and/or spouse are over age 65)

- **The person(s) that are** over age 65 must enroll in Medicare Part A and B effective the 1st of the month in which you retire. Medicare will be the primary insurance and Duke Plus will be secondary.
- **If you are over age 65**, Express Scripts will also ask for you to complete a questionnaire about your coverage as an active Duke employee. Please complete this questionnaire as soon as you receive it.
- **You may not be enrolled** in two Medicare plans. If you are eligible for another retiree plan or enroll in a Medicare supplement, you must drop Duke Plus and will not be eligible to re-enroll.

Medicare Part D (Pharmacy Benefit)

- **Duke Plus has a Part D** prescription drug plan administered by Express Scripts that is incorporated within the medical plan.

The Retirement Planning Guide has been prepared by Duke Human Resources Benefits to assist you in planning for retirement. We hope you find this summary of information useful as you plan for retirement.

If there is a conflict between this booklet and the official plan documents, the official plan documents will govern in all cases. Duke reserves the right at any time to change or terminate the benefit plans.

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