



2010 Academic Retirement Incentive Program Frequently Asked Questions

General Program Questions

- Q. What is the process for electing to participate in the Academic Retirement Incentive Program (ARIP)?
- A. You must provide your original signed letter of retirement to your School, College or Division. IN addition you will need to provide copies of your letter of retirement to the Department of Total Compensation and Wellness and the Office of the Provost. A link to instructions for completing the letter of retirement is provided on the Academic Retirement Incentive Program web page <http://www.hr.wayne.edu/tcw/benefits/arip.php>.
- Q. What is the deadline to elect the Academic Retirement Incentive Program (ARIP)?
- A. A copy of your letter of retirement must be received by the Department of Total Compensation and Wellness by close of business on December 11, 2009. A guideline on suggested elements for the letter of retirement is provided on the Academic Retirement Incentive Program web page <http://www.hr.wayne.edu/tcw/benefits/arip.php>
- Q. When will I receive the incentive payment if I choose a taxable lump sum?
- A. The incentive payment will be paid within 30 days of your May 17, 2010 retirement date.
- Q. What is the Incentive Payment Election Form?
- A. The Election Form is what you will need to complete in order to instruct WSU how to allocate your incentive payment between a taxable lump-sum payment and the tax-favored Health Reimbursement Arrangement (HRA).
- Q. When does the Incentive Payment Election Form need to be completed?
- A. The Election Form must be received by the Department of Total Compensation and Wellness by close of business on April 30, 2010.
- Q. If I elect the program, are there other forms beside the letter of retirement and Incentive Payment Election Form that will need to be completed?
- A. Yes, other forms that would apply to any retiring employee need to be completed. Examples include dental and vision enrollment forms. Please click on the following link for more information about retiree benefits and retiring from WSU <http://www.hr.wayne.edu/tcw/benefits/baretirement.php>.
- Q. If I am a 9-month employee, when do my active employee benefits end?
- A. Your active employee benefits end on August 31, 2010. If you elect coverage, the ARIP subsidized medical coverage will be effective as of September 1, 2010.
- Q. If I am a 12-month employee, when do my active employee benefits end?
- A. Your active employee benefits end on May 31, 2010. If you elect coverage, the ARIP subsidized medical coverage will be effective as of June 1, 2010.

- Q. What is the duration of the \$25,000 life insurance benefit provided by the ARIP?
- A. The WSU provided life insurance is a permanent term insurance policy and is not subject to age related reductions.

Health Reimbursement Arrangement (HRA) Questions

- Q. What is the effective date for the HRA?
- A. The effective date of the HRA is May 18, 2010. Additional information on the HRA is provided on the Academic Retirement Incentive Program web page <http://www.hr.wayne.edu/tcw/benefits/arip.php>.
- Q. How much of the Incentive Payment can be allocated to the HRA?
- A. You will need to make an election to allocate the incentive payment between a taxable lump sum and the tax-favored HRA. The total election amount needs to equal 100% and any amount between 0% and 100% can be allocated to either option. The elections must be made in 10% increments.
- Q. If the WSU retiree were to pass away during the 10 year HRA period, what happens to any remaining balance?
- A. The remaining balance would be available to any IRS dependents of the retiree subject to terms of the HRA program.
- Q. What type of expenses can the HRA be used for?
- A. The HRA can be used to offset medically related expenses including the cost of medical coverage. Please refer to the list of Qualified HRA Expenses document on the Academic Retirement Incentive Program web page <http://www.hr.wayne.edu/tcw/benefits/arip.php>.

Subsidized Medical Insurance Questions

- Q. If the WSU retiree is enrolled in medical and were to pass away during the 5-year subsidized medical period could the surviving spouse continue to receive subsidized medical insurance?
- A. No, the subsidized medical insurance is available only through the WSU retiree. The surviving spouse would be eligible to enroll in the unsubsidized retiree medical insurance.
- Q. Does the WSU retiree have to elect subsidized medical insurance at the onset of retirement?
- A. The WSU retiree may elect to participate in the subsidized medical coverage at any time during the 5-year period. Reentry into WSU medical coverage outside of open enrollment is subject to existing retiree medical plan eligibility guidelines. Under no circumstance will subsidized medical coverage extend beyond 5 years from the May 17, 2009 retirement date.
- Q. If the retiree were to marry during the 5-year subsidized medical period could a spouse be added to the subsidized medical insurance?
- A. Yes, a spouse could be added to the coverage per existing retiree medical plan eligibility guidelines. The retiree would then be responsible for the cost of 2-person coverage.