

Frequently Asked Retirement Questions

Q: Who should I contact about Retirement?

A: Retirement involves numerous agencies. MCCCCD requires notification in writing with a signature. Each location has a process which usually starts with your supervisor.

For your Pension, you need to contact Arizona State Retirement System.

<https://www.azasrs.gov/web/Home.do>

ASRS has 2 meetings.

1. Getting Ready for Retirement
2. Know Your Insurance

You should also contact Social Security Administration. Social Security can begin at 62 at a reduction, and Medicare begins at 65.

<http://www.ssa.gov/>

You should inquire about your Social Security Benefits, and if you're eligible for Medicare Part B

Q: What is the best date to retire?

A: From an administrative process standpoint, the Saturday following a Pay End Date. This is the last day of earnings in a pay period. ASRS requires an Ending Payroll Verification form to be completed by employers. This is the final pay information for ASRS eligible earnings. MCCCCD cannot complete that form until your final paycheck has been issued. ASRS will send estimated checks if they receive that within 10 days of retirement date. Since MCCCCD earning periods are 14 days, ending on a Friday, and pays the following Friday. The day you retire can impact when your pension checks begin

Q: What can I do to increase my monthly Pension Amount?

A: Two options to increase your pension.

- 1) More years of service
 - a) Continue to work
 - b) Purchase service
- 2) Higher Average compensation

Q: What previous service can I purchase?

A: Any compensated employment with government employers or public schools. In addition, if you withdrew your service from ASRS years ago, you can restore your account. If the service worked was within the state of AZ you will need to complete this form

https://www.azasrs.gov/content/pdf/forms/SP_PublicServiceASRS.pdf

If the service was outside AZ

https://www.azasrs.gov/content/pdf/forms/SP_OtherPublicService.pdf

There are other types of service purchase as well. You can purchase military time, time on approved leave of absence. You can find the information on the home page of the ASRS website at the link above.

Q: How can I pay for my Service Purchase?

A: Service purchase can be expensive. You can pay with several options

- 1) Payroll Deduction for active Board Approved Employees
- 2) Rollover Qualified Investments (IRA, 401(k), 403(b))
- 3) Termination Pay (sick leave and vacation leave payouts)
- 4) After Tax Payments

Q: When should I start researching my retirement information?

A: At least a minimum of 6 months. Service Purchase Options can be impacted by time

Q: Am I eligible for sick and vacation payoffs?

A: Eligibility is controlled by policy group and you should verify your benefits with your policy manual.

For those eligible for Sick Pay, MCCCCD pays \$40 a day with limits depending on how many years of Benefit Eligible service you have. Please reference your Policy Manual.

For Vacation Pay, you are paid at your daily rate of pay.

Q: How much will my Leave Pay Off be taxed?

A: Tax rates can change and it depends on your ASRS participation date (1983/1984 cut off). Leave Pay is defined as Other Pay and withheld on a statutory (flat rate) basis.

Q: What can I do to avoid the high tax withholdings on my Leave Pay Off?

A: If you are eligible, Leave Pay can be used to purchase service with ASRS. There are restrictions on this election, contact ASRS for the parameters of Termination Pay (sick and vacation pay off) eligibility.

You can also defer your Leave Pay Off to your 403(b) TSA. Federal Maximums apply. If you are confident you are retiring in a calendar year, you can discontinue or reduce your TSA contribution to make room to defer your Leave Pay Off. Leave Pay Off deferrals avoid Federal and State Statutory withholdings on the amount deferred. If your final check is near the end of a calendar year, consider a retirement date that pays your final check in the following calendar year for tax purposes. Consult your tax advisor on how this will affect you.

Q: Can I continue my life insurance benefits?

A: MCCCCD Group Term Life Insurance for the employee is portable. You will receive information in the mail regarding who to contact.

Q: Is there anyone at the district that can help me with retirement information?

A: The District Office no longer provides counseling. You will need to contact ASRS and the Social Security Administration to discuss your benefits. If you have a Financial Planner for your 403(b) TSA, you should contact him/her for counseling

Q: How long in advance should I give my notice

A: Administrative Practice is to have separations on the board agenda prior to the employee's exit. This means a 60 day head start of notification. Late notifications can impact final pay check and the Ending Payroll Verification processing and the start of your retirement benefits.

Q: Does the District Provide Retiree Health Insurance?

A: No

Q: Does the District have a retiree working program?

A: ASRS pension recipients can work after retirement. If you plan to continue to work, and you are receiving a pension from ASRS, it is your responsibility to monitor your pension eligibility during your employment. MCCCCD is not responsible for maintaining employee's pension eligibility.

Please see the following ASRS website which stipulates ASRS criteria for returning to work while receiving an ASRS Pension.

https://www.azasrs.gov/content/pdf/fact_sheets/Working_After_Retirement.pdf