



Retirement Frequently Asked Questions

General Information:

1. **Who is eligible to retire?**

Employees with five years of CalPERS service at age 50 (or age 52 if hired after January 1, 2013).

2. **Are all CSU retirees eligible for retirement health benefits?**

Employees who retire from the CSU and meet the criteria listed below, will be eligible to enroll in CalPERS Retiree Medical Benefits, CSU Retiree Dental Benefits, and CSU Voluntary Retiree Vision Benefits if:

- The eligibility criteria for retirement is met; and
- The individual is deemed eligible for medical, dental, and vision benefits while an active employee; and
- Retirement occurs within 120 days of separation.

3. **Some CalPERS plans have retiree health benefit vesting requirements. Are there any health benefit vesting requirements for CSU retirees who meet all the above eligibility rules?**

- Faculty (Unit 3) employees hired by the CSU and who become members of CalPERS on or after July 1, 2017, must have 10 years of service credit with CalPERS to be eligible to enroll in CalPERS Retiree Medical Benefits and CSU Retiree Dental Benefits.
- Generally, all other employees hired by the CSU and who become members of CalPERS on or after July 1, 2018, must have 10 years of service credit with CalPERS to be eligible to enroll in CalPERS Retiree Medical Benefits and CSU Retiree Dental Benefits.

4. **How do I select a retirement date?**

The selection of your retirement date is one of the most important decisions to make when planning your retirement.

- **The first factor to consider is the calculation of service credit.** Based on full time employment, you earn a full year of service credit when you have worked for 10 months during a fiscal year (calculation is prorated for part time service). If you retire within 120 days of your separation date, any unused sick leave hours will convert to service credit when you retire (2,000 hours equal one year).
- **The second factor to consider is your age.** The calculation of the age factor for your retirement benefit increases each quarter year from your birthday at age 50 (or 52), up to age 63, then remains constant.
- **The third factor affecting your retirement benefit is average salary,** computed on the basis of your highest 12 months of earned salary.

This decision is a personal decision you will have to make. Each date will result in varying estimate calculations. To create a retirement estimate based on the factors of service, age and salary, Log in to [myCalPERS](#) to estimate your retirement benefits.

5. **What is the difference between my separation date (last day on payroll) and my retirement date?**

Your separation date is your last date as an active employee and your last day on payroll. Your retirement date is your first effective date of retirement. Your separation date is **typically** the day before your retirement date.

6. What mandatory deductions will I pay after retirement?

You will continue to pay federal and state taxes. Social Security and Medicare taxes and your contribution to CalPERS stop at retirement. Determining your taxation at retirement is a complex issue. You may contact CalPERS or request the booklet, "Taxation and Your Retirement" from CalPERS at www.calpers.ca.gov, or consult your tax advisor.

7. What benefits can continue into retirement for retirees?

Medical, dental and vision coverage can continue into retirement for eligible employees and their eligible dependents. CSU-paid life insurance (if applicable) does not continue into retirement. Retirees are provided the option to convert the life insurance to an individual policy. CSU-paid LTD insurance (if applicable) ends upon separation from employment. See the [Retirees Other Benefits](#) page for additional information.

Medical Coverage:

8. What will be the monthly out-of-pocket enrollment cost?

The cost to the retiree for medical coverage will depend on which plan and the level of coverage the retiree chooses. Generally, retirees pay the same monthly premium as active employees until you and/or your dependents become eligible for Medicare.

9. Which family members can be covered under the retiree health benefits?

Eligible dependents include spouse, domestic partner, children under age 26, and disabled children over age 26. Certain restrictions apply.

10. I'm currently enrolled as an active employee in a CalPERS medical plan. What do I do to obtain retiree medical coverage?

If you retire less than 30 days after your separation date from employment, your medical coverage will continue automatically. If you retire between 30 and 120 days after your separation date from employment, contact the Benefits Office for more information.

11. I'm currently enrolled in FlexCash. How do I enroll in a CalPERS retiree medical plan?

You may request coverage within 30 days before or after your retirement date. To enroll before your retirement date, contact the Benefits Office. To enroll after your retirement date, contact CalPERS at (888) 225-7377. If you do not enroll within 30 days before or after your retirement date, you must wait until the next annual CalPERS Open Enrollment period to enroll unless you experience a qualifying status change.

12. As a retiree can I change medical plans and add/delete dependents? How? When?

Yes. You may change your medical plan and add/delete dependents by contacting CalPERS at (888) 225-7377 during the annual CalPERS Open Enrollment period or within 60 days of a qualifying status change.

13. Will I have the same level of medical coverage as a retiree that I had as an active employee?

You and your dependents remain in the Basic medical plan until you and/or your dependents become eligible for Medicare.

14. What do I do when my dependents or I become eligible for Medicare?

As a CalPERS retiree, when you qualify for Medicare Part A, you must sign up for Medicare Part B. Review the CalPERS Medicare Enrollment Guide for additional information. You and your dependents must certify your Medicare status with CalPERS when you each become eligible for Medicare and change from the Basic medical plan to a supplemental to Medicare or Managed Medicare plan at that time. Contact CalPERS at (888) 225-7377 to change your plan.

Dental Coverage:

15. I'm currently enrolled in a dental plan? What do I do to obtain retiree dental coverage?

If your retirement date is within one pay period of your separation date from employment, coverage will be continuous. If your retirement date is more than one pay period and less than 120 days from your separation date from employment, contact the Benefits Office for more information.

Once you retire, your dental coverage will go from the Enhanced level to the Basic level (does not apply to FERP participants). Retirees have the option to purchase enhanced coverage and pay the difference between the basic coverage and enhanced coverage monthly premiums.

16. I'm currently enrolled in FlexCash? How do I enroll in a retiree dental plan?

FlexCash participants may request dental coverage within 30 days before or 60 days after the retirement date. To enroll before your retirement date, contact the Benefits Office. To enroll after your retirement date, contact CalPERS at (888) 225-7377. You may also enroll during any subsequent open enrollment period.

17. What will be the monthly out-of-pocket enrollment cost for retiree dental coverage?

Currently, CSU pays the full cost of the Basic level dental coverage for eligible retirees and their eligible dependents. See <https://www.calstate.edu/csu-retirees/retirement-benefits/Pages/default.aspx> for the current monthly premium costs.

18. Can I change my dental plan and add/delete dependents? How? When?

You can change your dental plan and add/delete dependents during the annual open enrollment period or within 60 days of a qualifying status change.

Vision Coverage:

19. May I continue my vision coverage?

Yes, benefits eligible retirees may continue vision coverage. The CSU and Vision Service Plan (VSP) offer you a choice of two vision plans: Basic or Premier. The VSP Premier plan offers a higher level of benefits for lenses, contacts and frames. Retirees may also continue vision coverage through COBRA. See <https://www.calstate.edu/csu-retirees/retirement-benefits/Pages/vision.aspx> for additional information.

20. Who pays the monthly premium for the CSU Retiree Voluntary Vision Plan?

The monthly premium will be fully paid by the enrolled retiree and deducted from their warrant issued by CalPERS. COBRA is also limited to 18 months of coverage.

21. What is the difference between the CSU Retiree Voluntary Vision Plan and COBRA?

The retiree plan has a three-tier monthly rate whereas COBRA has one composite premium rate for all enrollments.

The retiree plan does not include the Vision Display Terminal (VDT) benefit. Otherwise the retiree plan benefits are comparable to the COBRA benefits.

22. When may I enroll?

Retirees may enroll in the CSU Retiree Voluntary Vision Plan at the time of retirement, within 60 days of their retirement, within 60 days of loss of coverage on another vision plan, or during any subsequent open enrollment period. Retirees may enroll in COBRA within 60 days of their separation date from employment.

23. How long may I continue coverage?

If you enroll in the CSU Retiree Voluntary Vision Plan, you are required to maintain enrollment for a minimum period of 12 months. You will be required to maintain enrollment for the balance of the plan year in which you enroll and for 12 months in the following plan year, unless a permitting event occurs to change your enrollment. If you enroll in COBRA, you may continue coverage for up to 18 months.

24. What happens if I elect COBRA and my coverage ends after 18 months?

You may enroll in the CSU Retiree Voluntary Vision Plan during any subsequent open enrollment period following your COBRA eligibility end date or COBRA cancellation due to non-payment.

Vacation Balance:

25. What happens to my vacation balance when I retire?

Your vacation balance can be paid to you in a lump sum upon retirement. Employees who separate from employment who are otherwise eligible to cash out their vacation balance may choose to transfer a designated amount from their lump-sum separation pay into an existing Tax Deferred Retirement Savings Account (401(k)/ 403(b) and 457 plan account).

If you choose to transfer an amount into a Tax Deferred account, you will need to complete a Request to Transfer Lump-Sum Separation Pay Application and submit to the Benefits Office at least 30 days prior to your retirement date. Copies of the application can be obtained in the Benefits Office.

Academic Year Faculty – Lump Sum Settlement Pay

26. What happens if I retire before I have received all of the pay I am due for the semester/academic year? Faculty who are still due pay from the University upon separation of employment for retirement will be paid at separation a lump sum of any earnings due. Faculty may request to transfer a designated amount of this payout to an existing Tax Deferred Retirement Savings Account (401(k)/ 403(b) and 457 plan account).

If you choose to transfer an amount into a Tax Deferred account, you will need to complete a Request to Transfer Lump-Sum Separation Pay Application and submit to the Benefits Office at least 30 days prior to your retirement date. Copies of the application can be obtained in the Benefits Office.

Disclaimer: This is a general description of post-retirement health benefits. Refer to plan documents for limitations and exclusions.