

A photograph of a modern building's interior, featuring multiple levels with glass railings and concrete structures. The image is overlaid with a dark blue tint. The text "Duke Benefits in Retirement" is prominently displayed in the center.

Duke Benefits in Retirement

2022

Duke | HUMAN RESOURCES

Topics we'll cover today

- Life Insurance
- Education Benefits
- Retiree Health/Dental Insurance
- Duke Retirement Plans



Retirement Planning
Guide can be found
at hr.duke.edu/rpg

Life Insurance

- **Basic Life (\$10,000)**
 - Convert to a whole life policy at retirement by contacting Lincoln Financial Group at 1-877-321-1015
 - Rates based on age at retirement, but increase every five (5) years

Life Insurance (Cont.)

- **Supplemental Life**
 - You may continue current coverage until age 95 at Duke's group retiree rates
 - Retiree rates are higher than the rates for active employees
 - Term life insurance
 - Rates increase as you get older
 - Contact Mercer Voluntary Benefits at 800-552-9670 to continue coverage
- **Universal Life**
 - Contact the Holroyd Agency at 919-819-0456 or North Carolina Mutual at 800-635-4467 about your options
 - Potential for cash accumulation

Post Retirement Certificate

\$2,500 benefit payable to spouse/estate

- To qualify must meet ALL of the following:
 - Hired at Duke prior to December 1, 1974
 - Participated in Duke's group life insurance plan for at least ten years
 - Retire at age 65 or older
- Certificate issued upon retirement

Education Benefits

Children's Tuition Grant Program

Must be eligible for Tuition Grant at time of retirement and:



OR
Retire at or
after age 65

Retiree Health/Dental Insurance

- Am I eligible?
- How much will it cost?



Retiree Health/Dental Eligibility

- Must be actively employed at Duke and participating in the health/dental plan at the time of retirement
- To receive a Duke contribution toward the premium, you must be receiving a contribution at the time of retirement
- Dependents must be enrolled at the time of retirement
- Eligibility for retiree coverage differs for University (Company Code 10) employees and Health System (DUHS) employees.
- If you have a question regarding whether you are a University (Company Code 10) employee or a DUHS employee, please call the HRIC at (919) 684-5600 for assistance.

Retiree Health/Dental Eligibility

Duke University and Medical Center Employees (Company Code 10)

Meet the Rule of 75 (age plus most recent continuous service date) at retirement

Note about transfers: If you transferred from the Health System to the University/Medical Center after July 1, 2002 refer to the Retirement Planning Guide for additional eligibility requirements.

Retiree Health Contribution Rates for

Duke University and Medical Center Employees (Company Code 10)

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

Retiree Health/Dental Eligibility

Duke University Health System Employees

- Employees hired prior to July 1, 2002
 - Meet Rule of 75; OR
 - Have 15 years of continuous service after age 45
- Employees hired on or after July 1, 2002
 - Must have 15 years of continuous service after age 45
 - The Rule of 75 does not apply

Note about transfers: If you transferred from the Health System to the University/Medical Center after July 1, 2002 refer to the Retirement Planning Guide for additional eligibility requirements

Retire Health Contribution Rates for

Duke University Health System (DUHS) Employees
(All Other Company Codes)

Employees hired prior to July 1, 2002 with no break in service

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 but do not meet the 4 prior criteria	100% of the individual premium

Retiree Health Contribution Rates

Duke University Health System (DUHS) Employees
(All Other Company Codes)

Employees hired on or after July 1, 2002 with no break in service

- Must have 15 years of continuous service after age 45
- Retiree pays 100% of the premium
- Rule of 75 does not apply

Retiree Dental Premium Contributions

- Dental insurance
 - Same rates that active employees pay
 - You are responsible for paying the retiree dental insurance premium

Ineligible for Retiree Health/Dental Insurance

- Coverage through COBRA
 - Must be participating in health and/or dental plan(s) at time of retirement
 - Extends coverage for 18 months
 - Total premium plus 2%
 - Billed monthly

Important! If you are retiring and are age 65 or older, or otherwise Medicare-eligible, you must not enroll in COBRA coverage. You must enroll in Medicare.

Health Insurance for Retirees

Are you or any of your covered dependents age 65 or older?

No

You will have the same health insurance options as active employees until you turn 65 or are otherwise Medicare-eligible:

- Duke Select
- Duke Basic
- Blue Care
- Duke Options

Yes

The person that is age 65 or older is required to enroll in Medicare A and B.

Medicare will become the primary insurance and **Duke Plus** (the retiree plan) is secondary for anyone over age 65.

If you are under 65, then Duke Plus is primary.

Provider Network for Retiree Plan (Duke Plus)

Medicare Eligible

You may visit any doctor you choose. Any provider or facility that accepts Medicare is considered in-network. Our Duke doctors and facilities accept Medicare.

Not Eligible for
Medicare

You may use any health care provider, but will realize increased savings by using a provider that participates in the UHC Choice Plus Network through United Healthcare.
www.umar.com/oss/cms/UMR/Choice_Plus_Excl.html

All claims incurred outside of the United States are paid at an out-of-network benefit level.

Duke Plus (In-Network Benefits) - 2022

Doctor's Office visit, you pay...

- Primary Care Physician (PCP) - \$20
- Specialist \$55
- or less after Medicare payment

Inpatient hospital admission, you pay...

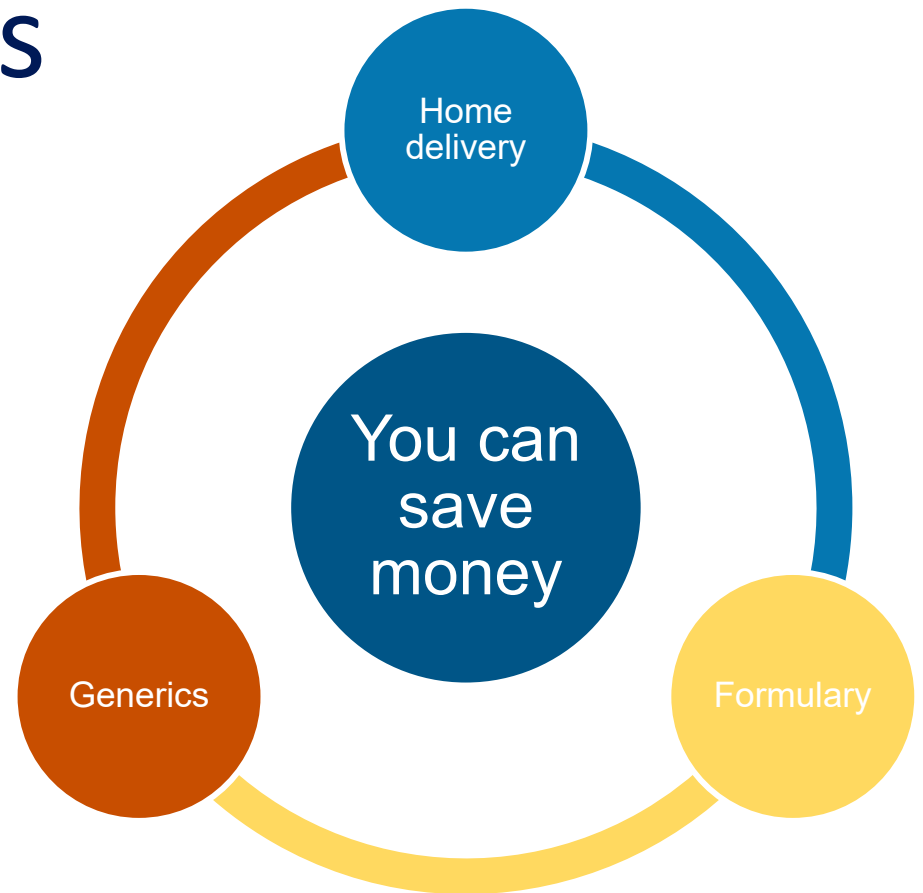
- \$600 co-pay per admission at Duke, Duke Regional or Duke Raleigh
- \$700 co-pay per admission for all others in-network

Inpatient skilled nursing facilities, you pay...

- \$250 co-pay per admission

Pharmacy Benefits

- Retail Pharmacy
 - 31 day supply
- Home Delivery (mail order)
 - 90 day supply
- Pharmacy Coverage is Included in Duke Plus



Maintaining your Retiree Health Insurance

Your health and/or dental coverage will be terminated if you do not make timely premium payments.

- *No need to worry* - Premiums can be directly drafted from your bank account or deducted from your Employees' Retirement Plan benefit
- Medicare Part B premiums can be deducted from your Social Security retirement benefit



Important to remember:

You cannot re-enroll in retiree health and/or dental if you cancel coverage.

One exception: You may suspend health or dental coverage while employed and receiving benefits from a new employer; however, you must re-enroll in Duke's Plan within 30 days of loss of other employer's coverage.

You cannot enroll in another Medicare Plan and retain Duke Plus.

Retiree Health/Dental – Surviving Spouse

- Surviving Spouse is eligible to continue coverage until:
 - Death
 - Remarriage
 - Non-payment of premiums

Other Benefits

Duke University
Federal Credit Union

Personal Accident Insurance (Mutual of Omaha)

Personal
Casualty
Insurance
(MetPay)

Duke University
Retiree
Association
(DURA)

University Athletic
Facilities

Osher Lifelong
Learning Institute
at Duke (OLLI)

Duke Libraries
(paper resources)

Questions?

Retiree health insurance

**Duke
Benefits**

Pricing



benefits@duke.edu
(919) 684-5600



A photograph of a modern building's interior, featuring a multi-level staircase with glass railings and concrete pillars. The image is overlaid with a dark blue tint. The text "Retirement Benefits" is centered in a large, white, sans-serif font.

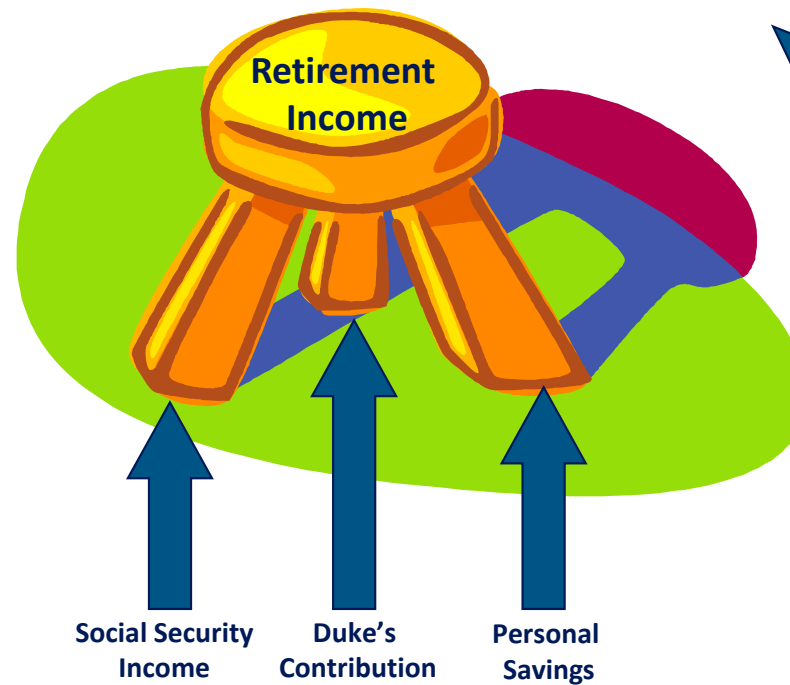
Retirement Benefits

2022

Duke | HUMAN RESOURCES

What's Your Goal?

Financial experts estimate you'll need between 80 – 90% of your pre-retirement earnings to maintain your current lifestyle



Consider This

- Will you have a house payment when you retire?
- What activities do you want to do when you retire? (i.e. travel)

Duke Retirement Plans

- Non-exempt employees:
 - Employees' Retirement Plan (ERP)
 - Fully funded by Duke
 - Faculty and Staff Retirement Plan
 - A 403(b) plan
 - Employee contributions
- Exempt employees:
 - Faculty and Staff Retirement Plan
 - A 403(b) plan
 - Employer contributions
 - Employee contributions



Did you transfer from one payroll to another?

Biweekly  Monthly

- You may be entitled to a benefit under the Employees' Retirement Plan (ERP) for employees paid biweekly
- If you are entitled to a benefit, this benefit is calculated using your years of service and compensation while you were paid biweekly
- An estimate of this benefit will appear on your annual benefits statement

How Your Benefits Grow ...

Faculty/Staff Plan

Benefit is based on:

- Contributions
- Investment performance

ERP

Benefit varies according to:

- Your pay
- Years of service
- Age at retirement

Faculty and Staff Retirement Plan – 403(b) Plan

- **All employees** – monthly **and** biweekly paid – can participate with voluntary contributions (*enroll anytime on **Duke@Work***)
 - IRS Maximum Contribution for 2022 = \$20,500 per year
 - Catch-up Contribution if over age 50 = \$6,500 per year (for a combined limit of \$27,000)
 - 15 years of service Catch-up Limit = up to \$3,000 per year
- This plan allows you to control your savings for retirement
 - For pre-tax contributions, contributions and earnings are taxed when withdrawn
 - For Roth after-tax contributions, taxes are paid now and contributions and earnings may be tax-free at withdrawal

Faculty and Staff Retirement Plan

(EXEMPT STAFF)

The 2022 Duke contribution formula is:

*8.9% of the first \$72,000 of salary and
13.2% of annual salary in excess of \$72,000
Up to a statutory limit of \$305,000*

Example with \$7,500 monthly salary (\$90,000 annually):

Duke Contribution Percent	Multiplied by monthly salary	Equals: Monthly Duke Contribution
8.9%	\$6,000	\$534
13.2%	\$1,500	\$198
Total in 2022	\$7,500	\$732

Faculty and Staff Retirement Plan – 403(b) Plan

Distribution Options:

- Systematic distributions
- Lump sum distribution
- Annuity payments (fixed/variable income annuity)

Required Minimum Distributions (RMDs)

- In general, you have take the first RMD payment by April 1st of the year after you reach age 72 or retire.
- After that first withdrawal, you're required to take an RMD by Dec 31st every year.
- 50% penalty may apply if you do not take RMD payments.

Learn More About Retirement Benefits

- Annual Personal Benefits Statement from Duke
- Visit Duke@Work self-service:
 - 403b account information
 - Estimate your pension benefit from the Employees' Retirement Plan (ERP)
- Visit Duke's website at hr.duke.edu/retirement
- Quarterly statement from your retirement service provider

Duke



Contact Fidelity for questions about your
Duke Faculty and Staff Retirement Plan:



Chris Mann

Christopher.mann@fidelity.com
Fidelity Director Retirement Planner



Alan Collins

Alan.collins@fidelity.com
Fidelity Retirement Planner



Yvette Mills

Yvette.mills@fidelity.com
Fidelity Workplace Financial
Consultant

Call
800-343-0860

Text
"MeetAtDuke"
to 343898

Fidelity.com/duke



Investing involves risk, including risk of loss.

*Get details at <http://pages.fidelityinvestments.com/smsee>

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Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917

957853.1.3

To Do List ...

- Review your personal retirement information
- Meet with Fidelity
- Review your retirement investment choices for diversification
- Consider increasing your contribution





Stay put if you have an ERP pension
benefit
(biweekly employee)

Employees' Retirement Plan (ERP)

One of the retirement plans for biweekly employees

- Duke pays the entire cost – you pay nothing
- The retirement benefit is based on a defined formula
- You are guaranteed a benefit from the plan after completing five years of continuous service

Definitions

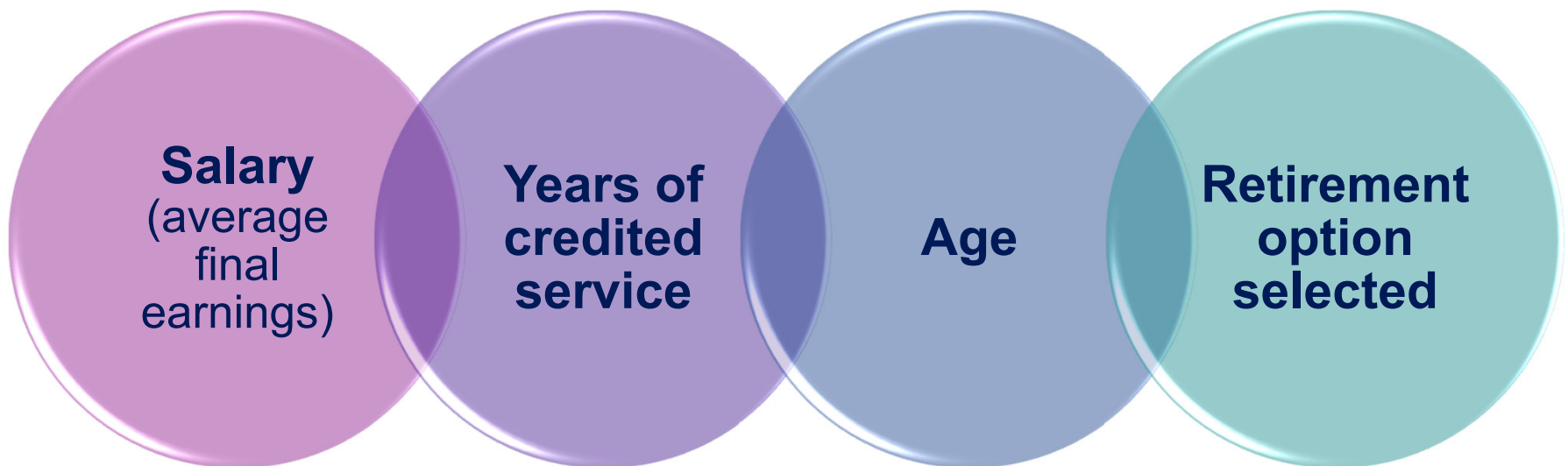
- **Continuous Service**
 - Work 1,000 hours or more in a fiscal year (July 1 to June 30)
- **Credited Service**
 - Years of Continuous Service after becoming a Plan member

Eligibility

- You automatically become a plan member, if you:
 - Have reached age 21, and
 - Have worked at least 1,000 hours during your first year of employment or in any future fiscal year

How the Benefit is Determined

- ERP-Defined Formula



ERP Formula

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

Additional Credited Service

- Must be paid on the biweekly payroll at the time of retirement
- Additional Credited Service based on this formula:

Your unused sick or carry-over bank (COB) hours \div 2080

When can I start to receive a benefit?

- Normal Retirement
 - Age 65 – full benefit
- Early Retirement
 - Age 45 or older and 15 years of credited service
 - Reduced based on age at time benefit starts
- Deferred Retirement (working at Duke past age 65)
 - Additional 10% for extra credited service over age 65

What are my payment options?

- Single Life Annuity
- Joint and Survivor Annuity (50%, 75%, or 100%)
- Level Income age 62 or 65
- If lump sum value is less than \$10,000 you may be eligible for a lump sum payment

Payments under the Employees' Retirement Plan are considered taxable income

Example – Employee Retiring at Age 65

Salary at Retirement \$50,000
\$4,167 per month
ERP Income

Average final compensation \$45,797
30 years of credited service

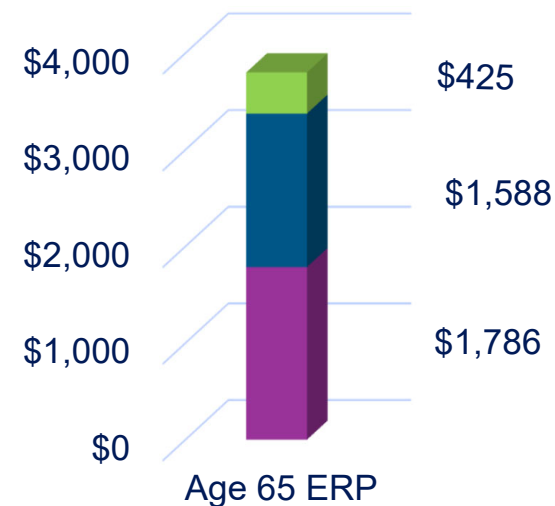
$1.25\% \times 20 \times \$45,797 = \$11,449$

$\frac{1.66\% \times 10 \times \$45,797}{2} = \$7,602$

Annual benefit **\$ 19,051**

Monthly benefit **\$ 1,588**

Total Monthly Income \$3,799
Replacement Ratio 91%



■ Social Security ■ Duke ERP ■ 3% Optional Savings

Example – Employee Retiring Early at Age 62

ERP Income

Annual benefit at age 65 is: **\$19,051**

Less:

3% reduction for each year
between age 62 & 65:

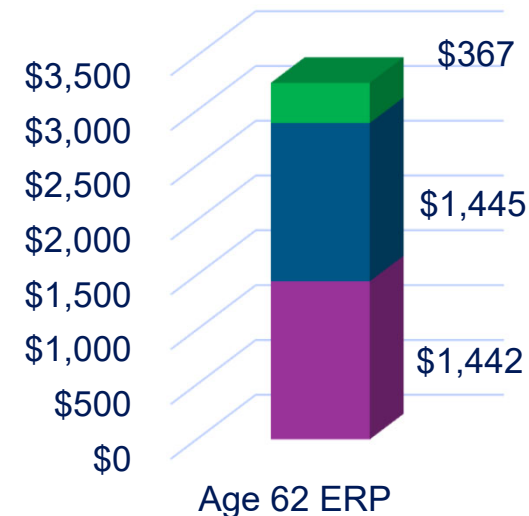
9% x \$19,051 = **-\$1,715**

Annual benefit **\$17,336**

Monthly benefit **\$1,445**

Total Monthly Income \$3,254

Replacement Ratio 78%



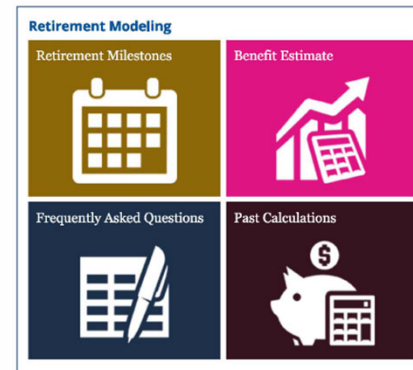
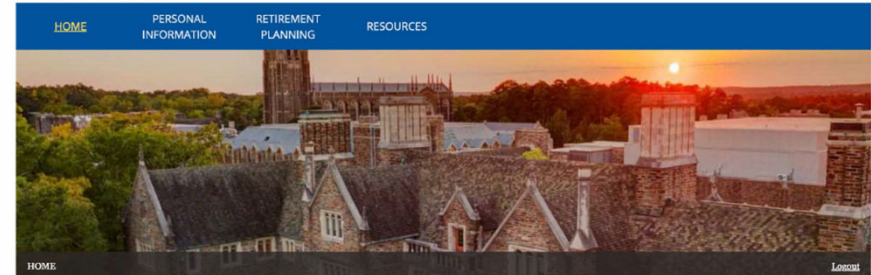
■ Social Security ■ Duke ERP ■ 3% Optional Savings

Pension Plan Projection *on Duke@Work* (ERP Employee Self-Service Tool)

Allows Participants to:

- ✓ Generate an Estimate of ERP Benefit
- ✓ Review Retirement Planning Resources
 - SPDs for ERP and Faculty & Staff Retirement Plan
 - Duke Retiree Health
 - Duke Retirement Planning Guide
 - Link to Social Security Website
- ✓ Review Personal Information
 - Updated After Every Pay Period

Duke



Welcome to the pension estimator tool for participants of Duke's Employees' Retirement Plan (ERP). The ERP is a pension plan for employees paid on the biweekly payroll. It is designed to provide you with a guaranteed monthly income at your retirement and is funded entirely by Duke.

General Information

[Documents & Links](#)

Access useful retirement benefit information.

[Duke University Faculty and Staff Retirement Plan](#)

In addition to the Employees' Retirement Plan, you may supplement your retirement savings through the Faculty and Staff Retirement Plan - a 403(b) plan that allows you to make voluntary, pre-tax or Roth 403(b) after-tax contributions.

[Questions:](#)

If you have questions, contact The Duke Human Resources Information Center (HRIC) at (919) 684-5600 or via email at benefits@duke.edu

Legal Notification

Though there are not present plans to do so, please remember that the eligibility and other provisions applicable to continuing Duke's benefit plans can change. The coverage offered is not a vested benefit, and Duke reserves the right at any time to change or terminate the benefit plans.

If there is a conflict between this presentation and the official plan documents, the official plan documents will govern in all cases.

If you have questions, please email Benefits at benefits@duke.edu.

Questions?



CONTACT US

benefits@duke.edu
(919) 684-5600

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