

Madison County Government

PREPARING FOR RETIREMENT

While we can't make the decisions for you, we can assist you along the way and give you the best information possible to make those decisions. All employees and their situations are different at retirement. The below steps will help guide each individual through this process. Feel free to visit Payroll Services, in Room 154 of the Administration building with any questions. Our doors are open most days from 8:30 – 4:30, call 296-4026 in advance if you would like to schedule a specific meeting time. Employees seeking financial or tax advice when preparing for retirement should talk to your financial advisor.

Visit the Madison County "Employee Home" webpage at <http://www.co.madison.il.us>, and click on the Preparing for Retirement link. You will find detailed information and many helpful forms and links.

- 1. Create an IMRF Member Access Account:** Go to www.imrf.org and create a member access account. You will use this account to prepare and file your IMRF pension application and view your pension benefits during retirement. You will also be able to register for any of the IMRF retirement workshops.

Date Completed: _____
(Recommended: as early as possible)
- 2. Set a Date:** Pick a date you wish to retire. Use the IMRF Calculator via member access account or call 1-800-275-4673 if you need help picking a date. This will allow you to enter multiple amounts and figure out which date works best for you.

**Tip 1: Retiring at the beginning of the month, i.e. June 1, will allow you to have insurance through the end of the month without paying the full portion, however, you will not receive a pension check for that month. If you retire at the end of the month, i.e. May 31, you will owe the full insurance amount, but you will receive a pension check for the month of June. If your Pension is more than the cost of your health insurance, you may want to consider using the end of the month as your retirement date.*

**Tip 2: In order to be eligible for the IMRF "13th payment" in the following year, you must retire on or before June 30.*

Date Completed: _____
(Recommended: 6 months in advance)
- 3. Contact Social Security:** For Social Security benefit information visit www.ssa.gov/planners/retire. They recommend applying for retirement benefits three months before you want your benefits to begin.

Date Completed: _____
(Recommended: 6 months in advance)
- 4. Notify Your Department:** Notify your department as far in advance as possible. A two week written notice would be appreciated in most cases.

Date Completed: _____
(Recommended: as early as possible)
- 5. Complete IMRF Pension Application:** Complete the IMRF Pension Application via the IMRF Member Access Account or visit Payroll Services for the forms. IMRF requests one month in advance to ensure timely payment of your first pension check.

Date Completed: _____
(Recommended: 1 month in advance)

Surviving Spouse and Voluntary Additional Contributions (VAC) refunds will be processed after IMRF receives your Pension Application. The estimated amount of these refunds can be found on the IMRF Member Access Account.

6. **Contact Payroll Services and Safety & Risk:** Contact Payroll Services to discuss IMRF benefits, final leave payout. Sick, Vacation, and Comp balances will be paid out on your final paycheck (Sick Hours payout is half up to 480 hours for members enrolled in IMRF, or up to 960 hours for employees enrolled in SLEP. Any remaining hours not paid are sent to IMRF for additional service credit). Contact Safety & Risk to discuss insurance continuation paperwork and payments.

Date Completed: _____
(Recommended: as soon as you have questions)

**Tip 3: You may deduct several months of premiums for continuation of your group health/dental/vision coverage on a pretax basis from your last lump-sum paycheck. The number of months of premiums being prepaid on a pretax basis cannot exceed the number of months left in the plan year (December 1st through November 30th).*

7. **Contact Nationwide 457(b) Retirement Specialist:** If you have a large balance due to be paid out, Contact our Nationwide Retirement Specialist, TBD. Many employees elect to contribute some or all of their final pay into the 457 Deferred Comp plan. For 2019 the maximum limit is \$25,000 with the Over Age 50 Catch Up option, but there is a special 457(b) Three-Year Catch Up option which increases the maximum amount to \$38,000 (additional form required for eligibility). Here are a few reasons to consider:

Date Completed: _____
(Recommended: 1-2 months in advance)

- Power of growth- Put the value of your unpaid leave toward your future by investing it for potential growth.
- Avoid tax shock- Transferring your payout to your 457(b) account defers the taxes. You will also avoid paying any state taxes at all.
- Easy to contribute- Contact Colin for the appropriate forms and turn them into Payroll.
- Easy to withdraw- After retirement, you can discuss your options to withdraw your contributions, including lump-sum, partial-sum, annuity, or rollover.

**Tip 4: For employees receiving the Surviving Spouse or VAC refund, you will also have the option of depositing these lump sum payments into your 457(b) account. IMRF will process these 1-2 months after first pension check.*

8. **Contact Safety & Risk Management:** For additional assistance regarding the employee medical plan, contact Safety & Risk Management at ext. 4566 or ext. 5516.

Date Completed: _____
(Recommended: as soon as you have questions)

9. **Relax and Enjoy Retirement:**

Date Completed: _____ TBD

Contacts:

Payroll

Nicole Burr: 296-4026

Nationwide (www.nrsforu.com)

Retirement Specialist

Andrew Friedrich: 706-296-3328

Customer Support: 1-877-677-3678

Safety & Risk Management

Cheryl Reynolds: 296-4566

Social Security (www.ssa.gov/planners/retire)

Social Security Admin: 1-800-772-1213

Alton Office: 1-855-285-6006

East St. Louis Office: 1-877-700-4849

IMRF (www.imrf.org)

Customer Services: 1-800-275-4673