

# ***PPA, PPCOA & PFFA Retirement Basics 2020***

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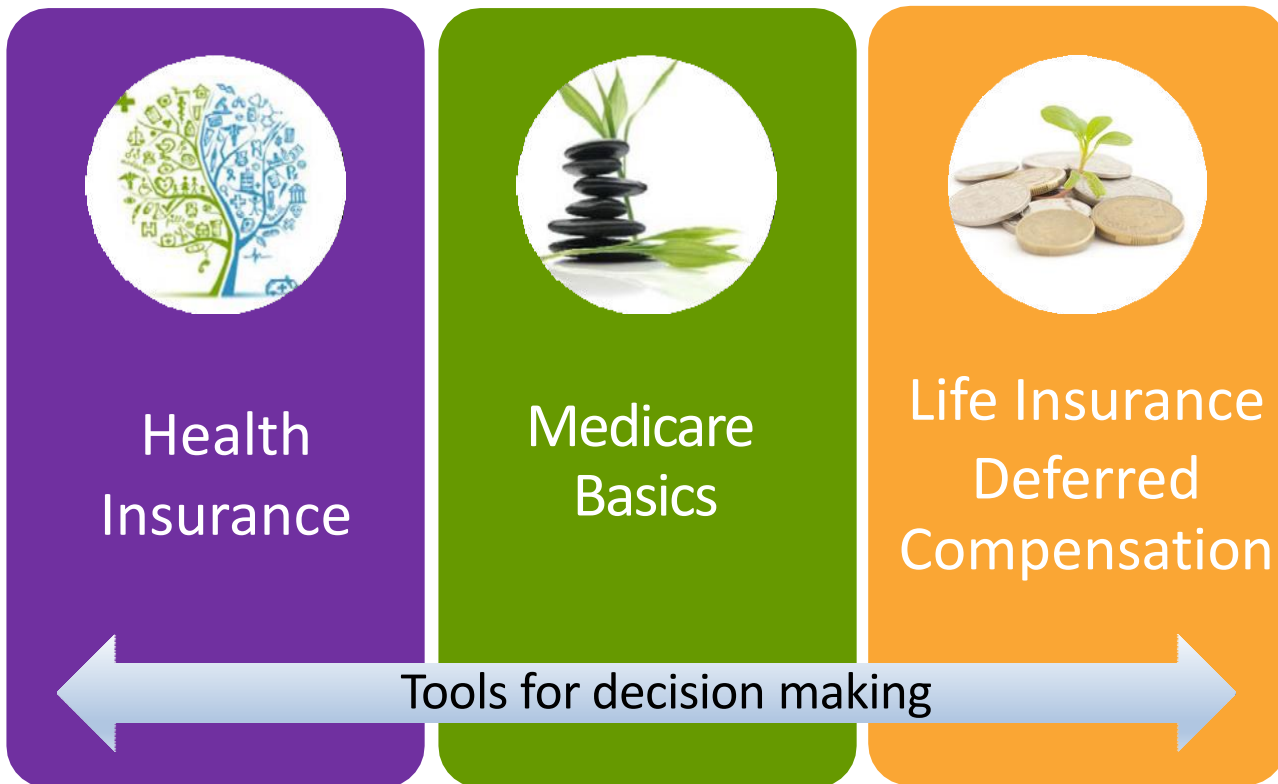
Presented by:

**Health & Financial Benefits Office Bureau of Human Resources**



**Health & Financial Benefits**  
HEALTHY LIVING. HEALTHY FUTURE.

# *Today we will discuss the following:*



# Wellness Options

The City offers several different options to help employees reach their health and wellness goals.

## CityStrong

[www.portlandoregon.gov/citystrong](http://www.portlandoregon.gov/citystrong)

Offered to all City Employees as part of the Occupational Health and Well-being program.

## LifeBalance

<https://www.portlandoregon.gov/EAP>

Thousands of discounts available! Concert, theater, and movie tickets; local events; sports; and much more!

## Other Discounts

<https://www.portlandoregon.gov/bhr/60325>

Get a discount on your gym membership with our local partners.



# Occupational Health & Wellbeing

Protecting you at work.

## Exposures and Flu Vaccines

### Protecting You at Work

- If you have an exposure, call 503-823-1440
- Blood Borne Pathogen training and program resources
- Getting a flu shot is easy through the City via:
  - Worksite
  - Pharmacy
  - Provider Offices
  - Kaiser Clinics

## Mental Health Initiative

### Supporting employees and family members

- Waived co-pays for in-network mental health and substance abuse services that are medical necessary
- Take the confidential Whole Life Directions survey to gauge what areas you can focus on for your mental health

## Worksite Wellness Options

### CityStrong

A benefit available to all employees across every bureau. Get support in reaching your personal health goals through convenient educational opportunities, challenges, and supportive resources

### Questions?

Contact Joel Michels, Occupational Health and Well-being Program Manager  
503-823-5238, [joel.michels@portlandoregon.gov](mailto:joel.michels@portlandoregon.gov)



# *The Top 10 Retirement Decisions*

When to Retire

When to claim Social Security

Health Coverage

How much you can safely spend each year?

How much investment risk

When to pay taxes on investments

Where to live

Other ways to finance retirement

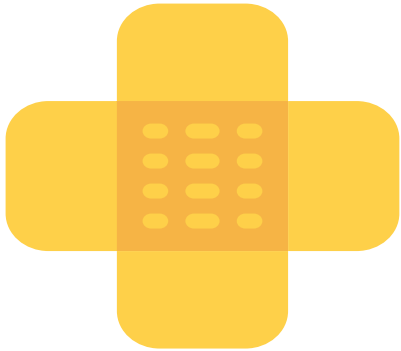
Whether to keep working

What you will do

# Health Care Expenses

*Did you know....*

A non-Medicare eligible person entering retirement today can expect to spend at least \$8,500, **per person per year**, for healthcare premiums and medical expenses



# *When Does My City Paid Coverage End? How do I Enroll?*

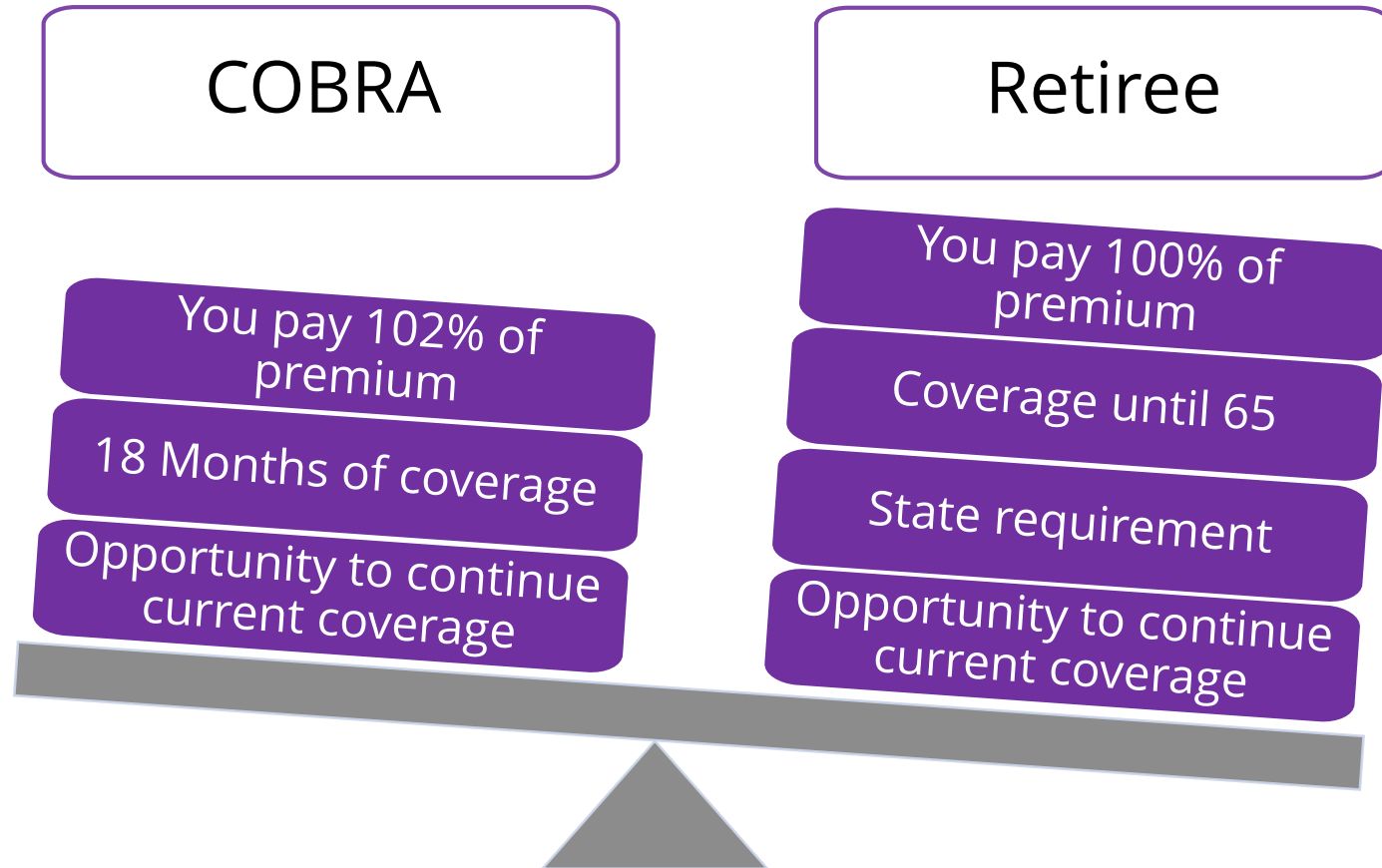
## **PPA, PPCOA & PFFA 80 Hour Rule**

- 1. Notify your bureau that you are retiring**
- 2. Enrollment packet will be sent to your home**
- 3. You elect or choose to opt-out of coverage**

Example: 80 paid hours (including **regular work time**, sick, vacation, comp) in February – coverage ends March 31<sup>st</sup>

Your last day must be a work day – not sick or vacation time.

# COBRA vs. Retiree Coverage



You will be sent both a COBRA & Retiree Election Notice in your Retiree packet. Make sure if you want to elect Retiree coverage you return the Retiree Election Notice not the COBRA Election Notice.



# *Retiree Monthly Cost*

**You will be offered continuation coverage for the plans you are covered on at the time of your retirement. City of Portland Retiree's pay 100% of their premium.**

**The cost per month will depend upon what plans you are enrolled in and your family size.**

**Below is an estimate for the monthly Retiree Rates:**

|                                    |                                 |                                |
|------------------------------------|---------------------------------|--------------------------------|
| <b>Employee<br/>Only<br/>\$700</b> | <b>Employee + 1<br/>\$1,400</b> | <b>Family (3+)<br/>\$2,000</b> |
|------------------------------------|---------------------------------|--------------------------------|

**The complete list of monthly retiree rates is located online at  
[portlandoregon.gov/bhr/article/626939](http://portlandoregon.gov/bhr/article/626939)**

# *Payment Options*

## Pension Deduction

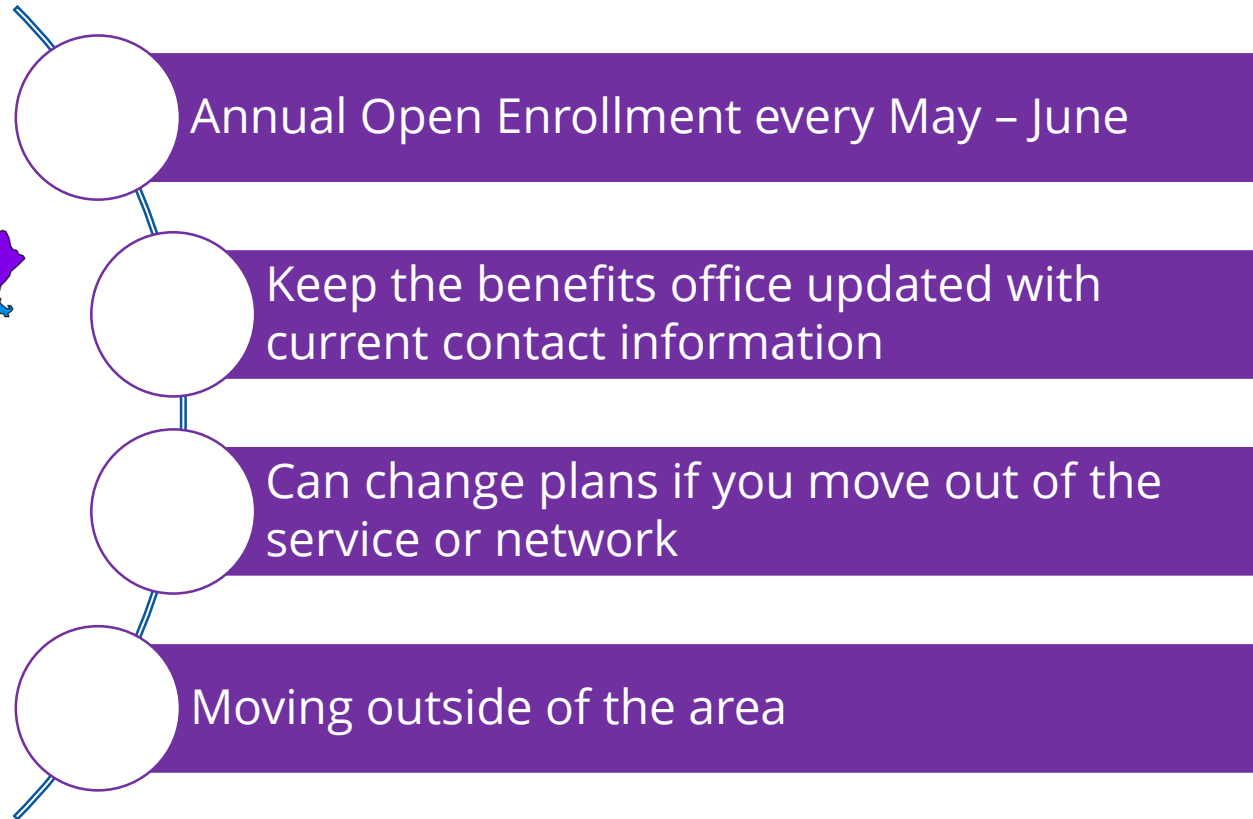
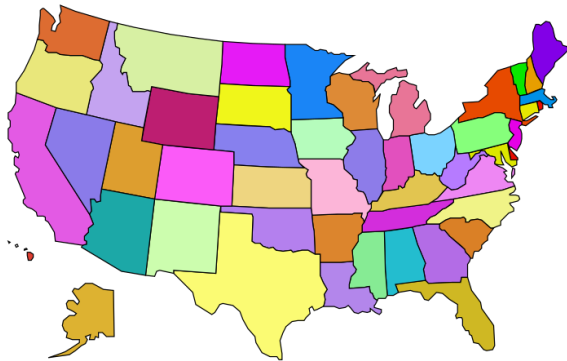
- Deduction directly out of monthly pension
- Tax credit available for P&F Only

## ACH Checking Account Debit

- Comes out around the 6<sup>th</sup> of every month

**Strategies to pay include reimbursement from your Union sponsored retiree health care reimbursement plan, HRA VEBA or through your own savings/deferred compensation**

# While on Retiree Coverage



**Moda Participants:** You or dependents living outside of the service area – access the PHCS network for in-network services

**Kaiser Participants:** If you move outside of Kaiser's Service area you are no longer eligible to continue Kaiser coverage

# Options for Health Insurance



**City of Portland:** Stay on the City of Portland's coverage up until you become Medicare eligible.



**Federal Exchange:** Shop around for coverage for you and/or your dependents through the Federal Exchange.



**Medicare/Supplement:** Are you or your spouse eligible to be on a Medicare plan? If so, you may save money by moving over to a Medicare Plan outside of the city.



**Spouse's Plan:** Is your spouse still working? If so you can move onto their group health plan.



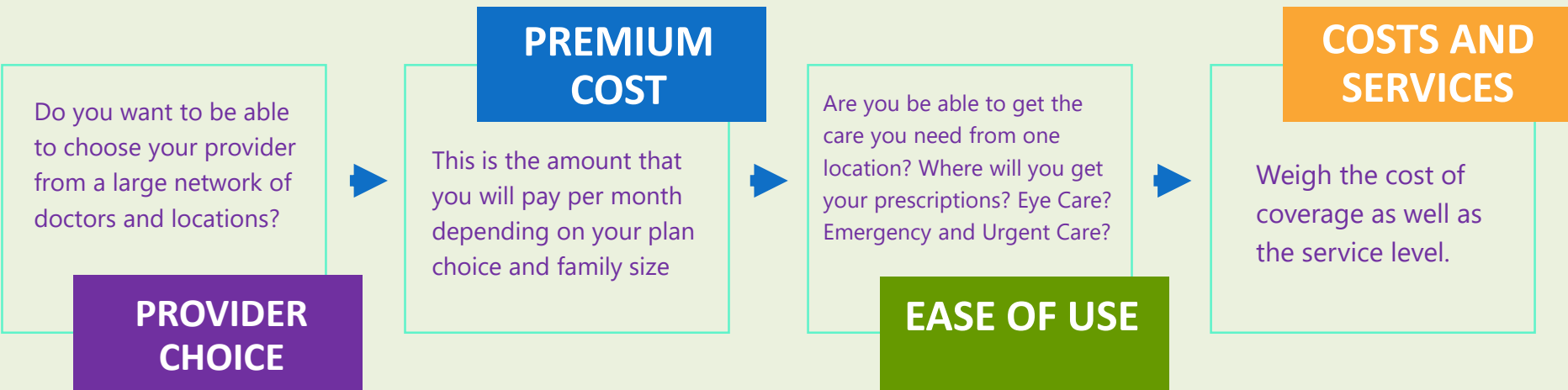
**Military/Tricare:** If you were in the service, you can move over to the military's health insurance.



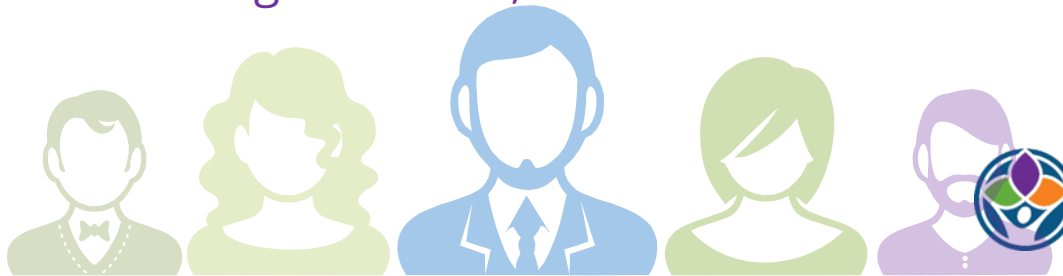
When thinking about what plans to choose, ask yourself...

# What is Most Important to Me?

This question will help guide you in your decision making process



Highest Value; Lowest Cost



# Leaving & Coming Back

City of Portland Retiree's can choose not to elect Retiree coverage and return at a later time:

- Must be covered under another group sponsored health plan
- You will be required to provide proof of other health insurance

You can go to an Individual Plan and re-enroll in Retiree coverage at a later time

This provision is limited to one time per participant

# Federal Exchange 101



## ***When to look at the exchange (Affordable Care Act) Plans:***

- ✓ When your child loses group health coverage due to reaching age 26
- ✓ If you have a child under the age of 26
- ✓ If you and/or dependents are only seeking preventive care
- ✓ Another alternative to COBRA or City of Portland Retirement coverage

Visit [www.healthcare.gov](http://www.healthcare.gov) or 1-800-318-2596

# Employee Assistance Program (EAP)



- FREE Counseling Sessions
- 30 minute free consultation with an attorney
  - Access to legal forms
- Financial Coaching
- Home Buying Assistance
- Child care/Eldercare Assistance
- Career Development

## To Access:

1. Go to [www.cascadecenters.com](http://www.cascadecenters.com)
2. Click "Member Log-In"
3. Register as a new user
4. For Company Name enter: City of Portland

(800) 433-2320  
[www.cascadecenters.com](http://www.cascadecenters.com)



# Medicare Basics

## Medicare Part A

- Hospital Insurance
- Typically no monthly premium

## Medicare Part B

- Medical Insurance
- Standard Part B Premium for 2019 is \$135.50

## Medicare Part C

- Medicare Advantage/Supplement Plan
- Need Parts A&B to elect Part C

## Medicare Part D

- Prescription Drug Coverage

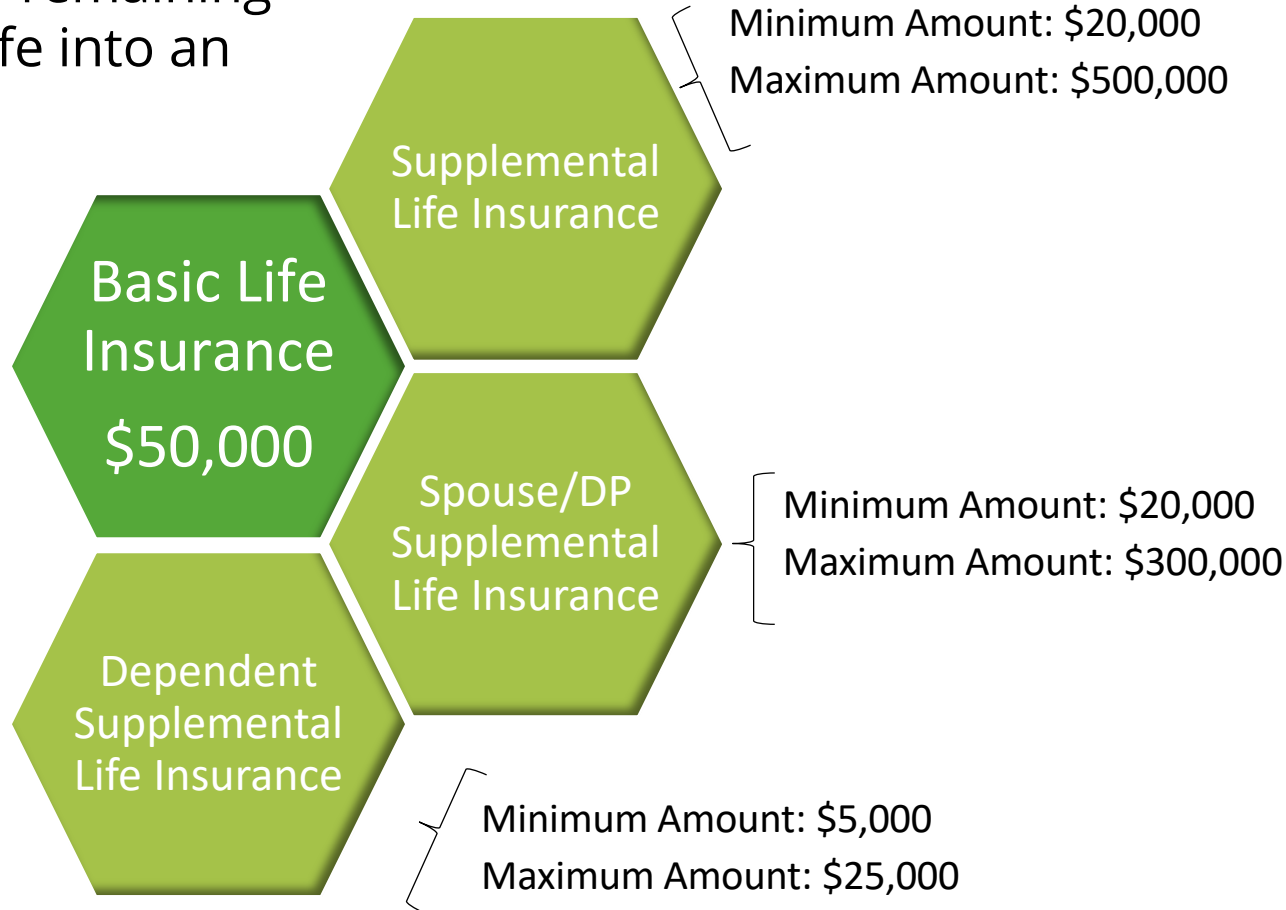
Contact Mount Hood Community College

- SHIBA (Senior Health Insurance Benefits Assistance) 503-491-7572

- Enroll in Medicare online at [www.medicare.gov](http://www.medicare.gov)

# Life Insurance

You may choose to port up to \$150K and convert any remaining amount & your basic life into an individual policy



Life Insurance portability and conversion information will be included in your retiree packet

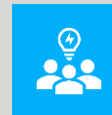


# *City of Portland 457(b) Deferred Compensation Plan*

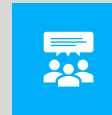
A 457(b) Deferred Compensation Plan is an important retirement plan offered by the City, created to allow public employees, like you, to set aside money from each paycheck toward retirement. A Deferred Compensation Plan may help bridge the gap between what you have in your pension and other retirement benefits, and how much you'll need for retirement, or simply add additional funds to your retirement portfolio.

The City's Deferred Compensation plan (the Plan) is a voluntary plan available to eligible employees that helps you save for retirement on a tax-deferred basis.

## Agenda



**Deferred Compensation  
Basics**



**Enrollment & Contribution Changes  
Employee Self Serve (SAP CityLink)**



**Deferred Compensation  
Provisions**



**Deferred Compensation  
Before Retirement**



**Deferred Compensation  
After Retirement**

# Deferred Compensation Basics



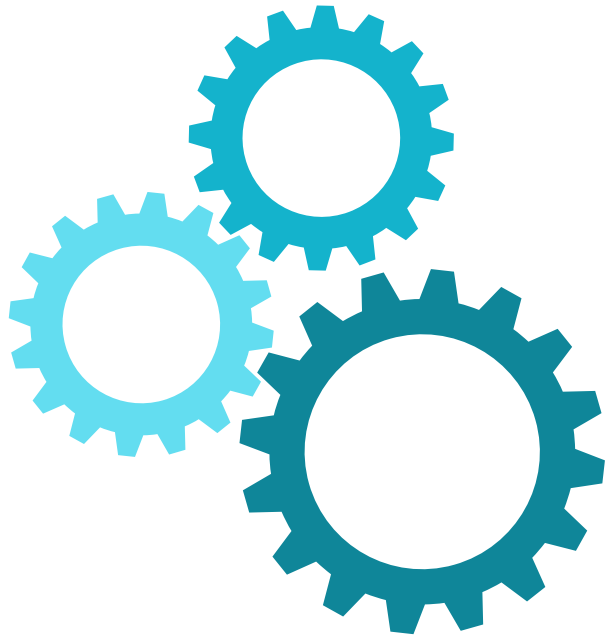
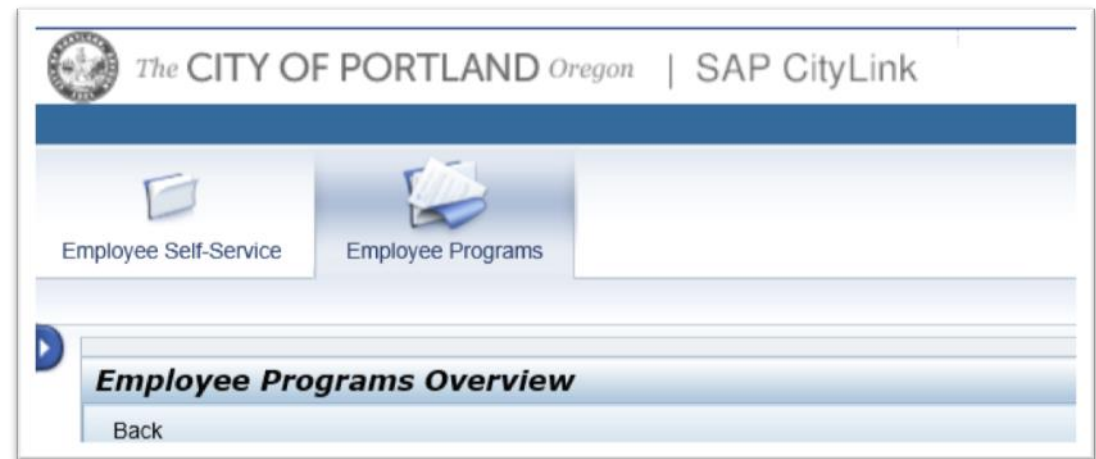
- May contribute Traditional Pre-tax or Roth Post-tax amount
- IRS limit for 2019 is \$19,000
- Minimum contribution 1% of pay or \$10 per pay period
- Electronic/paper election forms completed and received by the 15th of each month are effective the first payday of the next month



# Employee Self Serve (SAP CityLink)

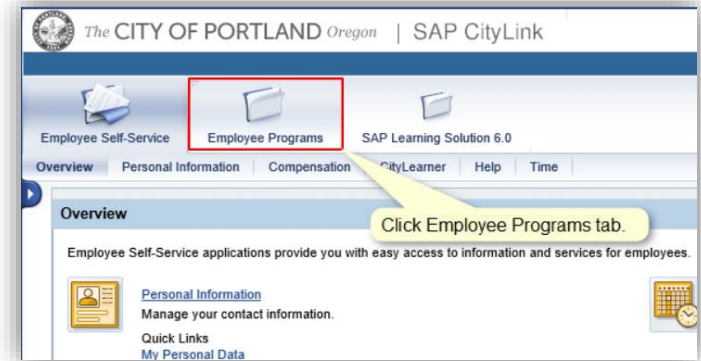
Through your Employee Self Serve Portal, you can:

- Enroll in Deferred Comp
- Increase/Decrease or change your Deferred Comp election
- Designate beneficiaries
- Stop your contributions

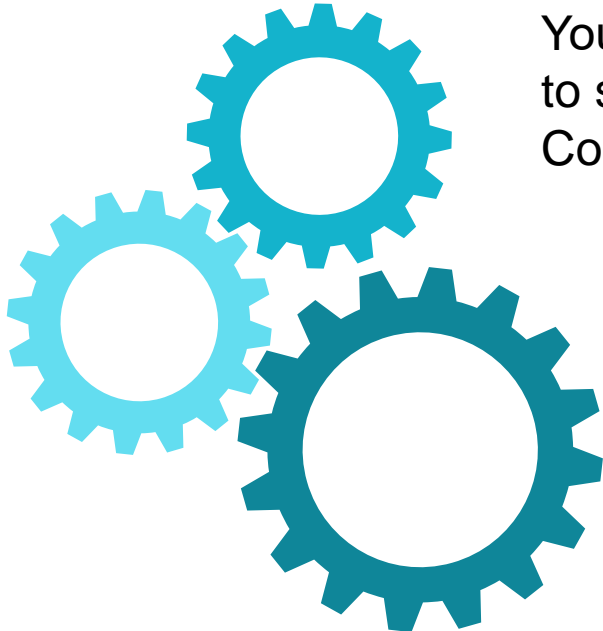
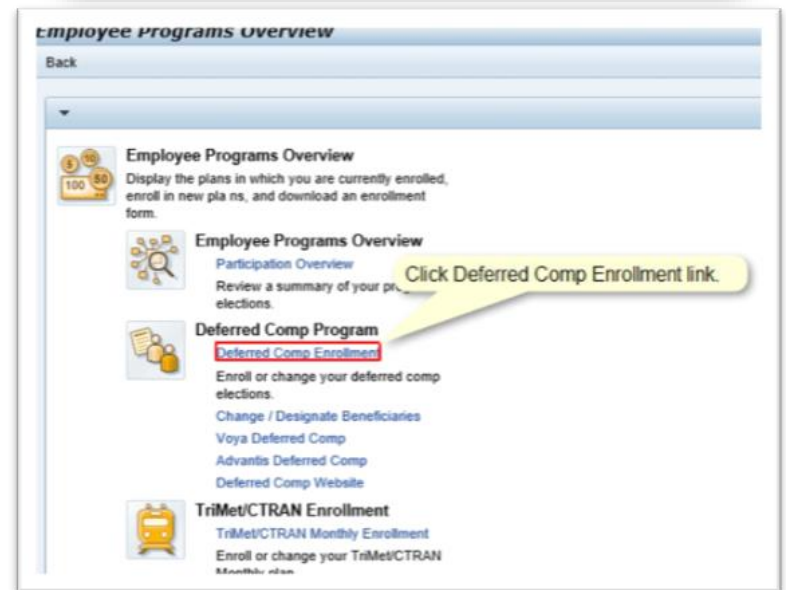


# Employee Self Serve (SAP CityLink)

On a City computer, log on to your Employee Self Service portal at [www.portlandoregon.gov/ep](http://www.portlandoregon.gov/ep). Once logged in, navigate to the Employee Programs tab.



You'll then be able to see the Deferred Comp category



# Employee Self Serve (SAP CityLink)

Accept the acknowledgement; then, you will then see a list of the plan options available to you. Select the plan(or plans) you want to enroll in.

**457 Def Comp Plans: Step 2 (Savings Plans)**

From this screen you can edit an existing plan (use the pencil icon), stop a plan (use the trash can icon), or add a new plan. In this example, let's add a new plan.

| Actions | Plan Type        | Starts On  | Status  | Plan Name     | Primary Beneficial |
|---------|------------------|------------|---------|---------------|--------------------|
|         | Advantis 457     | 01/25/2018 |         |               |                    |
|         | Advntis Roth 457 | 01/25/2018 |         |               |                    |
|         | Voya Roth 457    | 01/25/2018 |         |               |                    |
|         | Voya 457         | 01/25/2018 | Current | Voya 457 Plan |                    |

Note: In order to enroll in an Advantis Plan, you must first be an Advantis Member

Click Add button.

**457 Def Comp Plans: Step 2 (Savings Plans)**

Benefits Summary Savings Plans Review and Save

| Actions | Plan Type        | Starts On  |
|---------|------------------|------------|
|         | Advantis 457     | 01/25/2018 |
|         | Advntis Roth 457 | 01/25/2018 |
|         | Voya Roth 457    | 01/25/2018 |
|         | Voya 457         | 01/25/2018 |

Note: In order to enroll in an Advantis Plan, you must first be an Advantis Member

**Enter Advantis 457 Plan Information**

Select Plan

Plan Name: Advantis 457 Plan

Regular Contribution

Period: Bi-weekly

Pre-Tax Percentage: 2.0% (Minimum: 1.00000%)

Pre-Tax Amount: 0.00 USD (Minimum: 10.00 USD)

Add Cancel

Click Add button.

You can select a flat dollar amount, or a percentage.



# Employee Self Serve (SAP CityLink)

Be sure to review your plan choices, then click SAVE.

Review your plan choices.  
Click Save list item.

| Plan Type | Starts On  | End Date   | Status  | Plan Name     | Pre-Tax Costs |
|-----------|------------|------------|---------|---------------|---------------|
| Voya 457  | 01/25/2016 | 12/31/9999 | Current | Voya 457 Plan | 10.00         |

| Plan Type       |
|-----------------|
| Advantis 457    |
| Advnts Roth 457 |
| Voya Roth 457   |

You can save/print a summary of your enrollments, or return to the main menu.

After saving your changes, you can click "Print Benefits Elections Summary" to view your current Deferred Comp elections and effective dates. This will launch an Adobe PDF in a new window, which you can then save or print.

Click Print Benefit Elections Summary link.

| Plan Type    | Starts On  | Status | Plan Name             | Pre-Tax Costs        | Post |
|--------------|------------|--------|-----------------------|----------------------|------|
| Voya 457     | 09/24/2017 |        | Voya 457 Plan         | 10.00000 % Bi-weekly |      |
| PERS         | 05/18/2015 |        | DPSRP General Service |                      |      |
| Monthly Pass | 06/04/2015 |        | Net Monthly Pass      | 50.00 USD Bi-weekly  |      |

\* New enrollments entered in the system by the 15th of the month will be reflected on the first paycheck received the following month. Enrollments entered after the 15th of the month are reflected the month after.





# Deferred Compensation Provisions

## Age 50 Catch-Up

- The regular contribution limit is \$19,000 for those under age 50. The age 50 catch-up limit is \$25,000 for 2019. Normal \$19,000 + \$6,000 for 2019 = \$25,000
- Qualify for this catch-up provision at age 50 (anytime in calendar year).

## 3 Years Prior to Normal Retirement Age (NRA)

- The 3 Year Catch-up provision allows participants to make up contributions for **prior eligible years** where the maximum contribution was not deferred.
- Available 3 years prior to Normal Retirement Age. Normal retirement age for Police & Fire employees is age 50 with 25 years of service or age 55 (Sworn before 1/2/2007).
- May contribute twice the regular deferral limit ( $\$19,000 + \$19,000 = \$38,000$  for 2019).
- This may change if the IRS announces new contributions limits.
- One-time Application is required for the 3 Year Catch-up.
- The maximum age to apply is 70 ½.

# *Deferred Compensation Before Retirement*

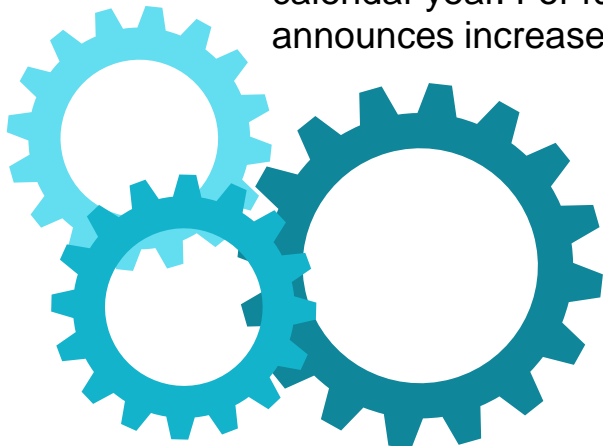
## **Final Paycheck Election**

You may elect on your final check when you retire to contribute your eligible payout accruals (based on the union contract you fall under) to your Deferred Compensation Plan account.

You must meet the following requirements:

1. Have a City Deferred Compensation account established. It's not too late to Enroll!
2. Return the Final Paycheck Election form to the Health & Financial Benefits Office prior to your last day of work and prior to your final paycheck processing.
3. The contribution of your eligible payouts would have to fall within your maximum limit for the year reduced by how much have already contributed for 2019.

If you are eligible for the 3 year special catch up, you may exceed the \$19,000 in this calendar year. For future catch-up years, the additional \$19,000 may increase if the IRS announces increased limits.



# Deferred Compensation After Retirement

## When Can I Access My Money?

- Retirement or Termination of Employment
- Unforeseen Emergencies (Application Required)

## What Can I Do With My Money After I Leave?

- Leave it the City's Deferred Compensation Plan and begin mandatory minimum distributions at age 70 ½
- Can move assets within the Plan just as you did as an active employee or rollover funds to an outside Investment Provider.
- Start drawing money from the account (pay taxes on withdrawals). Set-up automatic payments or take a lump sum distribution.
- You may choose to receive your payments by specific amount, specific period, or a lifetime payment (an annuity) to be payable monthly, quarterly, semi-annually or annually.
- Rollover to qualified plans (traditional IRA, 403(b), 401, and other government 457 plans) are permitted. 457 assets rolled to a non-457 plan may not be rolled back to a 457 plan.



# Deferred Compensation After Retirement

## Tax Information

### Is the amount you are considering before taxes (gross) or after taxes (net)?

- If payment will potentially last less than 10 years
  - The IRS requires a mandatory 20% federal tax withholding on withdrawals. You may request that additional taxes be withheld if you desire, but it cannot be a lesser amount.
  - If you are an Oregon resident, the Oregon state tax withholding is optional. It will be withheld at a rate of 8%, but you may request that additional taxes be withheld if you desire.
- If payment will potentially last more than 10 years
  - You will need to complete a W4-P included with the forms

**For Example:** You need \$1,000 net and want 20% federal and 8% state withheld. Taxes are calculated on the gross amount withdrawn, not the net.

- Net withdrawal amount divided by the net of tax rate 100%-28% (72%) equals *gross distribution*
  - \$1,000 net amount divided by net 72% equals \$1,388.89 gross.

***You may want to consult a tax advisor for assistance as neither Voya Financial nor Advantis can give tax advice.***



# Deferred Compensation Contact



- Create online access to your account
- Meet with a local Voya Rep to review investment allocations or financial planning assistance
- Online appointment system
- 503-937-0378



- Local Credit Union – Primary membership required to participate
- Branch offices throughout the Portland area
- 503-785-2528

## Participants can:

- Contribute to both options and/or rollover prior retirement funds
- Complete electronic beneficiary elections
- Apply for unforeseen emergency withdrawals
- Manage Voya changes through custom website

# *Questions? We are Here to Help!*

## **Debi Danielson**

Retiree & COBRA Administrator

(503) 823-6136

[Debi.Danielson@portlandoregon.gov](mailto:Debi.Danielson@portlandoregon.gov)

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Deferred Compensation Administrator

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## **Garrett W. Benson**

Benefits Analyst

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## **Retiree Benefits**

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Health & Financial Benefits  
HEALTHY LIVING. HEALTHY FUTURE.