



Transitioning to Retirement

A Message from the Provost



Dear colleagues,

Northwestern values our faculty's many contributions and insights. As you begin to move toward retirement, it is my sincere hope that you find ways to continue to participate

in University activities and transition into a new phase that is rewarding and intellectually stimulating.

This brochure outlines important steps toward this goal and the many resources available to help you attain a happy and healthy retirement.

Sincerely,
Jonathan Holloway
Provost

CONTENTS OF THIS BROCHURE

[Planning for Retirement](#)

[Deciding to Retire:](#)

[*Emeritus Status](#)

[*Phased Retirement Agreement](#)

[Financial Planning](#)

[Healthcare Planning](#)

[Northwestern Benefits for Retirees](#)

[Useful Websites](#)

Planning for Retirement

It's never too early to start thinking about what you want to do and the resources you'll need in retirement. Many retired faculty members remain involved with their departments to some degree, continuing to teach and to advise students and colleagues or become engaged in scholarly and other activities throughout the University. Others may look to open new doors, anticipating a stimulating and fulfilling retirement beyond the University. Developing your retirement interests before retiring helps smooth the transition. Ideally, start planning well before you expect to retire—10 or 15 years ahead is not too soon.

Another consideration is where and how you wish to live. Many retirees choose to remain in

the Chicago area; for others, living near children or other family is important. You may want to stay in your home, or you may wish to downsize, perhaps moving to a condo or retirement community. If you think you want to move to another region, consider vacationing in the area before making a long-term commitment.

This brochure supplements the information available on the University's benefits website, which is regularly updated to reflect changes to programs and resources. Please visit northwestern.edu/hr/benefits/retirement/index.html for additional valuable information for your retirement planning.

Deciding to Retire

There is no one set of criteria for deciding when to retire. Some faculty find retirement inherently attractive, have alternative careers or lifestyle choices in mind, and wish to retire as soon as possible. Others continue to be stimulated by their University activities and defer retirement until diminished health or stamina requires it. Many are between these extremes.

Once you decide when you'll retire, you should notify your department chair or school dean. The University asks that you do this at least 90 days before your anticipated retirement, but providing longer notice helps your school and department by allowing more time to plan.

At this stage, there are two decisions to make:

Emeritus status. Many faculty wish to request emeritus status, a title that conveys prestige and carries certain benefits. Emeritus status is not granted automatically but is available to faculty who have at least 10 years of continuous full-time service at Northwestern and who are recommended by their school. Emeritus status is formally awarded by the Board of Trustees. If you wish to receive this status, you should request it from your school when you first give notice of your retirement plans.

Deciding to Retire, *continued*

Phased retirement agreement. The University's phased retirement option allows faculty to accept an appointment for reduced time but with full-time benefits (based on the phased retirement salary). This arrangement is made in consultation with the faculty member's dean, and is generally for up to three years at 50 percent of full-time responsibilities at 60 percent of what would be their full-time salary. In return, faculty commit to retire no later than a fixed date at

the end of the phase. This option requires agreement between the faculty member and the dean, and is approved by the provost. Many faculty find this an attractive way to retire gradually. To take advantage of this benefit, consult with your school's dean's office and the University's Benefits Division. The application form can be found at northwestern.edu/provost/docs/phased-retirement-agreement.pdf.

Financial Planning

The following information is intended as general advice about financial aspects to consider when preparing for retirement. Individuals should consult with their own financial planner for specific considerations, such as estimating the income necessary for their desired lifestyle in retirement. You may already have your own financial planner; TIAA and Fidelity also provide this service as part of the University's retirement plans. Information is available at northwestern.edu/hr/benefits/retirement/plan/meet-with-a-representative.html.

Another consideration for any prospective retiree is how you should allocate your retirement assets (University-sponsored retirement plans as well as IRA and other retirement assets) in the context of your broader savings and investments. As each person's financial situation and investment expertise is unique, consider working with a financial planner on such issues as required

distributions from retirement funds, annuities, and rollovers. Many tax-deferred accounts require that you begin taking distributions in the year you turn 70½.

A financial adviser can also provide input about when you should initiate Social Security benefits. The amount of your benefits depends on a number of factors, including your salary and duration of employment throughout your career and the age at which you begin collecting benefits. You should receive periodic reports from the Social Security Administration regarding your contributions and projected benefits. Find more information at ssa.gov.

You should also have an estate plan that includes a will or trust document specifying the distribution of your assets upon your death. This plan should also include a power of attorney for property and for healthcare decisions.

Healthcare Planning

You should apply for Medicare Part A upon reaching age 65 even if you are still actively teaching. There is no need to apply for Medicare Part B until you retire, as Northwestern's health coverage remains the primary payer. After retirement, there is a financial penalty if you delay in enrolling in Medicare Parts B and D (or C, which is an alternative to both). Once you enroll, you then begin to pay Medicare premiums and will likely find that your other health insurance premiums decline. Apply at [medicare.gov](https://www.medicare.gov).

Medicare does not cover all your medical expenses. There are exclusions, copayments, and deductibles. You have choices regarding how to supplement your Medicare coverage, including:

- **Continuing Northwestern healthcare benefits.** You may continue your enrollment in Northwestern's health, dental, and vision plans if you are enrolled in them at the time of retirement and do not let coverage lapse. The University ceases its contributions to these plans at the time of retirement; therefore you

cover the full cost of premiums. As these plans are comprehensive, they can be costly. You cannot add new coverages to these plans later; you must add them before retirement. Once you discontinue any of these plans, you may not re-enroll.

- **Private Medicare Supplemental and prescription drug plans.** Many insurance companies offer plans grouped in categories mandated by Medicare and based on the benefits offered. The University endorses the supplemental plans offered through UnitedHealthcare, but you should consider other companies as well, as premium costs can vary. Insurance brokers can help you find the best plan for your needs. A comparison of supplemental plans is available at [medicare.gov](https://www.medicare.gov).

UnitedHealthcare offers consultations with trained Medicare counselors who can help determine the best Medicare options for prospective retirees. Contact them at www.myuhcplans.com.

Northwestern Benefits and Other Resources for Retirees

The University offers a comprehensive suite of retiree benefits including continued library access, discounts to many University cultural and athletic events, and computer software discounts. Some benefits are available to all retirees while others are only for emeriti. These benefits signal the University's continuing commitment to retirees as part of its community.

Visit the Office of Human Resources website at northwestern.edu/hr/benefits/retirement for detailed, comprehensive information on retirement procedures and healthcare benefits.

The Northwestern Emeriti Organization is the University-wide body for emeriti faculty. Its mission is to advocate for the interest of emeriti, provide stimulating programs and events for emeriti, and connect emeriti with the University and local communities. All emeriti are NEO members. Members will be happy to talk confidentially with prospective faculty retirees. While NEO does not offer financial or legal advice, its members may be able to share personal experiences and respond to specific questions from prospective retirees. Contact NEO at emeritus-org@northwestern.edu or visit emeriti.northwestern.edu to learn more.

Useful websites

Northwestern retirement benefits

northwestern.edu/hr/benefits/retirement

Office of the Provost (information on retiring and phased retirement options, programs and services, emeritus status)

northwestern.edu/provost/faculty-resources/retirement

Northwestern Emeriti Organization

emeriti.northwestern.edu

AARP (American Association of Retired Professionals)

aarp.org

Medicare

medicare.gov

Medicare supplemental insurance and prescription drug programs

medigap.com

Social Security Administration

ssa.gov

Financial Planning Resources

- TIAA-CREF: tiaa.org
- Fidelity: fidelity.com
- Vanguard: investor.vanguard.com/corporate-portal

Lifestyle Planning

- Retiring Minds Want to Know
apa.org/monitor/2014/01/retiring-minds
- Are You Psychologically Ready to Retire?
psychologytoday.com/us/blog/cutting-edge-leadership/201501/are-you-psychologically-ready-retire