OHR BENEFITS END-USER DOCUMENTATION OVERVIEW

RETIRING AN EMPLOYEE

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### RETIRING AN EMPLOYEE

**ASU OHR Benefits Design & Management**  
**Health & Retirement Program Management Unit**

| **Purpose** | This process guide is written for use by departments who have an employee requesting retirement (separation from employment) from ASU. It is written to guide the department through the necessary policies and steps to submit a retirement request.  

The final step in this process, to update the retiring employee’s job record to reflect a retirement status or deny the request if the employee does not meet eligibility requirements, will be made through the Office of Human Resources Health & Retirement Program Management Unit (hereafter called Retirement Unit) based on eligibility rules. The Retirement Unit’s completion of this process does not ensure that the retirement will be processed and the job record updated, but it will ensure that the necessary steps have been taken to request a determination of eligibility to retire from ASU and to update the job record accordingly.  

**Important Note:** This process applies only to retiring employees from Arizona State University. It does not encompass other retirement actions, such as requesting retirement income, enrolling for retiree health benefits, filing an application for the Retiree Accumulated Sick Leave (RASL) program, etc. |
| **For more information:** | Employees considering retirement should review the [Retirement Planning website](#) for important information pertaining to retirement eligibility rules and retirement benefits. |
| **HR Contact:** |  
- [OHR Employee Service Center](#)  
- OHR Benefits Design & Management  
  **Health & Retirement Program Management Unit**  
  Call internal extension 2-1745 or email [HRRetirement@asu.edu](mailto:HRRetirement@asu.edu) |
| **Preparing to Retire** | Prior to initiating a request to retire with their department, employees should review the eligibility rules and retirement benefit information available through the [Retirement Planning website](#). Depending on the employee’s retirement plan, the eligibility rules may differ.  

ASRS members considering retirement in 6-12 months should attend an ASRS Getting Ready for Retirement Meeting (click [here](#) to view meeting information).  

All employees considering retirement in 1-2 months should attend an ASU pre-retirement seminar (click [here](#) to view seminar information) or view the seminar presentation (click [here](#) to view the presentation). |
### Eligibility

In general, retirement eligibility is as follows:

**Arizona State University (ASU)**  
Five years of continuous full-time employment in the Arizona university system and at least 50 years old (at least 41 years old if PSPRS member).

**Arizona State Retirement System (ASRS) hired prior to 7/1/2011**
- Normal Retirement  
  - Age 65 with any length of ASRS credited service  
  - Age 62 with at least 10 years of ASRS credited service  
  - 80 points (age plus years of ASRS credited service)
- Early Retirement  
  - Age 50 with at least 5 years of ASRS credited service

**Optional Retirement Plan (ORP)**
- Normal Retirement  
  - Age 65 with any length of service
- Phased Retirement Program  
  - At least age 62 if fully vested in the ORP and signed irrevocable written agreement with the University

**Public Safety Personnel Retirement System (PSPRS)**
- Normal Retirement  
  - Following 20 years of PSPRS credited service  
  - At age 62 with 15 years of PSPRS credited service  
Contact the Retirement Unit or PSPRS for information about other types of retirement, such as deferred and disability retirements.

### Termination of Group Insurance

The employee’s group insurance through ASU will end on the last day of the pay period in which the employee is actively employed. For example, if the employee’s last day on payroll is June 30, 2010, the employee’s group insurance will end at midnight on July 11, 2010. The employee’s retirement effective date will be July 1.

Refer to the applicable Payroll Calendar for specifics.

### Additional Resources for the Retiring Employee

The retiring employee should be directed to the Retirement Planning website for important information about retirement eligibility rules and retirement benefits. Important resources include:

- ASU Retiree Benefits Handbook  
- ASRS Retiree Health Insurance Guide  
- ADOA Retiree Health Insurance  
- Retirement Checklist  
- ASU Retirees Association  
- Retiree Accumulated Sick Leave (RASL) Program (see below)  
- ADOA COBRA Information  
- Social Security Administration
| **Retiree Accumulated Sick Leave (RASL) Program** | Retiring employees may be eligible to receive a percentage payment of their accumulated sick leave balance, from 500 to 1,500 hours, upon retirement. The benefit amount is calculated based on average hourly pay rate, number of sick leave hours and a percent based on the number of accrued sick leave hours at retirement. The maximum benefit value is $30,000, payable in three equal annual installments. Participants in the 457(b) Deferred Compensation Plan have the option to defer their first annual installment payment to their 457(b) account.

This program is administered by the State of Arizona General Accounting Office. Visit [www.gao.az.gov/rasl/](http://www.gao.az.gov/rasl/) or call (602) 542-5601 for more information.

It is recommended that the retiring employee submit their RASL application to Retirement Unit before they retire. |
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| **Before you start** | Prior to submitting the Retire Employee request through Manager Self Service in PeopleSoft, the following steps should be completed:

1) The employee should notify their supervisor/department in writing of their intent to retire. The letter should include:
   - The intended last date to be worked,
   - The intended last date of used vacation, if applicable,
   - The intended retirement effective date (see below), and
   - A request for lump sum payment of vacation hours, if applicable (refer to SPP 702-1 for specifics).

2) The department and employee will identify and confirm the actual last date worked or actual last date of used vacation (retirement effective date). The retirement effective date may vary depending on the use of remaining vacation hours prior to retirement. A lump sum payment of vacation hours is not included when determining the retirement effective date. |
| **Calculate Retirement Effective Date** | The retirement effective date is the day after the last date worked OR the last date of vacation leave taken. It is the first day that the employee is no longer employed by the university. The retirement effective date can be a weekend or a holiday. |
| **Vacation** | An employee may use their accrued vacation between their last day at work and their retirement effective date (subject to their department’s approval) or request a lump sum payout upon retirement. See SPP 702-01: Vacation Leave for additional details. |
Initiate the HRIS Action

Step 1
From the ASU Home Page, access MyASU:

ASU Home Page: http://www.asu.edu/

Step 2
Authenticate into MyASU:

Enter your ASURITE and Password.
Step 3  Click on the “Manage” tab and select Job and Personal Information.

Step 4  Select Retire Employee:

Step 5  Enter the effective date and click Continue.
Step 6  Select the employee and click Continue.

Submit the Retirement Request

Select the appropriate Reason for Retirement and click Submit.

There are four reasons available (additional explanation can be found in the HRIS Action-Reason Key Definitions reference). Each reason assumes the employee meets the retirement eligibility rules.

- **Retirement** – Selected for an employee who has chosen retirement, meets all requirements (which can be found [here](#)) and whose employment has not yet been terminated for cause by the university.
- **Invol – Retirement in Lieu of Term** – Selected for an employee who has chosen retirement rather than an involuntary termination.
- **Retire Complete Contract** – Selected for an employee who has chosen retirement rather than involuntary termination due to completion of contract.
- **Retire Reduction Force** – Selected for an employee who has chosen retirement rather than termination due to an involuntary reduction in force.
**Step 8**

Click OK to complete the transaction.

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**Step 9**

The confirmation below will display.
| **Determination of Eligibility** | The Retirement Unit will review each retirement request to determine eligibility on Wednesdays before the end of the pay period in which the retirement effective date occurs.

If the employee is eligible to retire from ASU, the Retirement Unit will complete the process.

If the employee is **not** eligible to retire from ASU, the Retirement Unit will notify the department via email. |
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| **Notifications** | The employee will be notified of their retirement eligibility or any questions about eligibility by their department HR representative. |
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| **Correcting Errors** | **Retirement Effective Date:** As soon as it is found that the retirement effective date is incorrect, the department will notify [HRRetirement](#) (create a CRM case) and provide the correct retirement effective date as well as the reason for the correction. The Retirement Unit will forward the CRM case to Data Management and request that the employee’s job data record be updated to reflect the correct retirement effective date.

**Action/Reason** (employee terminated instead of retired): As soon as it is found that the reason for leaving is incorrect, the department will notify [HRRetirement](#) (create a CRM case) and provide the correct action/reason codes as well as the reason for the correction. The Retirement Unit will verify the employee’s eligibility to retire and forward the CRM case to Data Management and request that the employee’s job data record be updated to reflect the correct action/reason codes.

**Late Requests** (after Manager Self Service lock out for the pay period in which the retirement effective date occurs): As soon as it is found that the employee is active but should be retired, the department will notify [HRRetirement](#) (create a CRM case) with the employee’s retirement effective date and reason code. Upon verification of eligibility to retire, the Retirement Unit will manually update the employee’s job record. This method of correction ensures that the system reflects accurate dates and reason for leaving. The department must work with their Payroll Specialist to resolve any wage overpayment or pay discrepancy issues. |
| Post-Retirement Employment | Under any State authorized retirement system, any oral, written or expressed agreement to return to work made before retirement is a void of the retirement itself.  

Retired university employees who are receiving a benefit from the Arizona State Retirement System (ASRS) or Optional Retirement Plan (ORP) may be reemployed if:  
- Their employment is to the university’s advantage,  
- The appropriate provost, vice president or designee approves the reemployment, and  
- HR determines an appropriate salary rate based on the job to be performed, if different from the previously held job.  

ASRS Members  
Review the ASRS Guidelines Working After Retirement and contact the ASRS if there are any questions prior to accepting a post-retirement position with an ASRS employer.  

Retired ASRS members are required to complete an ASRS Retiree Return to Work Form upon returning to work. The completed form must be faxed to the Retirement Unit at (480) 993-0008. The Retirement Unit will complete the employer’s section and forward the fully-completed form to the ASRS for their records. If applicable, the ASRS will notify the Retirement Unit if the retired member must suspend their pension benefits and contribute to the plan.  

PSPRS Members  
Contact PSPRS or ASU Office of Human Resources. |