

Winston Salem State University

Phased Retirement Program for Tenured Faculty

Explanation of Deductions and Benefits for Phased Retirement

| Type of Deduction | Disposition of Benefit or Deduction | Deductions Taken Form | | |
|-------------------|-------------------------------------|-----------------------|---|--|
| | | WSSU 50% Income | TSERS Income | ORP Income |
| FICA (OASDI) | Deduction Continues | Yes | No | No |
| FICA (Medicare) | Deduction Continues | Yes | No | No |
| Federal Taxes | Deduction Continues | Yes | Yes, deduction can be withheld. If contributions were made prior to July 1, 1982 and if a retirement service credit was purchased, a portion of TSERS is not subject to Federal Taxes | Yes, except contributions made prior to July 1, 1982 are not subject to Federal Tax. Earnings on employee contributions made prior to July 1, 1982, as well as Employer contribution and earnings are subject to Federal Taxes |
| State Taxes | Deduction Continues | Yes | Yes. The amount of retirement income subject to state income tax is the same amount subject to federal tax less an exclusion as large, in some cases, as \$4,000. If you had five or more years of creditable service toward retirement as of August 12 1989, your TSERS retirement benefit, no matter what amount, is exempt from NC State income tax while your reside in North Carolina. | Yes, except if you were enrolled in ORP on or before August 12, 1989, your ORP retirement benefit, no matter what the amount, is exempt from North Carolina, while your reside in North Carolina. |

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| | | WSSU 50% Income | TSERS Income | ORP Income |
| TSERS or ORP | Benefit Ceases | No | No | No |
| TSERS Death Benefit | Benefit Ceases | N/A | N /A | N/A |
| Health Insurance (State Health Plan of North Carolina) | Benefit Continues | Yes, but only if you do not begin retirement income from TSERS or ORP. Since phased retirement is a 50% assignment there is no university contribution to the insurance. | Yes. Individual coverage is paid by TSERS. Dependent coverage can be deducted from your retirement check. | No. Individual coverage is paid by TSERS. Dependent coverage is available, with payments made by the individual to the State Health Plan. Retiree is responsible for paying premiums directly to BCBS. |
| Disability Income Plan of | Benefit Ceases | N/A | N/A | N/A |
| Supplemental Disability | Benefit Ceases | No | No | No |
| Supplemental Disability (The | Benefit Ceases | No | No | No |
| Health Care Spending | Benefit Continues | Yes | No | No |
| Dependent Day Care Account | Benefit Continues | Yes | No | No |
| Vision Insurance (Superior | Benefit Continues | Yes | No | No |
| Dental (United Concordia) | Benefit Continues | Yes | No | No |
| Voluntary Group Term Life | Benefit Continues Conversion | Yes | No | No |

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| Voluntary Group Term Life Ins. (ING) | Benefit Continues | Yes | No | No |
| AD&D Insurance (AC Newman) | Benefit Continues | Yes | No | No |
| AD&D (Reliance Standard) | Benefit Continues | Yes | No | No |
| Cancer Insurance (American Heritage Life) | Benefit Continues | Yes | No | No |
| Critical Illness Plan (MetLife) | Benefit Continues | Yes | No | No |
| 401K | Benefit Cashes | No | No | No |
| 403(b) | Benefit Continues | Yes | No | No |
| 457 | Benefit Continues | Yes | No | No |
| Worker's Compensation | Benefit Continues | No deduction when actively employed | N/A | N/A |
| Gym and Pool Privileges | Benefit Continues | Yes | No | No |
| Direct Deposit | Continues | Yes | Yes | Yes |
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