

What does phased retirement mean?

You may ask, “when does my calling end?”, and our response would be “it doesn’t end.” However, you have some opportunities that can help you reposition yourself so that you can maximize your impact, effectiveness and influence. The phased retirement journey is a process of repositioning yourself by taking advantage of important age and benefit milestones that make new options available. This can happen in 3-months or over a 20-year period, but the concept is that you can begin to **retire from fundraising** as you utilize the funding resources you have set aside over your career.

What are the milestones that give me new options to consider?



Age 62

When you turn 62 and you have served with The Navigators for the past 10 years, you meet the Normal Retirement Age (NRA). This does not mean that you must retire but it does mean that you could have additional options and choices available if you wish to begin the phased retirement journey.

If NRA applies to you (age 62 and 10 years of service) and you reduce your hours to work less than 20 per week, you may have the opportunity to continue some benefits under the Retiree Elections.

- **Retiree Elections** - If you have been covered by medical, dental, and life insurance for the past 10 years, you would have the opportunity to continue this coverage if you elect this option within 31 days of reducing your hours below 20 per week.
- **401(a) Retirement Plan withdrawals** - You are now eligible to take withdrawals from your 401(a) Basic Retirement Plan even though you are still working. Contact Fidelity at 800-343-0860 for assistance to begin your withdrawals.
- **Ministerial Earnings (ME)** - Review the Ministerial Earnings Q & A and get a strategy in place to best utilize this great tax savings vehicle. To view your ME balance sign into Fidelity’s netbenefits.com

Social Security - You are eligible to receive a Social Security (SS) benefit if you have worked the required 40 quarters (see ssa.gov for more information about SS). And don’t forget that your spouse is eligible for their own benefit or a spousal benefit based on your worker benefit. To determine the best strategy for claiming your, or your spouses’ Social Security benefit, request the assistance of your financial planner or search for a Fidelity Investment Center near you. Fidelity can provide this service free of charge because you are investing through Fidelity. Understanding the best strategy for you and your spouse to begin to draw your benefit is a crucial part of the phased retirement journey.

Taking your Social Security benefit at age 62 means that you are taking your benefit early and you would receive between 70 to 80 percent of your full SS benefit. This reduction in your benefit will be permanent and if you are still working you may be

limited on what you can earn without an additional reduction of your SS benefit. However, if your spouse has earned their benefit and they are not working more than the earnings limitation it may be possible for them to start their benefit.



Age 65

At age 65 there are benefit changes and new opportunities available.

Life Insurance - Your term life insurance coverage (both Basic and Supplemental) will be reduced by 35 percent on your 65th birthday. The reduction in volume and adjusted premiums will take effect on the first day of the month following your birthday. This means there will be some adjustments to your spouse's coverage as well.

Life insurance coverage gets more expensive as you grow older and the term life insurance offered by The Navigators is available while you are an employee. It is always a good idea to periodically check on how much life insurance you need. There are many online calculators to help you estimate your needs or your financial planner can help. The enclosed worksheet, [*How Much Life Insurance Do I Need?*](#), may get you started.

Long-Term Disability - If you were to become disabled after age 65, your 66-2/3 percent wage replacement benefit would end when you become eligible for the full Social Security benefit.

Medicare - Most Americans are eligible for Medicare at age 65. Here are some important resources to help you understand Medicare and its benefits to you:

- *Medicare Options* helps you compare Navigator coverage and Medicare coverage and determine what is best for your family.
- *Medicare and You*, provided by Medicare each year, provides a phone number for the State Health Insurance Assistance Program (SHIP) in your state. SHIP offers classes, counselors and information about what providers are licensed to sell Medicare Parts C and D and Medigap products in your state. It is important to work with a reliable insurer and broker when purchasing any insurance product.

You may reject The Navigators medical coverage but you *must notify the Benefits Team within 31 days* of your Medicare start date. Please note: When you participate in The Navigators medical coverage the premiums are paid by the ministry account, but if you transition to Medicare you will pay the premiums from your after-tax salary. If you are still working 20 or more hours per week you will remain eligible for all other benefits.

Ministerial Earnings (ME) - Review the *Ministerial Earnings Q & A* and set a strategy in place to best utilize this great tax savings vehicle. To review your ME balance, go to netbenefits.com or to start your retirement withdrawals, contact Fidelity at 800-343-0860.



Social Security Full Retirement Age (FRA)

Social Security (SS) – You are eligible to receive your full SS benefit without an earnings limitation when you reach the SS FRA. Everyone’s SS FRA is based on the year they were born. If you were born after 1938 the FRA is gradually increasing. Please refer to www.ssa.gov and the FRA calculator to determine what your FRA is.

Disability - If you become disabled after your Social Security FRA the disability benefit will end at age 70.

Ministerial Earnings - Review the *Ministerial Earnings Q & A* and get a strategy in place on how to best utilize this great tax savings vehicle. To review your ME balance, go to netbenefits.com or to start your retirement withdrawals, contact Fidelity at 800-343-0860.



Age 70

Life Insurance - Your life insurance coverage (both Basic and Supplemental) will be reduced by 50 percent of the amount in effect prior to your 65th birthday. The reduction in volume and adjusted premiums will take effect on the first day of the month following your birthday. This means there will be some adjustments to your spouse’s coverage as well. Refer to the *Reductions in Life Insurance* section in the *Benefits Handbook* for detailed information on these changes.

Disability – If you become disabled after you turn 70 you may receive a disability benefit for one year.

Social Security – There is no benefit to delaying your Social Security benefit after age 70.

Ministerial Earnings - Review the *Ministerial Earnings Q & A* and set a strategy on how to best utilize this great tax savings vehicle. To review your ME balance, go to netbenefits.com or to start your retirement withdrawals, contact Fidelity at 800-343-0860.

When is my Navigator career ended?

Your career with The Navigators will end when you stop receiving donor income and close your Field Cost Center (Ministry Account). This does not mean that you stop ministry, but with this step you have officially retired from fundraising.

You have the option to continue receiving communication from The Navigators that will provide homegoing announcements and important leadership updates.

What steps do I take to end my career?

You and your supervisor need to coordinate your last day and communication with your donors. For a timeline and specific steps please refer to the document, *Start the Conversation*.