

Your Retiree Benefits

September 20, 2018

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Things to Consider When Deciding to Retire

- What is my financial situation?
- Am I really ready to take this step?
- Do I qualify for the Rule of 75?
- Where do I start to get the answers to these questions?

Penn's Rule of 75

What is it and how does it work?

- The rule of 75 determines your eligibility for participating in one of Penn's retiree medical plans.
- Minimum age 55 and a minimum of 10 years of full time continuous service (bridged service not eligible) and age and service add up to 75
- Whole age and whole years of service used to calculate

Examples:

Hired full-time in 2008 @ age 45, In 2018- 10 years + age 55. $55+10 = 65$ - not eligible

Hired full-time in 2001 @ age 48, retiring in 2018 - age 65 + 18 yrs of svc = 83 yrs - eligible



Medical Benefits in Retirement

What happens once I meet the Rule of 75?

- You can retire – and be eligible for subsidized retiree medical
- You vest in retiree medical, but you can continue to work
- There is no loss of benefit entitlement once you meet the rule
- You may consider Phased Retirement option (staff only)

Options Available upon Retirement

- Begin Retiree Benefits Immediately
- Defer – current dependents only
- Waive – cannot come back

When I'm 65 and Continue to Work

If you continue to work and are covered by an employer group health plan....

- You may sign up for Medicare Part A – no cost
- Defer Medicare Part B – because there is a cost.
- If you or your spouse are collecting Social Security you will automatically enrolled and need to turn down coverage for Part B (return the card)
- When you retire you will be eligible for a special Enrollment Period that permits you to enroll in Part B without penalty.

Retirement Before Age 65

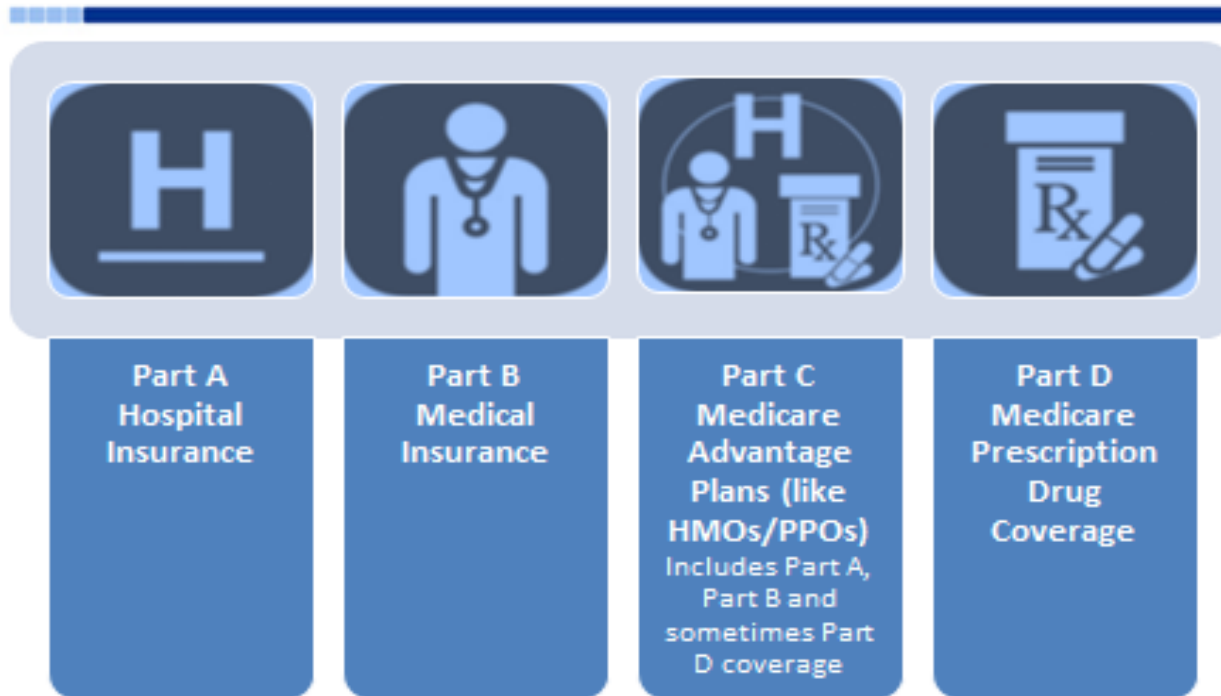
- Same medical plans offered to active employees (except the High Deductible Plan)
- Cost sharing not the same as for active employees
 - PennCare/Personal Choice PPO
 - Aetna Choice POS II
 - Keystone/AmeriHealth HMO
 - CVS/Caremark Rx is part of each of the medical plans

Retirement at Age 65 or Older

- Medicare Supplement (Medigap) or Medicare Advantage Plans are available to retirees age 65 or over OR if under 65 disabled and already eligible for Medicare.
- Certain plans coordinate or supplement Medicare
 - IBC Medigap Security 65 Plans (Premium and Standard)
 - These plans ‘wrap around’ your Medicare Parts A & B
- Medicare Advantage Plans
 - Aetna Medicare PPO
- SilverScript Medicare Part D Prescription Plan – separate benefit; separate cost

Understanding Medicare

The 4 Parts of Medicare



Original Medicare

or

Medicare Advantage Plan

Part A
Hospital
Insurance

Part B
Medical
Insurance

You can add

Penn Plans:
IBC Medigap
Security 65
Premium and
Standard

**Penn Part D
Plan
SilverScript**

Penn Plan:
Aetna Medicare PPO
Keystone 65 HMO

May include, or you may be able
to add

Part D
Prescription Drug Coverage

Penn Plan
SilverScript

SilverScript Rx Plan

- Penn sponsored SilverScript is a Medicare Part D Prescription Plan
- Two parts – Primary Med D plan and secondary Wrap plan
- Cannot enroll in Penn sponsored SilverScript if you enroll in a non-Penn sponsored Medicare Part D plan
- If you enroll in a Penn Medicare Advantage plan, you must enroll in SilverScript
- Opting out of Penn sponsored SilverScript is permanent

Dental and Vision

- You may continue your active dental (MetLife and Penn Dental) thru COBRA
- You may elect the MetLife Retiree dental plan
- This plan is not available to a surviving spouse or dependent
- You may choose the Aetna Vital Savings Plan (a discount dental and vision plan)
- You may continue your active vision plan (VSP or Davis Vision) thru COBRA

Retiree Dental Rates – 2018-2019

Retiree Dental Plan Design		
In-network	2018	2019
Type A Services (Preventive)	100%	100%
Type B Services (Basic Restorative)	50%	80%
Type C Services (Major Restorative)	25%	25%
Deductible (applies to Type B and C Services)	\$50 / \$150	\$50 / \$150
Annual Maximum	\$1,000	\$1,500
Retiree Only	\$24.78	\$29.71
Retiree Plus 1	\$49.76	\$59.66
Retiree Plus Family	\$74.55	\$89.39

Red text indicates a change over current

Life Insurance

- The University provides a life insurance benefit of \$5,000
- You may convert your basic and supplemental life insurances that you had as an active employee
- If you pass away within 30 days of your last day of work, it is assumed you would have converted and the full benefit is paid
- You may convert an amount less than the full benefit you had at the time you retired
- Beneficiary updating important!

Other Benefits

- Tuition benefit is available to you as the retiree and eligible dependents
- Penn ID – you may get a PENNID in retirement that allows you access to the Library and gym
- Long Term Care Insurance – you may continue this insurance on a direct-bill basis
- Health Advocate – assistance with medical claims problems, complex healthcare issues, insurance-related problems, eldercare problems



Other Things to Know

- Monthly premiums for any benefits elected are billed thru PayFlex
- Keep the University updated regarding address changes
- Everest Funeral Planning and Concierge Service is available as a retiree
- Make sure your life insurance beneficiary is up-to-date
- Prior service bridging does not apply to eligibility for Rule of 75



Medical Non-Medicare Eligible

Medical Medicare-Eligible Rates (Hired before 1/1/2006)

Medicare Rates	Aetna Medicare Plan (PPO) 2018	Aetna Medicare Plan (PPO) 2019	Medigap Security 65 Standard (Medicare Supplement) 2018	Medigap Security 65 Standard (Medicare Supplement) 2018	Medigap Security 65 Premium (Medicare Supplement) 2018	Medigap Security 65 Premium (Medicare Supplement) 2019
Single						
Medical Only	\$168	\$112	\$67	\$39	\$107	\$82
Medical & Prescription	\$268	\$202	\$167	\$129	\$207	\$172
Family						
Medical Only	\$336	\$224	\$134	\$78	\$214	\$164
Medical & Prescription	\$536	\$404	\$334	\$258	\$414	\$344

Non Medicare Pre 65 rates	Aetna Choice POS II 2018	Aetna Choice POS II 2019	Keystone / AmeriHealth HMO 2018	Keystone / AmeriHealth HMO 2019	PennCare / Personal Choice (PPO) 2018	PennCare / Personal Choice (PPO) 2019
Retiree (Single)	\$270	\$210	\$285	\$168	\$316	\$255
Retiree + 1	\$540	\$420	\$570	\$336	\$632	\$510
Retiree + 2 or more	\$702	\$630	\$741	\$504	\$822	\$765

Medical Non-Medicare Eligible Medical Medicare-Eligible Rates (Hired after 1/1/2006)

Medicare Rates	Aetna Medicare Plan (PPO) 2018	Aetna Medicare Plan (PPO) 2019	Medigap Security 65 Standard (Medicare Supplement) 2018	Medigap Security 65 Standard (Medicare Supplement) 2019	Medigap Security 65 Premium (Medicare Supplement) 2019	Medigap Security 65 Premium (Medicare Supplement)
Single						
Medical Only	\$168	\$112	\$67	\$39	\$107	\$82
Medical & Prescription	\$268	\$202	\$167	\$129	\$207	\$172
Family						
Medical Only	\$384	\$286	\$181	\$140	\$262	\$226
Medical & Prescription	\$659	\$533	\$456	\$387	\$537	\$473
Non Medicare Pre 65 Rates						
Non Medicare Pre 65 Rates	Aetna Choice POS II 2018	Aetna Choice POS II 2018	Keystone / AmeriHealth HMO 2018	Keystone / AmeriHealth HMO 2019	PennCare / Personal Choice (PPO) 2018	PennCare / Personal Choice (PPO) 2019
Retiree (Single)	\$270	\$210	\$285	\$168	\$316	\$255
Retiree + 1	\$742	\$664	\$772	\$636	\$834	\$712

Dental Coverage (MetLife Retiree Only) Vision and Dental Discount Coverage

Vital Savings by Aetna	
Your monthly contribution	
Single	\$4.00
Family	\$7.00

MetLife PDP	
Your monthly contribution	
Retiree (Single)	\$24.78
Retiree + 1	\$49.76
Retiree + 2 or more	\$74.55

Medicare Part B Premium

2018 Medicare Part B Premium

Annual income	Annual Income Joint	Monthly premium
$0 \leq 85,000$	$\$0 \leq 170,000$	134.00
$> 85,000 \leq 107,000$	$> 170,001 \leq 214,000$	187.50
$> 107,000 \leq 160,000$	$> 214,001 \leq 320,000$	267.90
$> 160,000 \leq 214,000$	$> 320,001 \leq 428,000$	348.30
$> 214,000$	$> 428,000$	428.60



Medicare Part D Premium Adjustment

2018		
Annual income Individual	Annual income joint	Monthly premium adjustment
$0 \leq 85,000^2$	$\$0 \leq 170,000$	0
$> 85,000 \leq 107,000$	$> 170,001 \leq 214,000$	13.00
$> 107,000 \leq 160,000$	$> 214,001 \leq 320,000$	33.60
$> 160,000 \leq 214,000$	$> 320,001 \leq 428,000$	54.20
$> 214,000$	$> 428,000$	74.80

Financial Examples

Based on 65 yr old monthly paid employee with a salary of 80,000 as of 7/1/18. (individual)

What you will pay for PennCare as an active employee	207.00
What you will pay as a Retiree for IBC Security 65 Medigap Premium	207.00
What you will pay for Medicare Part B	134.00
What you will pay for Medicare Part D	<u>0.00</u>
Total	\$341.00

Based on 65 yr old married employees with joint income of 170,000 as of 7/1/18. (Emp + Spouse)

What you will pay for PennCare as an active employee	509.00
What you will pay as a Retiree for IBC Security 65 Medigap Premium	408.00
What you will pay on Medicare Part B	134.00
What your spouse will pay on Medicare Part B	134.00
What you will pay for Medicare Part D	13.00
What your spouse will pay for Medicare Part D	<u>13.00</u>
Total	\$702.00

How to start

- Contact Human Resources/Benefits office to confirm that you meet the Rule of 75 based on your target retirement date
- benefits@hr.upenn.edu
- Request a Pre-Retirement Counseling binder be prepared for you
- Face-to-face meeting will be arranged



Important Contact Information

- Human Resources – 215.898.3539
- benefits@hr.upenn.edu
- Penn Benefits Center – 1.888.PENNBEN
(1.888.736.6236)
- Penn Retirement Center – 1.877.PENNRET
(1.877.736.6738)
- Health Advocate – 1.866.799.2329