Your Retiree Benefits
May 23, 2017

Presented by:
Sue Sproat
Things to Consider When Deciding to Retire

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

What is it and how does it work?
- 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
- Effective 1/1/17 periods of part time service no longer treated as a break in service
  - Examples: hired in 2007@ age 45, In 2017- 10 yrs & age 55 but 55+10 ≠ 75

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)
Phased Retirement

- Allows a staff member to gradually reduce schedule in preparation for retirement, if the business needs permit it.
- Each Department will work with the colleague to determine the appropriate duration up to a maximum of 2 years.
- Staff member must work at least 60% of prior work schedule.
- Salary will be reduced in proportion to reduction in the level of work and may be adjusted for promotional, merit or other increases. Benefits are not reduced.
- Staff member must agree to adjust phased work schedule further if organizational needs so require.
- University retains right to terminate agreement at any time for any lawful reason.
- [https://www.hr.upenn.edu/myhr/resources/policy/benefits/phased-retirement-policy](https://www.hr.upenn.edu/myhr/resources/policy/benefits/phased-retirement-policy).
- Staff member must agree to adjust phased work schedule further if organizational needs so require.
Medical Benefits in Retirement

Options Available upon Retirement

- Begin Retiree medical immediately?
- COBRA for Dental or Vision?
- Defer or Waive?
- Select Medical & Rx?
- Select Medical only?
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 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
  - Keystone 65 HMO

- **SilverScript Medicare Part D Prescription Plan** – separate benefit; separate cost
Understanding Medicare

The 4 Parts of Medicare

- Part A: Hospital Insurance
- Part B: Medical Insurance
- Part C: Medicare Advantage Plans (like HMOs/PPOs) which includes Part A, Part B and sometimes Part D coverage
- Part D: Medicare Prescription Drug Coverage

Medicare Getting Started
Your Medicare Coverage Choices

Original Medicare

- 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

Medicare Advantage Plan

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
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
### Medical Non-Medicare Eligible

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

<table>
<thead>
<tr>
<th></th>
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<td><strong>Medical Only</strong></td>
<td>$142</td>
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<th>PennCare / Personal Choice (PPO)</th>
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<td>$253</td>
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<td>$600</td>
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<td><strong>Retiree + 2 or more</strong></td>
<td>$657</td>
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<td>Medical Non-Medicare Eligible</td>
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<td>Retiree + 2 or more</td>
<td>$960</td>
<td>$989</td>
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### Dental Coverage (MetLife Retiree Only)
#### Vision and Dental Discount Coverage

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<tr>
<th>Plan</th>
<th>Vital Savings by Aetna</th>
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<td>Your monthly contribution</td>
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<td>Single</td>
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<td>Family</td>
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<tr>
<th>Plan</th>
<th>MetLife PDP</th>
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<td>Your monthly contribution</td>
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<tr>
<td>Retiree (Single)</td>
<td>$24.78</td>
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<td>Retiree + 1</td>
<td>$49.76</td>
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<td>Retiree + 2 or more</td>
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## 2017 Medicare Part B Premium

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<th>Annual income Individual</th>
<th>Annual income Joint</th>
<th>Monthly premium</th>
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<td>$0 ≤ $85,000</td>
<td>$0 ≤ $170,000</td>
<td>$134.00</td>
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<td>&gt; 85,000 ≤ 107,000</td>
<td>&gt; 170,001 ≤ 214,000</td>
<td>187.50</td>
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<td>&gt; 107,000 ≤ 160,000</td>
<td>&gt; 214,001 ≤ 320,000</td>
<td>226.90</td>
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<td>&gt; 160,000 ≤ 214,000</td>
<td>&gt; 320,001 ≤ 428,000</td>
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<tr>
<td>&gt; 214,000</td>
<td>&gt; 428,000</td>
<td>428.60</td>
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Annual Deductible is $183 per person
## Medicare Part D Premium adjustment

### 2017

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<tr>
<th>Annual income Individual</th>
<th>Annual income Joint</th>
<th>Monthly premium adjustment</th>
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<tbody>
<tr>
<td>$0 ≤ $85,000²</td>
<td>$0 ≤ $170,000</td>
<td>$0</td>
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<tr>
<td>&gt; 85,000 ≤ 107,000</td>
<td>&gt; 170,001 ≤ 214,000</td>
<td>13.30</td>
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<tr>
<td>&gt; 107,000 ≤ 160,000</td>
<td>&gt; 214,001 ≤ 320,000</td>
<td>34.20</td>
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<tr>
<td>&gt; 160,000 ≤ 214,000</td>
<td>&gt; 320,001 ≤ 428,000</td>
<td>55.20</td>
</tr>
<tr>
<td>&gt; 214,000</td>
<td>&gt; 428,000</td>
<td>76.20</td>
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</table>
Based on 65 yr old monthly paid employee with a salary of 80,000 as of 7/1/17. (Individual)

What you will pay for PennCare as an active employee 204.00
What you will pay as a Retiree for IBC Security 65 Medigap Premium 204.00
What you will pay for Medicare Part B 134.00
What you will pay for Medicare Part D 0.00
Total $338.00

Based on 65 yr old married employees with joint income of 170,000 as of 7/1/17. (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 you will pay on Medicare Part B 134.00
What you will pay for Medicare Part D 13.30
What you will pay for Medicare Part D 13.30
Total $702.60
How to start

- Contact Human Resources/Benefits office to confirm that you meet the Rule of 75 based on your target retirement date
- Request a Pre-Retirement Counseling session
- A customized binder will be prepared for you to pick up at 3401 Walnut Street, 5th Floor or have mailed to your home
- Face-to-face meeting will be arranged
Important Contact Information

- **Human Resources** – 215.898.3539
- **Penn Benefits Center** – 1.888.PENNBEN (1.888.736.6236)
- **Penn Retirement Center** – 1.877.PENNRET (1.888.736.6738)
- **Health Advocate** – 1.866.799.2329
- **Everest Funeral Concierge** – [www.everestfuneral.com](http://www.everestfuneral.com)
Transition to Retirement

- Tax Deferred Retirement Plan (TDR)
- Supplemental Retirement Annuity (SRA)
- Investment carriers – TIAA-CREF and Vanguard
- Retirement Allowance Plan (RAP)