Your Retiree Benefits
May 22, 2018

Presenter:
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

Examples:
Hired full-time in 2008@ age 45, In 2018- 10 years + age 55. 55+10 does not equal 75
Hired full-time in 2001@ age 48, retiring in 2018- age now 65 + 18 yrs of svc= 83 yrs Eligible

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)
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

- 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) Includes Part A, Part B and sometimes Part D coverage
- Part D Medicare Prescription Drug Coverage
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

or

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

Medicare Getting Started
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
- 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)

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Single</strong></td>
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<tr>
<td>Medical Only</td>
<td>$168</td>
<td>$67</td>
<td>$107</td>
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<tr>
<td>Medical &amp; Prescription</td>
<td>$268</td>
<td>$167</td>
<td>$207</td>
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<td><strong>Family</strong></td>
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<tr>
<td>Medical Only</td>
<td>$336</td>
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<td>Medical &amp; Prescription</td>
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## Non Medicare Pre 65 rates

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<tr>
<th></th>
<th>Aetna Choice POS II</th>
<th>Keystone / AmeriHealth HMO</th>
<th>PennCare / Personal Choice (PPO)</th>
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<tbody>
<tr>
<td>Retiree (Single)</td>
<td>$270</td>
<td>$285</td>
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<td>Retiree + 1</td>
<td>$540</td>
<td>$570</td>
<td>$632</td>
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<td>Retiree + 2 or more</td>
<td>$702</td>
<td>$741</td>
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<tr>
<td><strong>Family</strong></td>
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<tr>
<td>Medical Only</td>
<td>$384</td>
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<td>Medical &amp; Prescription</td>
<td>$659</td>
<td>$456</td>
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<td>$742</td>
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<td>Vital Savings by Aetna</td>
<td>MetLife PDP</td>
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<td></td>
<td>Your monthly contribution</td>
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# Medicare Part B Premium

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<th>Annual income</th>
<th>Annual Income Joint</th>
<th>Monthly premium</th>
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<td>$0 \leq 85,000</td>
<td>$0 \leq 170,000</td>
<td>134.00</td>
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<td>$85,000 \leq 107,000</td>
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<td>$107,000 \leq 160,000</td>
<td>$214,001 \leq 320,000</td>
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<td>$160,000 \leq 214,000</td>
<td>$320,001 \leq 428,000</td>
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<td>$214,000</td>
<td>$428,000</td>
<td>428.60</td>
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**Medicare Part D Premium Adjustment**

<table>
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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>13.00</td>
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<tr>
<td>&gt; 107,000 ≤ 160,000</td>
<td>&gt; 214,001 ≤ 320,000</td>
<td>33.60</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>74.80</td>
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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 0.00
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 13.00
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