







Thinking About Retiring?

Agenda

- Criteria to Retire from Penn State (HR54)
- Retiree Medical Benefits
 - ✓ Not Medicare-Eligible
 - ✓ Medicare-Eligible
- Retirees with an Actively-Employed Spouse
- Medicare Things to Know
- Dental and Vision Options
- Additional Benefits
- Retiree Medical Billing
- Additional Things to Know
- Penn State Tools and Resources
- Retirement Plan and Retirement Plan Resources
- Questions and Answers

What are the Criteria to Retire?

If you were hired prior to January 1, 2010, you must meet one of the two following criteria under Policy [HR54](#):

Criteria 1		Criteria 2	
 Must be at least age 60		Eligible at any age	
 At least 15 continuous years full-time service		25 years of full-time, not continuous service	
 Last 15 years enrolled in a Penn State medical plan (immediately preceding retirement)		Last 10 years enrolled in a Penn State medical plan (immediately preceding retirement)	

- ✓ Enrollment in the Penn State sponsored medical plan is either as the primary subscriber or via a spouse as a dependent
- ✓ You are a “retiree” *without* the Penn State medical plan if you *only* meet the “years of service” criteria
- ✓ Your **active** benefits coverage will end on the last day of the month in which you retire

Medical Benefits



Not Medicare-Eligible at Time of Retirement

You will *automatically* be enrolled in the corresponding retiree medical plan at the same coverage level

 New ID Cards will be sent from Aetna/CVS with new Group Numbers

Retiree PPO Plan

- \$375 Individual Deductible
- \$750 Family Deductible
- \$20/\$30 Office/Specialist
- \$2,000 per person Rx Maximum

Retiree PPO Savings Plan

- Same Deductible as Active PPO Savings Plan
- \$1,600 Individual/\$3,200 Family
- Until Medicare eligible (age 65), you can continue participating in PPO Savings plan and contribute to the Health Savings Account (HSA)
- No annual employer seed funding to your HSA

Retiree Request For Change Form



NO FORMS NECESSARY – UNLESS

- Change Under-65 Retiree Medical Plan
- Change Coverage Level (ex. Family Coverage to Retiree Only)
- Drop Retiree Medical Coverage – Once coverage is dropped, retirees are not able to re-enroll at a later date

Medicare-Eligible at Time of Retirement

Penn State currently offers a Medicare Advantage plan through Highmark called Freedom Blue

 New ID Cards will be sent from Highmark with new ID and Group Number



Begin the process 2 - 3 months BEFORE retirement.

- Enroll in Medicare Parts A & B by visiting your local Social Security Office
 - ✓ Part A is provided at no cost
 - ✓ Part B has a monthly premium associated with it
- **Do not** enroll in separate Part D drug plan – prescription drug plan included
- After receiving your Medicare card, complete the Freedom Blue application and return it to Employee Benefits

Medicare-Eligible at Time of Retirement

Failure to follow the process could result in a *disruption* of your medical coverage and you could be subject to a Late Entrant Penalty from Highmark due to not having consistent Creditable Prescription Coverage

- ✓ Freedom Blue effective date will be entered as the first of the month following receipt of your application, IF it is not turned in *prior* to your retirement.
- ✓ You will have a period of *NO* Penn State medical coverage until you are enrolled in the Highmark Freedom Blue PPO Medicare plan and potential Late Entrant Penalties.
- ✓ Failure to return the Freedom Blue applications within 60 days of retirement will be considered voluntary dis-enrollment in retiree medical benefits offered. Once dis-enrolled, retirees are not able to re-enroll at a later date.

Medicare Eligible: Things to Know

- **Form CMS-L564E – Request for Employment Information**

- ✓ If you are applying three months prior to turning 65, or three months after, you are considered in your Special Enrollment period and do not need this form
- ✓ Need if you are older than 65 years and four months to show continuous coverage under an active employer plan

- **Retiring and over 65**

- ✓ You may receive a letter from the Department of Health and Human Services stating “it appears you did not have prescription drug coverage that met Medicare’s minimum standards.” The letter indicates you may be subject to a late enrollment penalty.
- ✓ If you receive this letter, please complete the form and send it back to Highmark. They will adjust their records accordingly to ensure they reflect your creditable coverage during the time you were enrolled in a Penn State-sponsored medical plan.
- ✓ If you have returned your Freedom Blue application **LATE**, you may be subject to this penalty due to the period of time you had **NO** coverage

Medicare Eligible: Things to Know

- **65 ½ or older AND enrolled in the PPO Savings Plan**

- ✓ Anyone age 65 ½ or older who is enrolled in a qualified high-deductible health plan (PPO Savings Plan) with a Health Savings Account (HSA), who retires and enrolls in Medicare Part A, will experience a Medicare-required “look-back period” of 6 months.
- ✓ The solution: In order to avoid potential tax issues, you want to STOP YOUR HSA CONTRIBUTIONS so that you have 6 months of NO contributions before you FILE FOR MEDICARE.
- ✓ Consult with your licensed tax advisor

- **Do NOT Enroll in another Medicare plan**

- ✓ Per Medicare regulations, you can only be enrolled in ONE Medicare product at a time
- ✓ Includes Part D – prescriptions
- ✓ CMS will notify Highmark and you will be cancelled from Freedom Blue

- **Medicare Eligible due to Disability**

- ✓ Medicare eligible retirees and dependents enrolled in Parts A and B, need to enroll in Penn State’s Medicare Advantage plan
- ✓ For those eligible for Medicare due to disability and are only enrolled in Medicare Part A, Medicare will pay as primary for Part A services. Aetna will pay primary for Part B until you become Medicare eligible due to age; at which time you are required to enroll in Medicare Part B to continue on Penn State benefits

Split Plans – Medicare and Not Medicare Eligible

- Retiree 65+, Spouse Under 65 and child(ren) under 26



✓ Retiree moves to Freedom Blue



✓ Spouse becomes Primary Subscriber under Aetna Plan and child(ren) will be dependents under spouse

- Retiree 65+ and children under 26



✓ Retiree moves to Freedom Blue

✓ Oldest child becomes Primary Subscriber under Aetna Plan and younger siblings will be dependents under oldest child

- Retiree Under 65 and Spouse 65+



✓ Spouse moves to Freedom Blue



✓ Retiree remains Primary Subscriber under Aetna Plan and child(ren) will be dependents under retiree

Retirees Rates



- No longer based on income, flat rate for each plan depending on coverage level
- Updated on HR website

Becoming Medi
Freedom Blue Informational P
Freedom Blue Application
2020 Freedom Blue Summary
Highmark Freedom Blue for N
Reference Code: 20FB17842
Freedom Blue members are n
or LabCorp for lab services.
2020 PPO Plan Overview of C
Aetna Concierge 1-855-878-4
University Health Services Ph
2020 Rates
Dental & Vision Options for Re

Monthly Retiree Health Care Contributions | 2020

MEDICARE PLANS - HIGHMARK

FREEDOM BLUE PLAN	
Rate per Enrolled	\$80.00

Retired AND 70 Before 2007 Freedom Blue Rate	
Rate per Enrolled	\$49.00

NON-MEDICARE PLANS - aetna

PPO PLAN	
Individual	\$185.08
Two-Person	\$370.16
Parent/Child(ren)	\$277.62
Family	\$462.70

PPO SAVINGS PLAN	
Individual	\$133.59
Two-Person	\$267.18
Parent/Child(ren)	\$200.39
Family	\$333.99

Below are the common combinations:

Retiree	+	Spouse	+	Children	=	Monthly Rate
Freedom Blue		Freedom Blue				\$80.00 + \$80.00 = \$160.00
Freedom Blue		PPO Plan				\$80.00 + \$185.08 = \$265.08
Freedom Blue		PPO Plan		PPO Plan		\$80.00 + \$277.62 = \$357.62
Freedom Blue				Freedom Blue (1Child)		\$80.00 + \$80.00 = \$160.00
Freedom Blue				PPO Plan (1 Child)		\$80.00 + \$185.08 = \$265.08
Freedom Blue		PPO Savings Plan				\$80.00 + \$133.59 = \$213.59
PPO Plan		Freedom Blue				\$185.08 + \$80.00 = \$265.08
PPO Plan		Freedom Blue		PPO Plan		\$277.62 + \$80.00 = \$357.62

PennState
Human Resources

Retirees with an Actively-Employed Penn State Spouse

Penn State policy states retirees must be covered via retiree medical benefits and active employees must be covered via active employee coverage

- ✓ Upcoming retiree who carries an actively-employed spouse
 - Remove spouse from your benefits upon retirement*
- ✓ Actively-employed spouse who carries an upcoming retiree
 - Remove retiring spouse from active plan medical coverage via [workday](#).
- ✓ Eligible Child(ren) can be enrolled on either plan
- Actively-employed spouses may add the upcoming retiree to active Dental and Vision via Workday

*  Retiree Request For Change Form Needed Upon Retirement

Dental and Vision Options



<p>Continue coverage under COBRA for up to 18 months</p> <p>Questions regarding COBRA benefits should be directed to</p> <p>Lifetime Benefit Solutions at (800) 828-0078</p> 	<p>Take advantage of FREE retiree vision discount program through EyeMed</p> <p>Present discount card at a participating <i>Insight</i> EyeMed provider for discounted services and/or products</p>  	<p>Pennsylvania Association of Retired State Employees (PARSE) is available for additional Dental and Vision benefits after COBRA benefits end</p> <p>For more information on PARSE, visit http://parseofpa.org/</p> 	<p>If your spouse is actively-employed by Penn State, they may cover you and eligible dependents under their Dental and Vision plan</p> <p>Spouse should login to Workday to make the appropriate changes</p> 
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Additional Benefits



- A \$5,000 life insurance benefit will be provided to you after retirement at no cost
- **For employees retiring on or after January 1, 2021:** Faculty/Staff will no longer receive a \$5,000 life insurance benefit



Remember to review your beneficiary designations in Workday

Voluntary benefits that can be *converted* within 31 days of retirement:

- Voluntary Life Insurance
- Short-Term & Long-Term Disability Insurance
- Accidental Death and Dismemberment (AD&D) Insurance
- To obtain a conversion application, contact UNUM at (866) 220-8460

Educational Privileges

- Educational privileges are available to retirees and their eligible dependents. Eligible dependents include:
 - ✓ Spouses
 - ✓ Unmarried children through the age of 26
- The grant-in-aid is for 75% of the tuition charge and applies to Penn State resident instruction and continuing education credit courses (See University Policies [HR36](#) and [HR37](#)).
- Requesting dependent Grant-In-Aid requires submission of the grant-in-aid form for **every** semester, including summer sessions, in order for the tuition discount to be applied for spouses or dependent children
- For a retiree using the discount for themselves, no forms are necessary

EXCLUDES:

- ✓ *The Smeal College of Business Administration Executive MBA Program*
- ✓ *The Dickinson School of Law and Penn State Law*
- ✓ *The College of Medicine at the Milton S. Hershey Medical Center*

Retiree Medical Billing



- Lifetime Benefit Solutions administers Retiree Billing for retirees by collecting health care plan premiums
- Your first retiree bill will be sent approximately two to three weeks AFTER your retirement and payment is due within 60 days of receipt
- After that, you will be billed on a quarterly basis. Your premium payments are due on the 1st day of each calendar quarter and you will have a 60 day grace period.
- Pay invoices directly to Lifetime Benefit Solutions via
 - ✓ Online portal on their website
 - ✓ Check
 - ✓ Monthly automatic payment withdrawal (ACH)

Note: You will receive a COBRA Notification extending coverage for medical, dental, and vision; this notice is required by law, even if you are eligible for retiree medical coverage. If you are retiring with Penn State retiree medical, you should decline the offer for extended medical coverage. Failure to complete the COBRA Enrollment within 60 days is considered an automatic decline of the coverages offered.

Additional Things to Know

- Retiree Plans are PPO's
 - ✓ National network of physicians
 - ✓ Choice between In and Out-of-Network
- Flexible Spending Accounts – FSA
 - ✓ Retirees have 90 days to submit for reimbursement after retirement date
 - ✓ Latest date of service eligible for reimbursement is your last day of employment
- No Open Enrollment Period for Retirees
 - ✓ Under 65 Retirees will be able to chose between two plans for new plan year
 - ✓ Not able to add dependents, only plan change allowed
 - ✓ Drop dependents at any time
- Qualifying Events for Retirees
 - ✓ Marriage, divorce, loss of coverage
 - ✓ Once dependent is enrolled in Medicare, no loss of coverage applies
 - ✓ Have 31 days to request changes to retiree plans
- Death
 - ✓ Active Employee eligible to retire with medical - Eligible Dependents will be offered Retiree Medical Benefits
 - ✓ Retiree – Spouse is eligible for benefits for life OR until they remarry

Additional Things to Know

- Resignation from University Employment [Policy HR52](#)
 - ✓ Outlines expectations for providing adequate notice to your unit
- Work with your supervisor or local HR unit to determine your last working day and ensure all keys, equipment, etc. are returned
- Staff vacation/sick payout will be combined with final paycheck
 - ✓ Sick time is paid at a rate of up to 12.5 or 17 days, based on your number of years of service
 - ✓ Your HR Strategic Partner or Consultant can verify your balances

Additional Things to Know

- [Programs & Privileges](#) portion of the HR website outlines information:
 - ✓ ID Cards and Computer Use
 - ✓ Library and Recreational Facility Use
 - ✓ Retiree Faculty and Staff Club
- Voluntary Phased Retirement – [Policy HR29](#)
 - ✓ Policy highlights eligibility requirements and the procedure
- Emeritus Status – [Policy AC25](#)
 - ✓ Emeritus Status is awarded by the President after reviewing any request from a dean, chancellor, or academic vice president
- Post Retirement Appointments – [Policy HR45](#)
 - ✓ Policy establishes specific, limited, and consistent criteria for post-retirement employment conditions
 - ✓ Approved only in rare instances where a true emergency circumstance exists

Penn State Tools & Resources

Guide to Retirement – hr.psu.edu/benefits/retirement/guide-to-retirement

- Benefit Summaries for Retiree Medical Plans
- Rate Grids
- Retiree Forms
- Vendor Phone Numbers

Employee Assistance Program – members.healthadvocate.com/

- (866)799-2728 anytime, 7 days a week
- Active employees can utilize Penn State's Employee Assistance Program, HealthAdvocate, to review YOUR specific options

Retiree Request for Change Form - hr.psu.edu/sites/hr/files/RequestForChangeForm.pdf

- Change plans or family status upon retiring
- Make changes while retired if your spouse loses coverage, you want to add a newly eligible dependent or remove a dependent from coverage

HR Services - [WorkLion.psu.edu](https://worklion.psu.edu)

- (814) 865-1473
- Update demographic information, address, telephone, etc

Use the Retiree Website to stay up-to-date! - hr.psu.edu/retiree

- Retiree Renewal Information Posted
- Important plan Updates

Retirement Plans

RECOMMEND

Meet with TIAA or SERS
2-3 months BEFORE
you plan to retire

Examples of things that could delay your retirement income are:

- ✓ Not completing your retirement application with TIAA/SERS/PSERS timely
- ✓ Not informing your unit/college of your plans to retire
- ✓ Receiving pay after your termination date with Penn State
- ✓ Your termination not being processed in Workday by the unit/college in a timely manner

Retirement Plans

Penn State Alternate Retirement Plan (Administered by [TIAA](#))

- ✓ Contact TIAA by phone or schedule an appointment with a TIAA retirement consultant to complete the necessary paperwork to begin your retirement income approximately one week prior to your date of retirement.
- ✓ It takes approximately 4 weeks from your termination date to receive your initial pension payments.

State Employees Retirement System ([SERS](#))

- ✓ Schedule an appointment with a SERS retirement counselor to sign your defined benefit plan retirement documents approximately 30-60 days prior to your date of retirement.
- ✓ It takes approximately eight weeks from your termination date to receive your initial pension payments.

Public School Employees' Retirement System ([PSERS](#))

- ✓ Schedule an appointment with a PSERS retirement counselor to sign your defined benefit plan retirement documents approximately 30-60 days prior to your date of retirement.
- ✓ It takes approximately four to six weeks from your termination date to receive your initial pension payments.

Retirement Plan Resources

Penn State Alternate Retirement Plan (Administered by [TIAA](#))

(800) 842-2252

(814) 278-5000

328 Innovation Boulevard, Suite 301

State College, PA 16803

State Employees Retirement System ([SERS](#))

(800) 633-5461

2525 Green Tech Drive, Suite AA,

State College, PA 16803

Public School Employees' Retirement System ([PSERS](#))

(888) 773-7748

(717) 7878540

Social Security Administration (SSA)

(800) 772-1213

<https://www.ssa.gov/>

Pennsylvania Association of Retired State Employees (PARSE)

<http://parseofpa.org/>