



# The Pennsylvania State University Retirement Healthcare Savings Plan

## Preparing today for a healthier tomorrow

### Plan features

Easy online access to account and investment information.

Dedicated, toll-free customer service center.

Online claims management.

Convenient Healthcare Payment Card.

Reimbursement for you and other eligible dependents.

Penn State established the Retirement Healthcare Savings Plan (RHSP) as a way to help you prepare and pay for your medical expenses in retirement. As you get older, healthcare costs are likely to take up a larger portion of your budget, and Medicare may not be enough.<sup>1</sup>

The RHSP complements your retirement plan and offers a number of tax advantages both while you are accumulating savings and later when you are retired, including:

- Tax-free employer contributions
- Tax-free investment earnings
- Tax-free reimbursement for qualified medical expenses during retirement

### What you get



Questions? Call us at **877-554-1004**, weekdays, 8 a.m. to 10 p.m. (ET)

- Select option 1 to speak with a TIAA representative regarding your account balance, asset allocations or claims activation
- Select option 2 to speak with a ConnectYourCare representative for questions related to claims processing, using your healthcare payment card or eligible expenses



#### A tax-advantaged retiree healthcare savings account

Money is set aside now to help you pay your healthcare costs in retirement.

- Funded with tax-free employer contributions
- Contributions are allocated to an age-appropriate TIAA-CREF Lifecycle mutual fund



#### A tax-free reimbursement benefit in retirement

Money in your account can be used for qualified medical expenses, such as:

- Health insurance premiums, deductibles and copays, prescription drug costs, Medicare and long-term care premiums
- Other medical expenses as defined by the Internal Revenue Service



Download the TIAA app or log in to the **TIAA.org** website:

- Check account balance
- View pending transactions
- Transfer funds



#### Penn State RHSP eligibility and contributions

Full-time active employees hired on or after January 1, 2010, are automatically enrolled in the RHSP by the Penn State Office of Human Resources Employee Benefits Division. The University will contribute \$144 per month after the first full month following your employment date. (This amount may be adjusted periodically.) Unlike your regular retirement account, you will not be required to make any contributions to the RHSP.

# The Pennsylvania State University Retirement Healthcare Savings Plan

## About the plan

<b>Eligibility</b>	Full-time active employees hired on or after January 1, 2010, are automatically enrolled by the Penn State Office of Human Resources Employee Benefits Division—no forms are required.
<b>Contribution schedule</b>	Penn State contributes \$144 per month after the first full month following your employment date. (This amount may be adjusted periodically.)
<b>Entitlement</b>	You are eligible to access your healthcare account when you are no longer actively employed at Penn State and have either (1) completed 25 years of continuous service and are at least age 60, or (2) completed a minimum of 15 years of continuous service and are at least age 65.
<b>Qualified healthcare expenses</b>	<ul style="list-style-type: none"><li>▪ Qualified healthcare expenses are IRS section 213(d) expenses such as <b>expenses</b> premiums on a health insurance policy, copays, deductibles, prescription drugs and other out-of-pocket related costs.</li><li>▪ Hospital and surgical expenses, physical therapy, psychotherapy, dental care, weight control programs, eye exams and eyeglasses, special equipment.</li><li>▪ Premiums for Medicare supplemental plans, long-term care insurance and Medicare Parts B and D. Please refer to IRS Publication 502 for a complete list of expenses.</li></ul>
<b>Benefits after death</b>	After your death, your spouse or domestic partner and eligible dependents may continue to receive reimbursement for their qualified medical expenses. <b>However, if there is no surviving spouse or domestic partner or eligible dependents, any unused benefits will be forfeited back to the Plan.</b>
<b>Investments</b>	Initial contributions will be invested in a TIAA-CREF Lifecycle mutual fund that has a date closest to the year you will turn age 65. Once your account is established, you will have the opportunity to change your investment option(s) if you so choose.



<sup>1</sup> [ebri.org](http://ebri.org), Employee Benefit Research Institute, Issue Brief, May 30, 2019.

Subject to the rules of your Summary Plan Description (SPD), your account assets are available to pay health insurance premiums and other qualified medical expenses for your life and the lifetime of your eligible dependents. Once you have died and once all your eligible dependents have died (or reached majority, in the case of children), any remaining balance in your account is forfeited back to the Plan for use under the terms of the Plan for other eligible participants of your Institution. This Plan Highlights Sheet is intended to provide you with a brief overview of certain key features of your Institution's Plan. Please consult your Summary Plan Description (SPD) sent separately to you for a more complete explanation of the terms of the Plan and your rights and responsibilities under the Plan. The terms of the Summary Plan Description (SPD) will prevail.

This material is for informational or educational purposes only and does not constitute investment advice under ERISA. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

Interests in any retiree healthcare plan discussed herein are offered solely by the employer.

Teachers Insurance and Annuity Association of America (TIAA) will provide services to the plan and may issue plan communications on behalf of the plan sponsor in its capacity as a plan recordkeeper.

TIAA-CREF Individual & Institutional Services, LLC, serves as a broker-dealer with respect to underlying mutual funds only, and does not offer, market or sell interests in such plans or otherwise provide broker-dealer services with respect to the interests in such plans.

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