

# Thinking About Retiring?



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# Resources and Tools

## **Guide to Retirement** – [hr.psu.edu/benefits/retirement/guide-to-retirement](https://hr.psu.edu/benefits/retirement/guide-to-retirement)

Full Benefit Summaries for Retiree Medical Plans

Rate Grids

Retiree Forms (ex. Freedom Blue Application, Retiree Request for Change Form)

Thinking About Retiring PowerPoint

Vendor Phone Numbers

## **Employee Assistance Program** – [members.healthadvocate.com/](https://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

## **HR Services** – [WorkLion.psu.edu](https://WorkLion.psu.edu)

(814) 865-1473

Update demographic information, address, telephone, etc

Retirees will no longer have access to Workday



# 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

# Criteria to Retire with Medical

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	
60+	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
- ✓ Call HR Services if you need to confirm your eligibility to retire with retiree medical benefits

# Non-Medicare Eligible Retiree Benefits



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# Not Medicare-Eligible



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

Your **active** benefits coverage will end on the last day of the month in which you retire



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

- Enrollment information electronically sent to vendors as of the effective date
- Takes vendors approximately 48 hours to get you set up in their system with new ID information

### Retiree PPO Plan

- \$375 Individual Deductible
- \$750 Family Deductible
- \$20/\$30 Office/Specialist
- \$2000 per person Rx Maximum

### Retiree PPO Savings Plan

- Same Deductible as Active PPO Savings Plan
- \$1600 Individual/\$3200 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

# Not Medicare-Eligible



Remember, you will *automatically* be enrolled in the corresponding retiree medical plan at the same coverage level



## Retiree Request For Change Form

NO FORMS ARE NECESSARY – *UNLESS*

- Change Under-65 Retiree Medical Plan

No deductible credit is applied if you change plans upon retirement

- Change Coverage Level

For example, Family Coverage as active employee to Retiree Only in retirement

- Drop Retiree Medical Coverage –

Once coverage is dropped, retirees are not able to re-enroll at a later date





# Lab Tests

Be sure to ask your doctor for a printed lab order to take with you to Quest or LabCorp **OR** tell your doctor to send your lab test to Quest or LabCorp

**Emergency Room  
Inpatient Lab Services**

10% Coinsurance

**Other In-Network Labs  
Hospital-Based Labs**

30% Coinsurance

**Out-of-Network Labs**

50% Coinsurance



[QuestDiagnostics.com/MyQuest](https://QuestDiagnostics.com/MyQuest)  
(1-888-277-8772)



[LabCorp.com](https://LabCorp.com)  
(1-888-LAB-Corp)





# Medicare

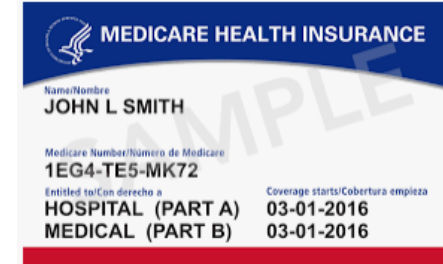


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# Medicare

## How Medicare Works:

### Original Medicare



### Part A (hospital)

- Inpatient hospital care
- Skilled nursing care
- Provided at no cost

### Part B (doctor's office)

- Doctor visits & preventive care
- Testing and lab
- Monthly Premium paid to Social Security

*Indexed based on income*

Eligible the first of the month in which you turn 65

If you apply three months prior to turning 65, or three months after,  
you are considered in your Initial Enrollment Period

FOR MORE INFORMATION ON MEDICARE – PLEASE CONTACT THE SOCIAL SECURITY OFFICE OR MEDICARE DIRECTLY

# Medicare-Eligible as an Active Employee

As an active employee, the Penn State Health Plan is considered primary for you and your eligible dependents; so as an active employee, there is no need to sign up for Medicare Parts A or B.

Employees need to make the determination if it makes fiscal sense to enroll in Medicare as a secondary insurance.

## Optional Strategies

- Delay enrolling in Medicare Part A and B until you retire/term active employment  
Must take this strategy if you are enrolled in the PPO Savings plan with a Health Savings Account
- Enroll in Medicare Part A, since it is provided at no cost and delay enrolling in Part B
- Enroll in Medicare Part A and B and use it as secondary insurance,  
Since there is a premium associated with Part B and it is secondary coverage, it may not make financial sense to pay for Part B. Please contact your local Social Security Office with any questions regarding Part B.

# Medicare Eligible at Time of Retirement



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# Medicare Eligible at Time of Retirement

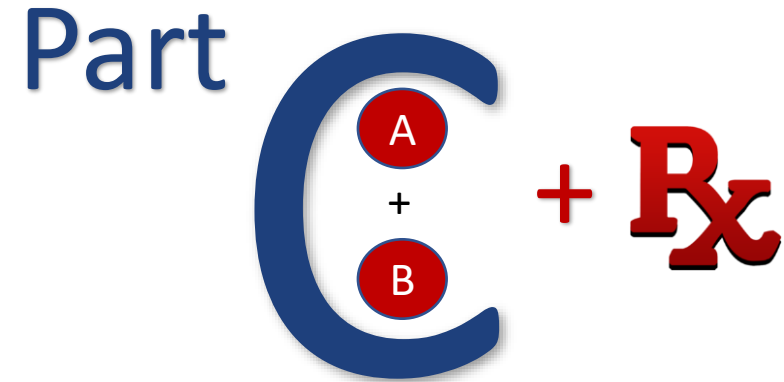
Penn State currently offers a Medicare Advantage plan through Highmark called Freedom Blue PPO



## Part C

(Original Medicare benefits plus extras)

- Covers everything in Parts A+B
- Can have benefits like Rx bundled in



Medicare Advantage Plans are a type of Medicare health plan offered by a private company that contracts with Medicare to provide all your Part A and Part B benefits.

Medicare dictates that you **MUST** be enrolled in Medicare Part A and B in order to be enrolled in a Medicare Advantage plan

Medicare also states you can only be enrolled in **ONE** Medicare sponsored product at a time, including Part D

A Medicare Advantage plan is also known as Medicare Replacement Plan – the only ID card you will need when obtaining medical and prescription services is the Highmark Freedom Blue ID card

# Medicare Eligible at Time of Retirement



Begin the process 2 - 3 months BEFORE retirement

1. Enroll in Medicare Parts A & B by visiting your local Social Security Office

**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 Initial 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
- Enables Social Security to waive Late Entrant Fee for not enrolling in Medicare during your original Initial Enrollment Period

Do not enroll in separate Part D drug plan – prescription drug plan included in Freedom Blue PPO

2. After receiving your Medicare card, complete the Freedom Blue application and return it to Employee Benefits with a copy of your Medicare card PRIOR to your retirement

3. You will be enrolled for the first of the month following retirement, as your active employee coverage will end at the end of the month in which you retire.



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

Once Employee Benefits Receives your Electronic Retirement Event:

- If Freedom Blue application is received, enrollment information is electronically sent to vendors as early as three weeks prior to the effective date
- Takes Highmark 3 -5 business days to finalize your enrollment as they are required to verify your Medicare information with Centers for Medicare Services (CMS)



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# Medicare Eligible at Time of Retirement

Failure to follow the process could result in a disruption of your medical 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.
- 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.

**NOTE:** Should you experience any delays with Social Security securing your Medicare coverage, please call HR Services and they will direct you to Employee Benefits to review possible alternatives

# Medicare Eligible at Time of Retirement

## 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

## 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



# Becoming Medicare Eligible after Retirement



## Begin the process 2 - 3 months BEFORE turning 65

Employee Benefits will send you and/or your Medicare eligible spouse a letter approximately 2 -3 months before you turn 65. The letter will advise the following:

1. Enroll in Medicare Parts A & B by visiting your local Social Security Office  
*Do not* enroll in separate Part D drug plan – prescription drug plan included in Freedom Blue PPO
2. After receiving your Medicare card, complete the Freedom Blue application and return it to Employee Benefits with a copy of your Medicare card PRIOR to your 65<sup>th</sup> birthday

## Becoming 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. Please contact HR Services upon becoming Medicare Eligible to enroll in the correct plan based on Medicare eligibility.
- 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

# Retiree Health Care Contributions



## PennState Monthly Retiree Health Care Contributions | 2021

### MEDICARE PLANS - HIGHMARK

#### FREEDOM BLUE PLAN

Rate per Enrolled	\$80.00
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#### Retired AND 70 Before 2007 Freedom Blue Rate

Rate per Enrolled	\$49.00
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### NON-MEDICARE PLANS - aetna

#### PPO PLAN

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

Individual	\$133.59
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Two-Person	\$267.18
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Parent/Child(ren)	\$200.39
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Family	\$333.99
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# Retiree 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
- 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
  - ✓ On-line 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.



# 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
- ✓ 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



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# 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><a href="#">Lifetime Benefit Solutions</a> at (855) 798-0683</p> 	<p>Take advantage of FREE retiree vision <b>discount</b> program through EyeMed</p> <p>Present discount card at a participating Insight 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 <a href="http://parseofpa.org/">http://parseofpa.org/</a></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> 

# Coverage or Claims Questions?



1.855.878.4197



1.844.462.0203



1.866.346.5800



1.800.828.0078



Current Members  
1.866.918.5285



Non-Members  
1.866.456-7739  
Code: 21FB178428



## HR Services

814-865-1473

Enrollment or eligibility questions, demographic updates

# Additional Benefits



## Technical Service Employees

\$5,000 life insurance benefit will be provided to you after retirement at no cost



**Remember** to review your beneficiary designations in Workday

## All Employees

**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*

# 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 choose 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, 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

Programs & Privileges portion of the Retiree 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

# 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 four 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 Plans

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 PSU
- ✓ Your termination not being processed in Workday by the unit/college in a timely manner

## RECOMMEND

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

# Retirement Vendor Contacts and Resources



(800) 842-2252  
(814) 278-5000

328 Innovation Boulevard, Suite 301  
State College, PA 16803



(800) 772-1213  
<https://www.ssa.gov/>



(800) 633-5461

2525 Green Tech Drive, Suite AA  
State College, PA 16803



(800) 633-4227  
<https://www.medicare.gov/>



(888) 773-7748  
(717) 7878540



(888) 809-7429  
<http://parseofpa.org/>

## Retiree Website

Retiree Resource Chart – Retiree Rates – Benefit Summaries