

The RFMH Retirement Health Plan



First Steps Toward Healthcare
Security in Retirement





What is Emeriti



Emeriti, a **nonprofit consortium**, is the leading defined contribution retirement healthcare solution for academic, cultural and public sector organizations, offering customized and financially sustainable **strategies for healthcare security in retirement.**

Income Security + **Healthcare Security** = Retirement Readiness

The Emeriti Program



- **Exclusively** for health care expenses in retirement
- Lifecycle mutual funds
- Earnings grow tax-free
- Assets disbursed tax-free

Health Account

Services provided by TIAA

- Tax-free withdrawals from **Health Account** for Qualified Medical Expenses (QMEs)

Reimbursement Benefit

Services provided by Savitz

Retiree Health Insurance

Services provided Aetna

- National, group plans
- Choose from 5 medical plans, 3 Rx plans and add dental
- Lifetime guaranteed issue – annual choice



Ongoing Support
& Education

RFMH Contributions Into Your Health Account



- ✓ RFMH will begin making \$100/month contributions for you upon **attaining age 40 or 10 years of service.**

Your Own **Voluntary** Contributions



- ✓ You can begin to make after-tax contributions to your Emeriti Health Account at any time.
- ✓ Voluntary contributions may be made by **payroll deduction** during active service, or by **ACH transfer** from your bank account – even after you terminate or retire.

Your voluntary contributions will be made on an after-tax basis, and **all earnings will accumulate and be paid out tax free** for your retiree health insurance and other qualified medical expenses.

Reimbursement Benefit Eligibility



- ✓ You **worked 15 years**, with **age and service amounting to 70** at time of termination
- ✓ You became permanently disabled during active service and received a disability determination letter from Social Security

Who can use the Reimbursement Benefit?

You & Your Dependents

- Spouse (*pre- or post-65*)
- Same sex domestic partner (*pre- or post-65*)
- Dependent children (*to age 26*)
- Permanently disabled children
- Dependent relatives

QME Examples

- ✓ Emeriti insurance copays and coinsurance
- ✓ Long term care insurance
- ✓ Nursing or in-home health services
- ✓ Medicare premiums & copays
- ✓ Vision
- ✓ Dental
- ✓ Hearing
- ✓ Other pre- and post-65 insurance premiums and cost shares



Retiree **Health Insurance** Eligibility

- ✓ You **worked 15 years**, with **age and service amounting to 70** at time of termination
- ✓ You became permanently disabled during active service and received a disability determination letter from Social Security
- ✓ Having met the criteria for Retirement Eligibility after terminating employment:
 - ✓ Upon attaining age 60 for pre-65 insurance enrollment
 - ✓ Upon attaining age 65 and enrolling in Medicare Parts A and B for post-65 insurance enrollment



Who can enroll in the insurance plans?

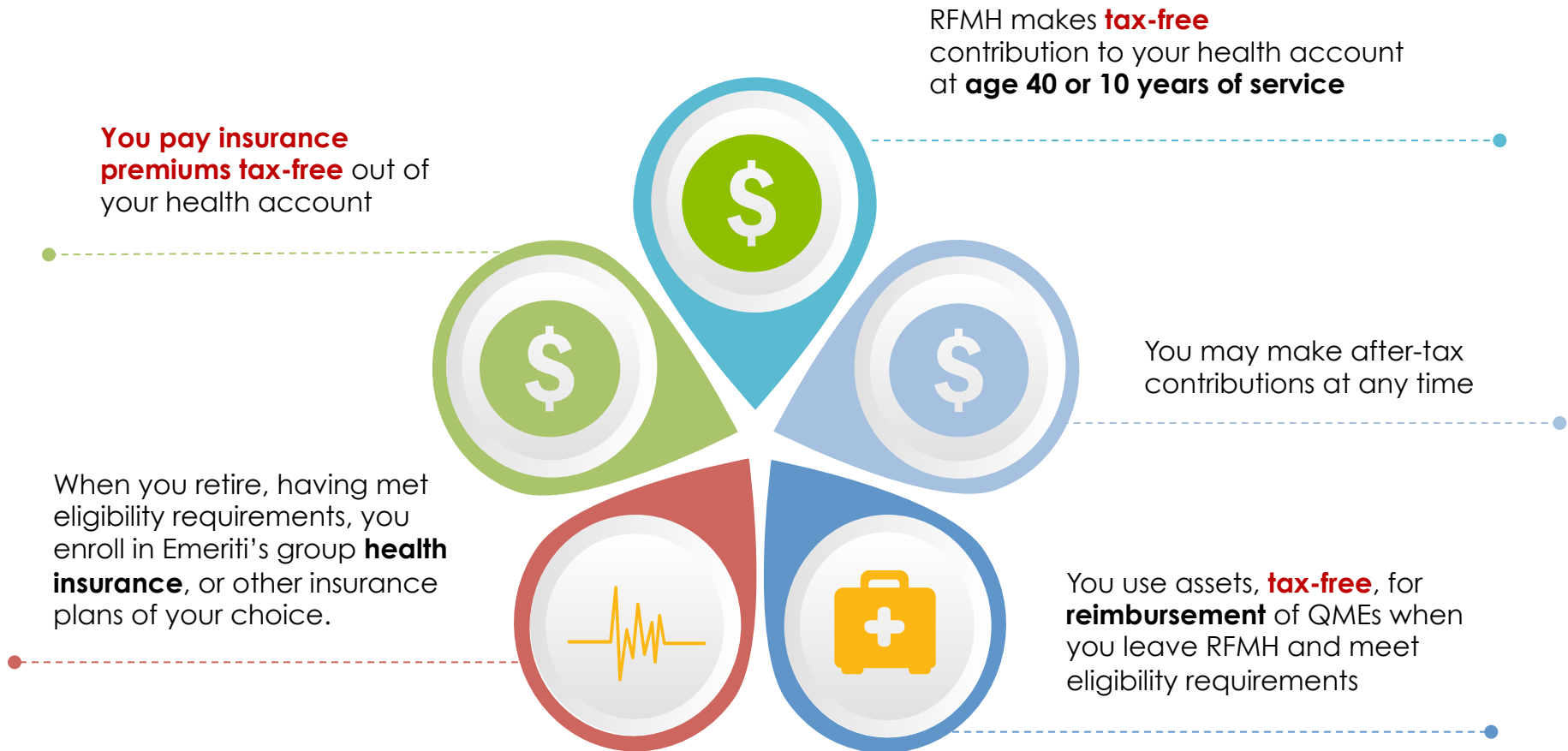
You & Your Dependents

- Spouse *(pre- or post-65)*
- Same sex domestic partner *(pre- or post-65)**
- Dependent children *(to age 26)*
- Permanently disabled children**

**Independent domestic partners generally pay for insurance outside of the Health Account.*

***Determination of permanent disability also confers access to post-65 insurance for these individuals. Disability must occur before majority age.*

The Emeriti Program in Action



Tax Advantages In Action

\$1,000 Medical Bill



Pay with Emeriti
Health Account

Tax-free withdrawal of

\$1,000

100 cents on the dollar

Pay with 403(b)
Retirement Plan

Taxable withdrawal of
approximately

\$1,400

*72 cents on the dollar
in 28% federal income
tax bracket*

Start Asking Questions



**Is my pension
enough?**



**How much
should I save?**



**What does
Medicare cover?**



**What will
Social Security
provide?**



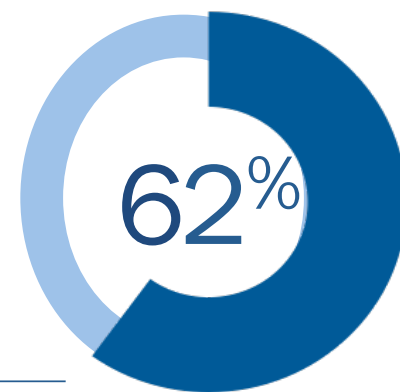
Know the Facts



**Retirees also
need
supplemental
health
insurance**


Medicare is Not Enough

Medicare covers only about 62% of total healthcare expenses in retirement.*



**National Institute on Aging, Newsroom, Dramatic changes in U.S. highlighted in new census, NIH report, June 26, 2013.*


Get Peace Of Mind



RFMH
Retirement Plan

For general retirement expenses

- Taxable distribution
- Beneficiaries
- Assets passed to estate



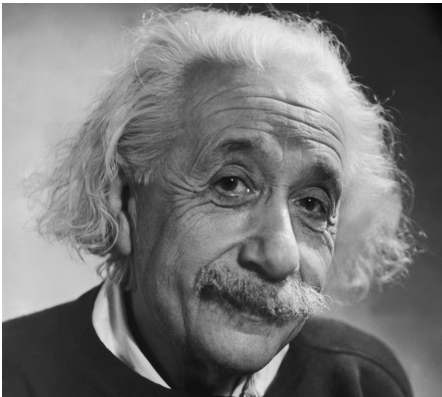
Emeriti Retirement
Health Plan

Exclusively for retiree healthcare expenses

- Tax-free distribution
- Dependents
- Assets passed back to plan

Income Security + **Healthcare Security** = Retirement Readiness

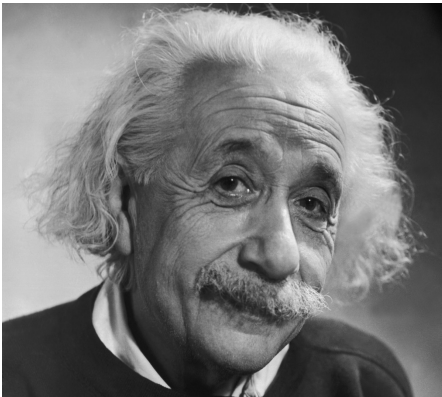
What is he talking about?



“The greatest
mathematical
discovery of all time.”

~ Albert Einstein

The Power of Compound Interest



“The greatest
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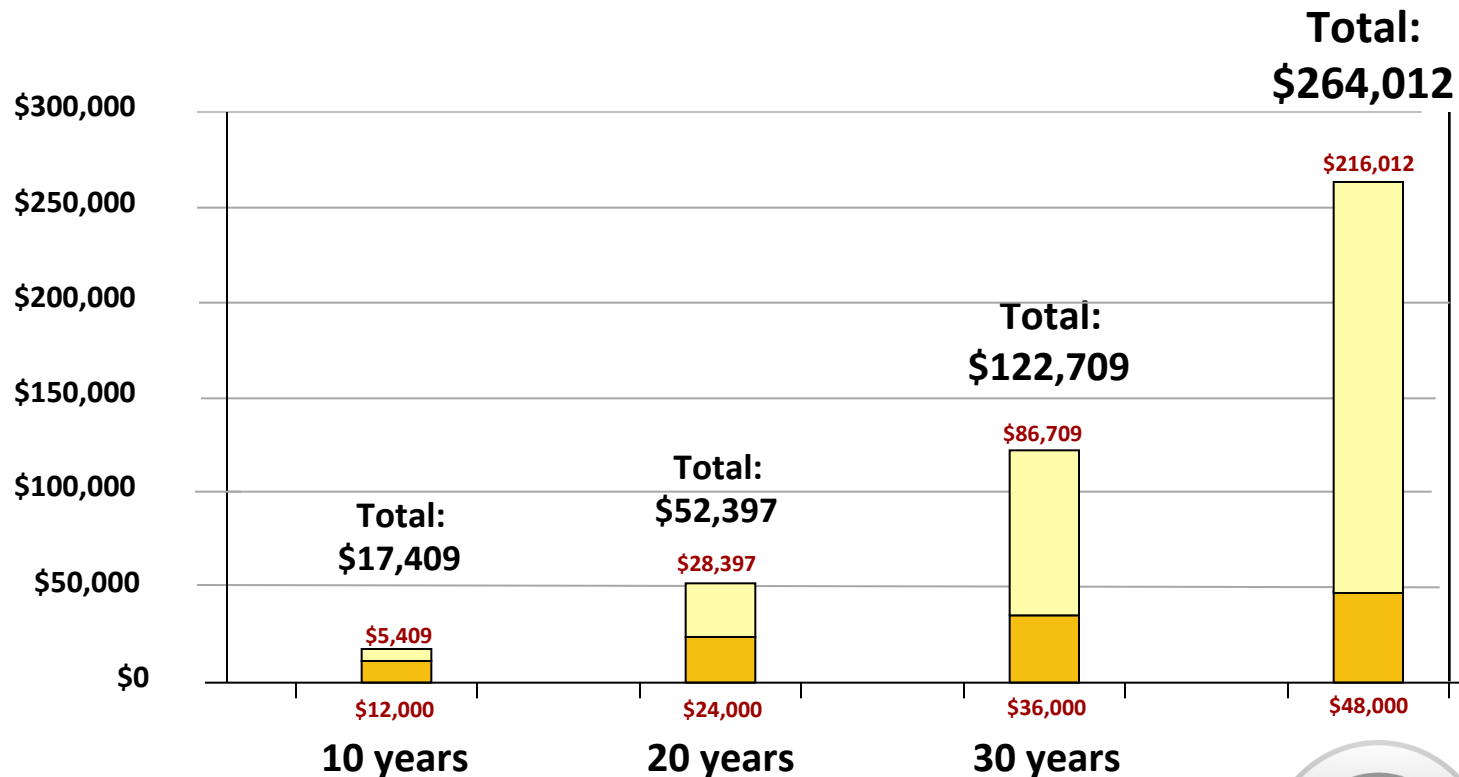
~ Albert Einstein



Time Is On Your Side

\$100/month contribution.

Potential account earnings
Contributions



These examples are intended for illustrative purposes and are not a prediction of investment results. Your own Plan account may earn more or less than this example. Actual account balances will be determined by the contributions made and any investment gains or losses. Investing in this manner does not ensure a profit or guarantee against loss in declining markets. These examples do not take fees into account and actual balances will generally be reduced by fees. Contributions and earnings accrue tax-free and are paid out tax-free for reimbursement of qualified health expenses. These examples are based on \$100 contributions made at the beginning of each month and a 7% annual rate of return compounded monthly.



Next Up

Understanding Medicare &
Emeriti Retiree Health Insurance

A,B,C,Ds of Medicare



Part A (Hospital) and **Part B** (Medical)

Original Medicare

- Medicare provides these coverages
- You have your choice of doctors & providers
- There is a Part A and a Part B deductible
- You are always responsible for paying the Part B premium

Part C - Medicare Advantage, PPO Plan

Replaces Original Medicare

- Private insurers approved by Medicare provide Parts A & B coverage
- You may get extra benefits

Part D - Prescription Drug

- Private insurers approved by Medicare provide coverage
- Different plans cover different drugs at different levels
- You can choose from a range of plan designs

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2016 **Post-65 Menu** of Retiree Health Plans



5 Group Medical Plans

YOU CHOOSE ONE MEDICAL PLAN

- 3 Medicare Advantage plans
- 2 Medicare supplemental plans (L & K)

In and out-of-network coverage

3 Part D Rx Plans

YOU CHOOSE ONE Rx PLAN

- Rx Premium Plan
- Rx Plus Plan
- Rx Standard Plan

Medicare-approved

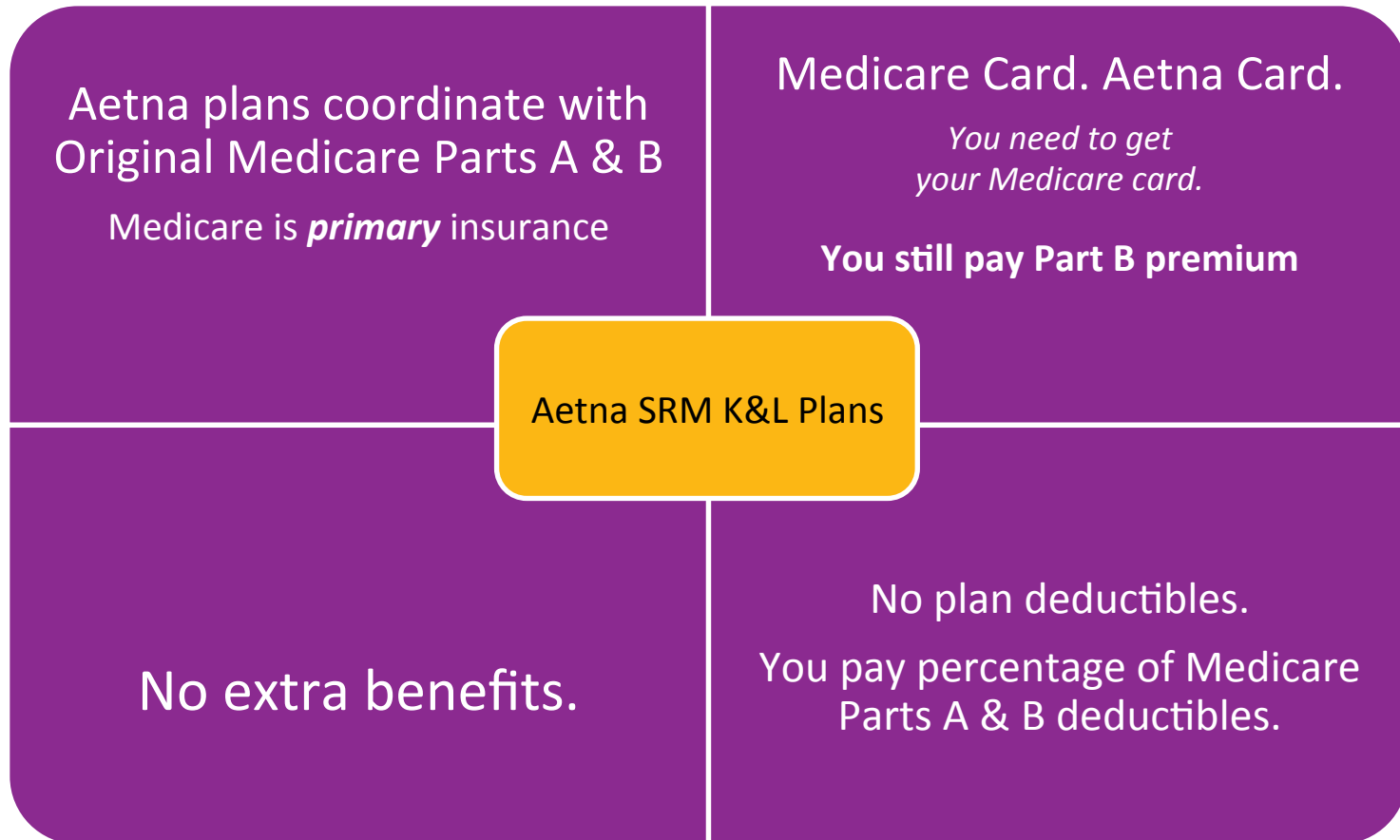
Optional Dental Plan

YOU CAN CHOOSE TO ADD DENTAL

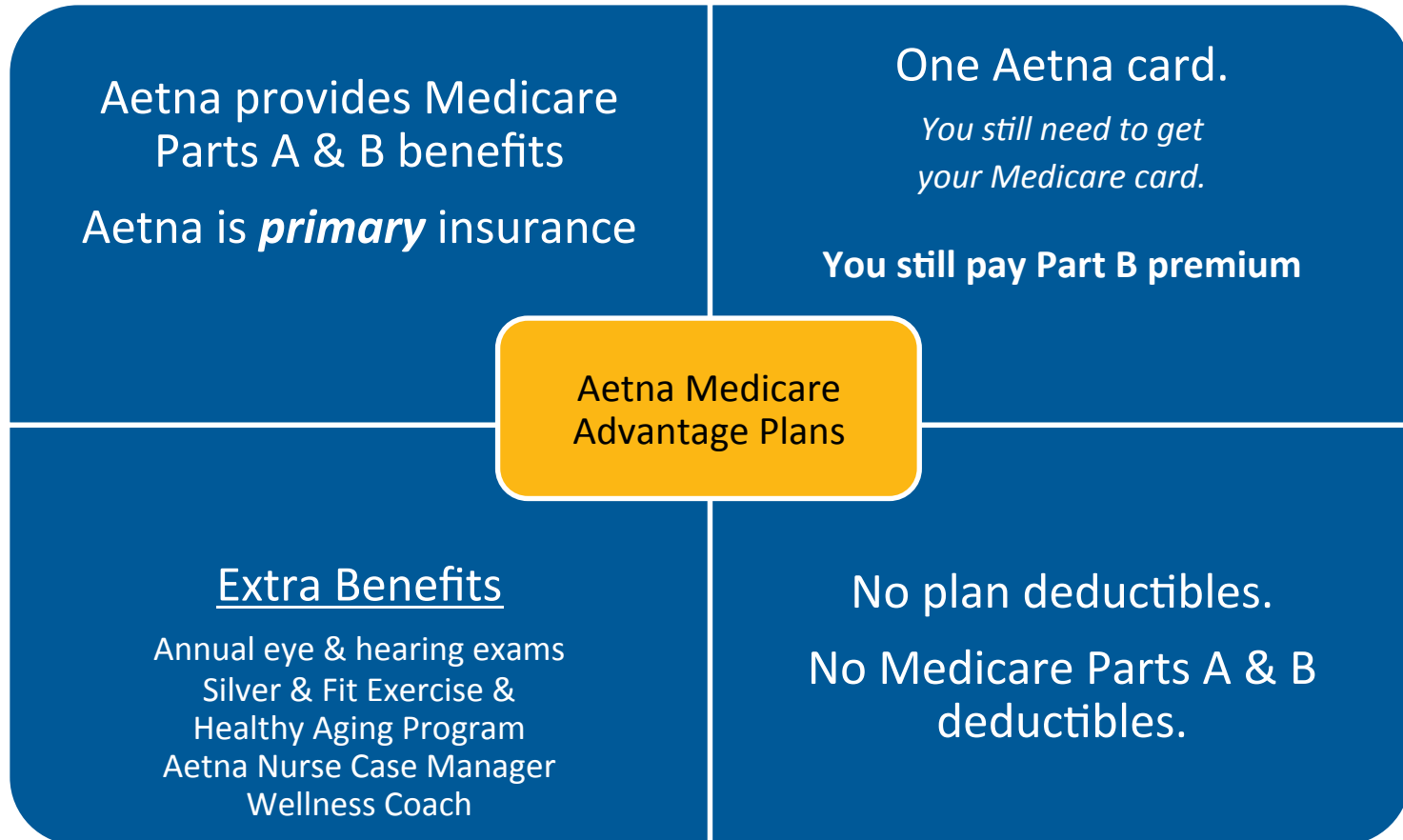
Available with medical and Rx combination
-- or --
with the Rx Standard as a stand-alone plan

One time enrollment

How **SRM L & K** Plans Work



How **Medicare Advantage** Plans Work



2016 **POST-65** Medical Plans – **CHOOSE ONE**



1

2

3

4

5

Plan	Aetna Medicare Advantage <u>Premium</u> ESA	Aetna Medicare Advantage <u>Plus</u> PPO/ESA-PPO	Aetna Medicare Advantage <u>Standard</u> PPO/ESA-PPO	Aetna SRM Plan L	Aetna SRM Plan K
Plan Deductible	\$0 in- and out-of-network	\$0 in- and out-of-network	\$0 in- and out-of-network	\$0	\$0
Medicare Deductible	\$0	\$0	\$0	25% of Part A 100% of Part B	50% of Part A 100% of Part B
Primary Care	\$15 copay *	15% coinsurance (in-network) 25% (out-of-network)	\$15 copay (in-network) 30% coinsurance (out-of-network)	25% coinsurance	50% coinsurance
Specialist	\$15 copay *	15% coinsurance (in-network) 25% coinsurance (out-of-network)	\$40 copay (in-network) 30% coinsurance (out-of-network)	25% coinsurance	50% coinsurance
Hospital	Covered 100%	\$500 per admission (in-network) 25% per admission (out-of-network)	\$200 per day (1-7) (in-network) 30% per admission (out-of-network)	25% of the Medicare Part A deductible	50% of the Medicare Part A deductible
Preventive Care	Covered 100%	Covered 100%	Covered 100%	Some preventive care paid by Medicare	Some preventive care paid by Medicare
Out-of-Pocket Limit	\$2,000 *	\$2,750 (in-network) \$5,500 (out-of-network)	\$6,700 (in-network) \$10,000 (out-of-network)	\$2,480	\$4,960

*In- and out-of-network

NOTES: The ESA-PPO Plan has the same benefits as the In-Network PPO Plan.
Aetna's GMS Plans A and L will be offered in Florida in place of SRM Plans K and L.

For 2016, the SRM Plans are not available in VT, MD, MN, and U.S. Territories.

How Post-65 Medical Plans Work



Primary Care Charge

Plan Type	Aetna Medicare Advantage <u>Premium</u> ESA	Aetna Medicare Advantage <u>Plus</u> PPO/ESA-PPO	Aetna Medicare Advantage <u>Standard</u> PPO/ESA-PPO	Aetna SRM Plan L	Aetna SRM Plan K
Primary Care Charge	\$200	\$200	\$200	\$200	\$200
Medicare Pays	\$0	\$0	\$0	\$160	\$160
Aetna Pays	\$185	\$170	\$185	\$30	\$20
You Pay	\$15 copay (in- and out-of-network)	\$30 coinsurance (in-network)	\$15 copay (in-network)	\$10 coinsurance	\$20 coinsurance

How Post-65 Medical Plans Work



Specialist Charge

Plan Type	Aetna Medicare Advantage <u>Premium</u> ESA	Aetna Medicare Advantage <u>Plus</u> PPO/ESA-PPO	Aetna Medicare Advantage <u>Standard</u> PPO/ESA-PPO	Aetna SRM Plan L	Aetna SRM Plan K
Specialist Charge	\$200	\$200	\$200	\$200	\$200
Medicare Pays	\$0	\$0	\$0	\$160	\$160
Aetna Pays	\$185	\$170	\$160	\$30	\$20
You Pay	\$15 copay (in- and out-of-network)	\$30 coinsurance (in-network)	\$40 copay (in-network)	\$10 coinsurance	\$20 coinsurance

2016 **Part D** Drug Plans – **CHOOSE ONE**



1

2

3

Rx Premium Plan	Rx Plus Plan	Rx Standard Plan
Open 2 Formulary	Open 2 Formulary	GRP B2 Formulary
\$100 deductible	\$100 deductible	\$310 deductible
Initial Coverage Limit: Coinsurance: 15% generic, 25% preferred brand, 40% non-preferred brand	Initial Coverage Limit: Coinsurance: 15% generic, 25% preferred brand, 50% non-preferred brand	Initial Coverage Limit: Coinsurance: 15% generic, 25% preferred brand
Coverage Gap: Same coverage at same coinsurance level	Coverage Gap: 15% copay for Tier 1 generic drugs, 45% brand	Coverage Gap: 58% generic, 45% brand
Catastrophic Coverage: 100% coverage	Catastrophic Coverage: 95% coverage	Catastrophic Coverage: 95% coverage

The Medicare Coverage Gap Discount Program will continue to provide manufacturer discounts on brand name drugs to Part D beneficiaries who reach the Coverage Gap and are not already receiving "Extra Help." A 50% discount on the negotiated price of preferred and non-preferred brand drugs (excluding the dispensing fee) will be available from manufacturers that have agreed to provide the discount.

2016 **Dental** Plan – OPTIONAL



Preventive Service Coverage	100%
Annual Deductible (basic and major services)	\$100
Basic Services Coverage (e.g. fillings, standard crowns, extractions)	50%
Major Services Coverage (e.g. root canal therapy, surgical removals, dentures)	50%
Annual Benefit Maximum	\$1,500

NOTES:

1. Twelve month waiting period applies for major services, but may be waived with evidence of continuing coverage.
2. One-time only opt-in opportunity.
3. Dental is only available when you enroll in a combination Medical/Rx coverage, or elect the stand-alone Rx Standard Plan
4. Please note: in the states of CA, OR, WA, the stand-alone Dental plan may be elected if the participant is enrolled in a Kaiser Permanente MAPD Plan, and with evidence of existing coverage.
5. Dental not available in MD.

Choosing Your Coverage



Jim has a chronic medical condition. He takes 3 brand drugs, sees a specialist twice a year, and is sometimes in the hospital.

- ✓ Medicare Premium Plan or SRM L Plan
- ✓ Rx High Plan

Mary is generally pretty healthy. She takes 2 generic drugs, gets her annual check-ups, and sees a specialist once a year for allergies.

- ✓ Medicare Standard Plan or SRM K Plan
- ✓ Rx Standard Plan





You can only enroll in Emeriti Health Insurance **when you are first eligible**, unless you have a qualifying life event.

Pre-65: Choose one medical/Rx combo plan

Post-65: Choose one medical plan & one Rx plan

Post-65 Only:

Or enroll in Emeriti's **Rx Standard Plan** to preserve your future options

Find doctors and medical facilities in the Aetna network



1. Go to [AetnaMedicare.com](https://www.aetna.com/medicare).
2. Click on Search For Provider
3. Select your state
4. Select Medicare PPO
5. Navigate through the choices

2016 Aetna PRE-65 Medical/Rx Plans



Plan Type	Aetna High Plan	Aetna Middle Plan	Aetna Low Plan
Plan Deductible	\$750 in-network \$1,500 out-of-network	\$1,250 in-network \$2,500 out-of-network	\$2,500 in-network \$5,000 out-of-network
Coinsurance	10% in-network 30% out-of-network	20% in-network 40% out-of-network	20% in-network 40% out-of-network
Prescription Drug Coverage	10%, 30%, 40% deductible waived, combined with medical OOP in-network Not covered Out-of-network	20%, 40%, 50% deductible waived, combined with medical OOP in-network Not covered Out-of-network	20%, 40%, 50% deductible waived, combined with medical OOP in-network Not covered Out-of-network
Preventive Care	100% in-network 30% coinsurance Out-of-network	100% in-network 40% coinsurance Out-of-network	100% in-network 40% coinsurance Out-of-network
Out-of-Pocket Limit	\$2,500 in-network \$7,500 out-of-network	\$5,000 in-network \$10,000 out-of-network	\$7,500 in-network \$12,500 out-of-network

Enroll via phone
or online

Log onto the Emeriti
Benefits Dashboard

MyEmeritiBenefits.org

Call the Emeriti
Service Center
1-866-EMERITI (1-866-363-7484)

Next Steps



1

Have a retirement date in mind?

Talk to Human Resources.

2

Ready to retire?

Contact Social Security 3 months prior to retirement.

Call Emeriti Service Center to request insurance enrollment kit.

3

Just want more information?

Call the Emeriti Service Center or visit EmeritiHealth.org.

Emeriti Service Center
1-866-EMERITI (1-866-363-7484)

Ongoing Participant Support



Dedicated
Service Center



Online Tools and
Resources



In-Person Meetings



Workshops & Meetings

Presentations and group discussions



Teleconferences

Annual retiree teleconferences



Direct Mail & Online Resources

Enrollment kits, newsletters, plan highlights.

Emeriti website and Benefits Dashboard.



Thank You

FOR JOINING US

Powered by





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Emeriti Retirement Health Solutions is not an insurance company, insurance broker or insurance provider.

Summary Plan Description (SPD)

This presentation is intended to provide you with a brief summary of some of the details of your Employer's Emeriti Plan and the Emeriti Program. For a full summary of the terms of your Employer's Emeriti Plan you must consult the SPD, which will be provided to you upon enrollment or upon request.

Investment Adviser Status

Emeriti Retirement Health Solutions is a registered investment adviser for purposes of selecting the range of investment options available under the Emeriti Program. Emeriti may provide non-personalized educational materials to plan participants relating to their and their employer's contribution to their Emeriti Plan and the allocation of their Emeriti Health Account balances among available investment options. Emeriti does not provide personalized investment advice to participants.

The participation interests in the voluntary employee contribution VEBA trusts associated with the Emeriti plans (the "Interests") may be treated as securities under federal or various state securities laws. The offering of these Interests is subject to compliance with any applicable federal or state law. For residents of Georgia, the Interests are being offered in reliance on paragraph 13 of Code Section 10-5-9 of the Georgia Securities Act of 1973, as amended (the "Georgia Act"). The Interests may not be sold or transferred except in a transaction which is exempt under the Georgia Act or pursuant to an effective registration under the Georgia Act.



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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Health Account Investment Options



Ticker	Fund Name (Retirement Class)
TIEXX	TIAA Money Market Fund
TLIRX	TIAA Lifecycle Retirement Income Fund
TCLEX	TIAA Lifecycle Fund 2010
TCLIX	TIAA Lifecycle Fund 2015
TCLTX	TIAA Lifecycle Fund 2020
TCLFX	TIAA Lifecycle Fund 2025
TCLNX	TIAA Lifecycle Fund 2030
TCLRX	TIAA Lifecycle Fund 2035
TCLOX	TIAA Lifecycle Fund 2040
TFRX	TIAA Lifecycle Fund 2045
TLFRX	TIAA Lifecycle Fund 2050
TTRLX	TIAA Lifecycle Fund 2055
TLXRX	TIAA Lifecycle Fund 2060

Investments accumulate tax-free and are disbursed tax-free

Health Account Investment Options



Emeriti's Core Plus Investment Menu

Fixed Income		
TIKRX TIAA Inflation-Linked Bond Fund	PTTAX PIMCO Total Return Fund	
Balanced		
OAKBX Oakmark Equity & Income Fund		
Index Funds		
VTSSX Vanguard Total Stock Market Index Fund, Signal Class	VTSGX Vanguard Total International Stock Index Fund, Signal Class	
Actively Managed Equity Funds		
TRSCX TIAA Social Choice Equity Fund	RFNEX American Funds Fundamental Investors R4	REREX American Funds EuroPacific Growth Fund R4