

Research Foundation for Mental Hygiene, Inc.



Retiree Benefits Guide

General Information created for those preparing for retirement

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General Information

We would like to congratulate you on your upcoming retirement and personally thank you for your dedicated service which has contributed to the overall success of the Research Foundation for Mental Hygiene, Inc. (RFMH). At this time you are required to make some important decisions that will affect your future benefits. This guide was prepared to provide you with information of RFMH benefits plans and program options for retirees.

After retirement we will continue to communicate important benefits information to you. Therefore, it is imperative that you keep us informed of any change in your telephone number, mailing and/or email address. Please take this opportunity to verify that we have your current information on file by completing the form on the last page of this guide.

Employer Identification Number (EIN)

The Research Foundation for Mental Hygiene, Inc. has been assigned the EIN of 14-1410842.

How to get assistance

Although each carrier handles claims for benefits, RFMH is the plan administrator for all plans. We may be contacted at:

Research Foundation for Mental Hygiene, Inc.
150 Broadway, Suite 301
Menands, New York 12204

Telephone: 518-474-5661

Website: <http://corporate.rfmh.org/>

Specific questions relating to Medicare or Social Security benefits can be obtained by contacting your local Social Security office.

Annual Open Enrollment

Once annually, RFMH designates an open enrollment period. Retirees under the age of 65 are permitted to make changes to your health plan and/or coverage for the next plan year. Prior to this designated period we will communicate to you plan and/or rate changes. Retirees who are 65 or older will be enrolled in the MediBlue PPO group plan.

Making any change to your existing health or dental coverage requires completion of a benefits enrollment/change form. You may obtain this form by visiting our website at http://corporate.rfmh.org/human_resources/forms/ActiveEmployeeEnrollmentForm.pdf or by emailing our main Human Resource mailbox at rf@rfmh.org.

Health Insurance

When someone retires the most frequently asked question is what will happen to my health insurance benefits? You will be pleased to know that if you meet the eligibility requirements outlined below, RFMH continues to offer you health insurance through Empire Blue Cross.

If you are 65 years of age or older at retirement you may enroll in the Empire Blue Cross Empire MediBlue Freedom (PPO) Group Plan. If you have not attained age 65 at retirement you may continue coverage in either the Empire Blue Cross Exclusive Provider Network (EPO) or the Preferred Provider Network (PPO) Plans until you attain age 65.

All RFMH retiree health plans include prescription drug coverage.

Eligibility

In order to be eligible for Retiree health insurance coverage you must:

- Be enrolled in a RFMH Health Insurance Plan at the time you retire,
- Be at least 55 years of age or be qualified for the receipt of Social Security disability payments and;
- Have ten years in benefit eligible status with RFMH.

For those individuals meeting the eligibility requirements, RFMH will make a monthly contribution toward the cost of retiree health insurance based on your years of service and coverage type. The amount that will be contributed towards your premium increases by 2% for each year of qualified service over ten years. You will receive the maximum contribution towards your monthly premium at thirty years of qualified service.

At or before the time of your retirement, you will be required to choose one of following three options:

1. **Enroll in retiree health insurance,**
2. **Defer enrollment until a later date; or**
3. **Decline retiree health insurance coverage.**

Enrolling in Retiree Health Insurance

To enroll, schedule a meeting with your Human Resource representative to review the plan and coverage options available to you in retirement.

Those individuals who will attain age 65 at the time of retirement must enroll in Medicare Part A and Part B and provide RFMH with a copy of your Medicare card. To avoid an interruption in your health coverage it is recommended that you apply for Medicare three to four months prior to you or your covered family members 65th birthday.

Defer (delay) the start of retiree health insurance

If you have access to other health insurance at the time of retirement, RFMH allows you to delay the start of your health insurance coverage and the use of sick leave credits, if any, to a future date. You may re-enroll in the plan at any time however; you may be subject to a waiting period.

Those individuals with access to other coverage will benefit by not being responsible for monthly premium and will potentially increase the value of your monthly sick leave credit as the calculation will be preformed when you are older.

Regardless of your choice, the election ***must be made prior to your last day on the payroll*** by completing the RFMH Retiree Health Insurance Application, Declination or Deferral Form and providing it to the Human Resource Representative at your location.

Decline RFMH Retiree Health Insurance

If you chose to opt out of retiree health insurance coverage you must complete a form indicating that you are not interested in enrolling or deferring health insurance at the time of retirement. If you decide to enroll at a later date in most cases you will be subject to a three month waiting period before your insurance is reinstated. If you decline retiree health insurance you will forfeit any sick leave accrual credit.

Sick Leave Credits

RFMH allows you to use your accumulated unused sick leave accruals to offset the cost of your portion of health insurance premiums in retirement. Your sick leave accruals, up to a maximum of 200 days, are converted into a dollar amount based on your annual salary and life expectancy at the time you retire.

If you have remaining sick leave accruals at the time of your retirement you must choose between the “**Full Value**” or “**Dual Annuitant**” Option”.

Full Value Option will apply 100% of your monthly sick leave credit towards your monthly health

insurance premium. If you elect this option your sick leave credit will end with your death and will not be available to your covered dependent(s).

Dual Annuitant Option will apply 70% of your monthly sick leave credit towards your monthly health insurance premium. By selecting this option, your sick leave credit will be used to reduce your health insurance premium during your lifetime, and also to reduce the premium of your covered dependent(s) for the duration of their eligibility if you predecease them. If your dependent(s) die before you, you will still retain the 70% sick leave credit.

When you meet with your Human Resource representative you will be provided with the dollar value of your sick leave credit based on the option you select.

Prescription Drug Coverage

The prescription drug benefit portion of your health available to you and your covered dependents is through Express Scripts. This prescription drug plan is designed to cover most medications that require a physician's written prescription. Prescription drugs may be obtained through mail order or at a retail pharmacy and are subject to a copayment. You may obtain a three month supply of most drugs whether you are filling your prescription using mail order or at a retail pharmacy however, you will realize the most savings by utilizing mail order whenever possible.

Generic and Brand Name Drugs

As part of your prescription drug plan there are three different categories of covered drugs and each have a different copayment associated with them. The three categories are: generic, preferred brand name and non-preferred brand name. You will pay the lowest copayment for generic drugs, followed by preferred brand name drugs. The non-preferred brand name drugs will have the highest copayment associated with them.

Mail Order

No matter what health plan you are enrolled in this option is the most cost effective way to have your prescriptions filled. It is convenient for long term prescriptions and offers the additional advantage of having your medications delivered right to your door. Once you submit your prescription you can request auto refills and track the status of your order.

Participating Retail Pharmacy

Express Scripts participates with a large number of retail pharmacies. Visiting a participating pharmacy offers you the advantage of discounted prescription drug prices when you need a short-term or an immediate prescription filled. If a short term or immediate prescription is later required on an ongoing basis, utilizing mail order will stretch your health care dollar. Request two prescriptions from your physician- one for a 30 day supply to get filled immediately at the retail pharmacy and a 90 day one that you can submit through mail order.

Nonparticipating Pharmacy

If you fill a prescription at a nonparticipating retail pharmacy, the plan will pay only the discounted cost of the drug that a participating pharmacy would have charged. The cost difference between the discounted and retail cost will be your responsibility. If you use a nonparticipating pharmacy you will need to pay the entire cost of the prescription up front and then submit a claim to Express Scripts for reimbursement of the permissible expenses.

Prescription Drug Copayments

Empire Blue Cross EPO Plan		
Drug Category	Retail Pharmacy (30 day supply)	Mail Order (90 days Supply)
Generic	\$5 copay	\$5 copay
Preferred Brand Name	\$15 copay	\$15 copay
Non-Preferred Brand Name	\$40 copay	\$40 copay

Prescription Drug Copayments (continued)

Empire Blue Cross PPO Plan		
Drug Category	Retail Pharmacy (30 day supply)	Mail Order (90 days Supply)
Generic	\$5 co pay	\$10 co pay
Preferred Brand Name	\$15 co pay	\$30 co pay
Non-Preferred Brand Name	\$40 co pay	\$80 co pay

Empire Blue Cross MediBlue PPO Plan		
Drug Category	Retail Pharmacy (30 day supply)	Mail Order (90 days Supply)
Generic, including Specialty Drugs- Select Generics-	\$10 copay \$0 copay for Select Generics	\$20 co pay \$0 Copay for Select Generics
Preferred Brand Name, including Specialty Drugs and Vaccines	\$20 co pay	\$40 co pay
Non-Preferred Brand Name	\$40 copay	\$80 co pay

Dependent Survivor

Dependent Survivor is the term given to dependents on your health plan at the time of your death. Dependent survivors contribute the same rate as retirees for as long as they remain eligible. Any dependent on an RFMH employee's policy at the time of the employee's death is eligible for an extension of the employee's benefits for a period of three months. After three months your dependents(s) will be offered to continue self pay coverage which may be reduced by sick leave credits if you chose the dual annuitant option.

Medicare

When you reach age 65 in retirement, Medicare becomes your primary insurance coverage and you must enroll in Medicare Part A and Medicare Part B. Medicare Part A covers inpatient care in a hospital or skilled nursing facility, hospice and home health care. Medicare Part B covers doctors' services, outpatient hospital services, durable medical equipment and some other services and supplies not covered by Part A. You should not decline enrollment in Medicare Part A or B.

Enrollment in Medicare Part A and B applies to all covered family members who are age 65 or over.

Effective January 1, 2006, Medicare began to provide voluntary prescription drug benefits under Medicare Part D. Medicare will charge an additional premium for this benefit. Please compare the benefits available under Medicare Part D against the benefits available to you through RFMH. We offer a comprehensive prescription drug benefit at no additional charge which you will maintain if you do not enroll in Part D. This coverage meets or exceeds that offered through Medicare at no additional cost. You should not enroll in Medicare Part D unless you would qualify for the extra help subsidy provided by the Part D Low Income Subsidy.

To avoid an interruption in your health coverage it is recommended that you and/or your covered dependents contact your local Medicare office three to four months prior to attaining age 65.

If you or your covered dependent(s) delay enrollment in Medicare Parts A and B, benefits that would otherwise be paid under RFMH health plan will be reduced by the amount that would have been paid by Medicare.

Medicare Part B Reimbursement

Once enrolled in Medicare, RFMH contributes to the cost of Medicare Part B. Depending on your monthly health and/or dental insurance premiums RFMH will either offset your monthly insurance premium or reimburse you quarterly for Medicare Part B.

RFMH will deduct the amount of your Medicare premium from the amount you pay RFMH for health and/or dental insurance. If the Medicare Part B premium exceeds your total payment due to RFMH you will be reimbursed quarterly for the difference.

Dental Insurance

If you meet the eligibility requirements for retiree health insurance you are eligible to continue your dental coverage into retirement. Your premium will be the full cost of the benefit and is not supplemented by RFMH. If you choose not to continue Dental coverage after leaving RFMH service, your existing dental coverage will terminate on the last day of the month in which you leave or the last day of the following month depending on your last date of employment. Your Human Resource representative will inform you of the monthly premium and the date your existing coverage will end if you do not elect to continue your dental insurance into retirement.

If you choose to enroll at a later date other than during the annual open enrollment period, you may be subject to a delayed enrollment.

Monthly Premium Health and Dental Payment Options

If you enroll in health and/or dental retiree benefits your premium payments are due by the first of each month for the following month's coverage. Payments are to be made payable to the Research Foundation for Mental Hygiene, Inc. and be remitted to the address below. If you prefer, we can automatically withdraw the required payment(s) directly from your bank account. To enroll in automatic withdrawal you need to complete an authorization form available on our website at http://corporate.rfmh.org/human_resources/forms/AutoWithdrawalEnrollmentForm.pdf.

Payments not made timely will result in an interruption in your coverage.

Monthly payments for health and dental insurance should be remitted to:

Research Foundation for Mental Hygiene, Inc.
150 Broadway, Suite 301
Menands, New York 12204

Retirement Income

Defined Retirement Plan

Once you are vested in the Defined Retirement Plan, you "own" your benefits. The value of your contracts will continue to fluctuate in value based on the performance of the various funds that you are invested in. If you return to eligible RFMH service at a future date, retirement contributions will begin on your behalf immediately. You will not have to satisfy waiting and vesting periods again.

Retirement income benefits as required by Federal law, begin no later than April 1 of the calendar year in which you reach age 70 1/2, or the calendar year in which you terminate employment whichever is later. The required IRS minimum income can be collected using the MDO (Minimum Distribution Option) described on the following page.

If you die before the distribution of benefits have begun, the entire value of your funds must normally be distributed by December 31 of the fifth calendar year after your death. Under a special rule, death benefits may be payable over the life or life expectancy of a designated beneficiary if the distribution of benefits begins no later than December 31 of the calendar year immediately following the calendar year of your death. If the designated beneficiary is your spouse, the commencement of benefits may be deferred until December 31 of the calendar year that you would have attained age 70 1/2 had you continued to live.

The payment of benefits according to the above rules is extremely important. Federal tax law imposes a 50% excise tax on the difference between the amount of benefits required by law to be distributed and the amount actually distributed if it is less than the required minimum amount.

You may choose from several income options when you retire. However, if you are married, your right to choose an income option will be subject to your spouse's right under the federal pension law to survivor benefits unless this right is waived by you and your spouse. Your options are:

Single Life Annuity

This option pays you an income for as long as you live, with payments stopping at your death. A single life annuity provides you with a larger monthly income than other options. This option is also available with a 10, 15, or 20 year guaranteed payment period option not to exceed your life expectancy at the time you begin your annuity income. With this feature, if you die before the end of the guaranteed period you selected (10, 15 or 20 years), payments will continue to your beneficiary for the remainder of the guaranteed period.

Survivor Annuity

This option pays you a lifetime income, and if your annuity partner lives longer than you, he or she continues to receive an income for life. The amount continuing to the survivor depends on which of the following three options you choose:

Two Thirds Benefit to Survivor

At the death of either you or your annuity partner, the payments are reduced to two-thirds the amount that would have been paid if both had lived, and are continued to the survivor for life.

Full Benefit to Survivor

The full income continues as long as either you or your annuity partner is living.

Half Benefit to Second Annuitant

The full income continues as long as you live. If your annuity partner survives you, he or she receives, for life, one-half the income you would have received if you had lived. All survivor annuities are available with a 10, 15, or 20 year guaranteed period, but not exceeding the joint life expectancies of you and your annuity partner. This period may be limited by federal tax law.

Minimum Distribution Option (MDO)

The MDO enables participants to automatically comply with federal tax law distribution requirements. With the MDO, you will receive the minimum distribution that is required by federal tax law while preserving as much of your accumulation as possible. The minimum distribution will be paid to you annually unless you elect otherwise. This option is generally available in the year you attain age 70 1/2 (if you're no longer working) or following the year you retire, whichever is later.

Other Payment Options

A **cash option** allows you to receive your TIAA Real Estate and CREF accumulations in one or more lump sum payments or over a specified period of years. This may include systematic withdrawals where you design your own periodic payment plan.

The **TIAA Transfer Payout Annuity (TPA)** Option allows you to receive your TIAA Traditional Annuity accumulation in annual installments over a 10 year period. After your death, any remaining balance will be paid to your beneficiary.

You should contact TIAA-CREF to assist you in determining which benefit may be best for your situation.

Supplemental Retirement Annuity (SRA)

Any funds contributed to an SRA during your employment at RFMH will continue to be available to you. Once you retire from RFMH no future contributions may be made to your SRA unless you are re-employed at RFMH or at another organization that is a participating institution with TIAA-CREF.

Additional TIAA-CREF Information

You will continue to receive quarterly statements from TIAA-CREF. Statements are available for you to view anytime online. To change your allocations or beneficiaries after your retirement you must contact

