

# Retiree Health Plan Changes



**Effective January 1, 2018**  
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**UNION**  
COLLEGE  
FOUNDED 1795

**HUMAN RESOURCES**

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# Agenda

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- **REASONS FOR CHANGES**
- **ELIGIBILITY DEFINITION FOR RETIREMENT**
- **SEVEN-YEAR GRADED TRANSITION PERIOD**
- **RETIREE HEALTH PLAN SUBSIDY**
- **INSURANCE PRODUCTS OFFERED TO PRE-65 RETIREES**
- **INSURANCE PRODUCTS OFFERED TO POST-65 RETIREES**
- **WHAT DO I NEED TO DO?**
- **MERCER MARKETPLACE 365 SPECIFICS**
- **QUESTIONS**

# Reasons for Changes

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- **Private education sector is facing many challenges**
- **Need to remain affordable and competitive while providing value added programs for students**
- **Consultants confirmed the new approach would maintain a competitive benefit offering**
- **Increases choice and may reduce retiree cost**
- **Allows us to take advantage of complex accounting rules**
- **Changes to be shared with all community members (both retirees and actives)**

# Retirement Eligibility Definition

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**15 years of service after  
age 47  
(effectively age 62)**

# Seven-Year Graded Transition Period

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age in 2017	eligible to retire in	age when eligible for retirement	'old' years to eligibility	'new' years to eligibility	additional years to eligibility
55	2017	55	0	0	0
54	2019	56	1	2	1
53	2021	57	2	4	2
52	2023	58	3	6	3
51	2025	59	4	8	4
50	2027	60	5	10	5
49	2029	61	6	12	6
48	2031	62	7	14	7
47	2032	62	8	15	7
46	2033	62	9	16	7
45	2034	62	10	17	7
44	2035	62	11	18	7
43	2036	62	12	19	7
42	2037	62	13	20	7

# Retiree Health Plan Subsidy for Future Retirees (Post 12/31/2017)

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- **Retiring employees will receive a one-time, lump sum, inflation-adjusted subsidy payment of \$10,000 to be used for healthcare expenses.**
- **For retirees who are over age 65, the lump sum payment will be deposited into a Health Reimbursement Account (HRA). Union will self-administer the lump sum payment for retirees under age 65.**
- **The spouse/domestic partner of a future retiree will receive a lump sum subsidy equal to 50% of the retiree amount, deposited into an HRA account or self-administered by Union as above (according to the age of the spouse/partner).**
- **All future retirees and their spouse/domestic partner will be eligible for the lump sum subsidy. Prior to this change, only those employees participating in Union's medical insurance programs at time of retirement were eligible to receive a subsidy.**

# Retiree Health Plan Subsidy for Current Retirees (Pre 1/1/2018)

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- **\$30 reduction per month in the amount you are currently receiving from Union College**
- **For retirees between now and 12/31/2017 the monthly subsidy will go from \$95 to \$65 per month.**
- **If you have not already received more than \$10,000 from Union through your monthly subsidy you will be given a one-time option to convert to a one-time lump sum payment equal to the difference between \$10,000 and what you have already received.**

# Insurance Products Offered to Pre-65 Retirees

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- **Retirees under the age of 65 can continue in Union's PPO Plan U or PPO Plan C, or waive coverage until Medicare eligible.**
- **Dental and Vision coverage, if applicable, will continue directly through Union College.**



# Insurance Products Offered to Post-65 Retirees

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- **Current individual AARP/United Healthcare Medicare Supplement Plan Participants may maintain their current plan enrollment.**
- **Current Group CDPHP and MVP plans through Union will be discontinued. New, expanded coverage options will be available through Mercer Marketplace 365.**
- **When you call the Mercer Marketplace, a Benefits Counselor will review and discuss your various options but please note that CDPHP plans are included.**
- **Dental and Vision coverage, if applicable, will continue directly through Union College.**
- **Information on plans and rates to be updated on Mercer site in early October.**

# Catastrophic RX

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- If a retiree's pharmacy costs exceed the donut hole, an insurance policy will reimburse retirees for their prescription drug costs (generally 5% of the drug's cost)
- Provides a significant benefit to high prescription drug utilizers (usually <5% of the population)
- Mercer Benefit Counselors will help determine eligibility and advise on what needs to be done if applicable.

# What Do I Need To Do? (If Under Age 65)

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- **If you are retired or will be retiring prior to 1/1/18, and under age 65, consider whether the lump sum option works for you.**

# What Do I Need To Do? (If Age 65 or Older)

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- **If you are still working contemplate your options.**
- **Consider whether the lump sum option works for you.**
- **If you are retired, follow the guidance of the Mercer Marketplace 365 counselors**

# What is Mercer Marketplace 365?

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- Mercer Marketplace 365 is not an insurance company; they provide an “insurance exchange” that allows individuals to choose coverage that best meets their needs and budget from leading health insurance carriers.
- Licensed benefits counselors, not sales people, so there are no commissions or incentives for steering retirees to one plan versus another.

# Specifics Regarding Mercer Marketplace 365 Plans

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**Lori Howell will now talk more about the benefit counselors, enrollment procedures, and the Health Reimbursement Account (HRA).**