



**PennState**

2017

# The Pennsylvania State University Guide to Retirement

# Penn State Retiree Brochure

---

Congratulations on your upcoming retirement from Penn State! The Employee Benefits Division would like to provide you with the most current information for a smooth transition into retirement and outline the benefits that you may retain upon your retirement. We have prepared the following resources in an effort to help you understand the benefits you have after retirement, as well as alleviate some of the uncertainty during this important decision-making process.

## Retirement Process:

### Step 1:

You will want to start by meeting with a retirement planning specialist from [TIAA](#) or [SERS](#) to review your income projections and income options. Many facing retirement underestimate their net retirement income by overlooking items currently deducted from their paycheck that will no longer be withheld in retirement.

Taking these withholding items into account can significantly increase your projected spendable income. For instance, in retirement, you will no longer have Social Security and Medicare taxes withheld from your retirement checks.

In addition, the following will not be withheld from your retirement checks:

- Unemployment Insurance
- Long-Term Disability (if you currently participate)
- Parking
- SERS or TIAA Monthly Contribution
- Life Insurance (if you currently participate)
- State & Local Tax

### Step 2:

Email the Employee Benefits Division at [benefits@psu.edu](mailto:benefits@psu.edu) with your name, PSU ID number and retirement date. Also, notify your local Human Resources Department as soon as you know you plan to retire.

### Step 3:

Review Employee Self Service Information Center ([ESSIC](#)) to verify your covered eligible dependents, as well as benefits in which you are currently enrolled to determine if those benefits are applicable after retirement.

You and your eligible dependents are automatically enrolled in the retiree medical plan, if you meet the eligibility requirements to retire with medical benefits. No additional forms are necessary to enroll, unless you are Medicare eligible. (See Medical-Medicare Eligible, employees hired prior to January 1, 2010 information below)

If you wish to refuse medical coverage, you must complete the Retiree Request for Change Form. Retirees who refuse coverage will not be able to re-enroll at a later date.

Retirees who carry a spouse who will remain actively employed by Penn State, will need to remove their spouse from their benefits. Spouses will then need to enroll in the Penn State medical plan by completing the Request for Change Form for employee. Employees can obtain this form by emailing [benefits@psu.edu](mailto:benefits@psu.edu). Note: Active spouses can add the retiring employee to dental and vision.

## Eligibility

~ Prior to January 2010~

At least 60 years of age

15 years of continuous full-time service

Last 15 years enrolled in a PSU medical plan\*  
immediately preceding retirement

Eligible at any age

25 years of regular full-time service

Last 10 years enrolled in a PSU medical plan\*  
immediately preceding retirement

-OR-

~After January 2010~

At least 60 years of age

Completed 25 years of continuous full-  
time service immediately preceding  
retirement

At least 65 years of age

Completed 15 years of continuous full-  
time service immediately preceding  
retirement

\*Enrolled either as the primary subscriber or via your spouse's PSU medical plan.

## Retiree Billing

We have contracted with Lifetime Benefit Solutions to administer, bill, and collect the health care premiums from all of our retirees who have the Penn State medical benefit.

For new retirees, after your local HR unit updates your status from Active to Retiree in IBIS, following your retirement, your retiree medical billing information will automatically be sent to Lifetime Benefit Solutions. Upon receipt of your information, they will generate your first Retiree Bill and send you all the pertinent information to establish automatic payment withdrawal (ACH). You are not able to initiate this process until your information is transmitted to Lifetime Benefit Solutions. Your first Retiree Bill should come approximately two to three weeks AFTER your retirement. **Payment is due within 60 days of receipt of your first Retiree Bill.**

Going forward, you will be billed on a quarterly basis. Your premium payments are due on the 1st day of each calendar quarter and you will have a 60 day grace period. Premium due dates are: January 1, April 1, July 1 and October 1; your 60 day grace period will begin on the date after the payment due date.

- [Frequently Asked Questions - Retiree Billing Administrator](#)
- [Lifetime Benefit Solutions Privacy Policy](#)

## Coverages

### Medical-Under 65, employees hired prior to January 2010

If you or your spouse are **not** Medicare eligible at the time of your retirement and eligible to retire with medical benefits:

- You have the choice of either the PPO Savings plan or the PPO Blue plan. You may choose to keep the same plan in which you are currently enrolled into retirement, or you have the ability to switch plans at the time you retire.
- If you want to remain in the same plan in which you are currently enrolled as a non-Medicare eligible retiree, you need not take any action when you retire. If you want to change plans at that time, please contact the Employee Benefits Division at (814) 865-1473 prior to your retirement.
- As long as YOU, the retiree, are not eligible for Medicare, you can participate in the PPO Savings plan with the Health Savings Account (HSA). Your contributions to the HSA as a retiree will be made either through the Highmark website or directly to Bank of America. The triple-tax savings would be accounted for on your taxes and should be discussed with your accountant/tax advisor.

NO FORMS NECESSARY-UNLESS REFUSING COVERAGE or CHANGING MEDICAL PLANS

### Medical- Medicare Eligible, employees hired prior to January 2010

If you or your spouse **are** Medicare eligible at the time of your retirement:

- Medicare eligible individual(s) **must** enroll in Medicare Parts A and B to be eligible for medical coverage through the University; contact your local Social Security office to begin this process. The Social Security office will **only** need the pre-filled Social Security form, CMS-L564E, completed **if you are older than 65 years and four months. If you are applying for Social Security three months prior to turning 65, or three months after turning 65, you are considered in your Special Enrollment period and this form is not necessary.**
- Freedom Blue application form must be completed and returned to the Employee Benefits office **prior** to your retirement date. Also enclose a copy of your Medicare card that clearly states Part A and Part B and the effective date. If you have any question concerning the application form or the plan, call Freedom Blue PPO at 1-866-918-5285
- When you return your application, your enrollment in the University-sponsored medical plan is complete. You will receive new Freedom Blue ID cards from Highmark Blue Shield.

#### Forms Needed

- Freedom Blue Application
- Copy of Medicare Card, clearly stating effective date of Part A and B

#### Send to

Employee Benefits Division  
The Pennsylvania State University  
James Elliott Building  
University Park, PA 16802

Forms and additional Highmark Freedom Blue information available to download on [ohr.psu.edu/benefits/retirement/guide-to-retirement](http://ohr.psu.edu/benefits/retirement/guide-to-retirement):

## **Retiring - Retiree Healthcare Reimbursement Account, Employees hired *AFTER* January 2010**

For anyone who was hired after January 2010, the university will contribute \$144 monthly into a Retiree Savings Account, administered by TIAA-CREF, to help pay for qualified medical expenses in retirement. Funds can be used to purchase health insurance and other qualified medical expenses for you and your eligible dependents.

### **Retirement Healthcare Savings Plan Advantages:**

- Money is set aside for your healthcare expenses at retirement while you are working
- Money accumulated in your account can be used for a variety of healthcare expenses, such as healthcare insurance, co-payments, deductibles and long-term care insurance
- Healthcare savings plan can be used yourself, spouse and eligible dependents
- Tax-free growth on any earnings on the contributions Penn State makes on your behalf
- Tax-free reimbursement of qualified healthcare expenses at retirement
- On-line access to healthcare savings account, when you meet Penn State's eligibility retirement qualifications, to:
  - Check Status of Claims
  - Submit a premium payment to health insurance provider
  - Access health and wellness tools

Additional information available to download on [ohr.psu.edu/benefits/retirement/guide-to-retirement](http://ohr.psu.edu/benefits/retirement/guide-to-retirement):

- ✓ [Retirement Healthcare Savings Plan Fact Sheet](#)

## Dental and Vision Options-Available to All Retirees

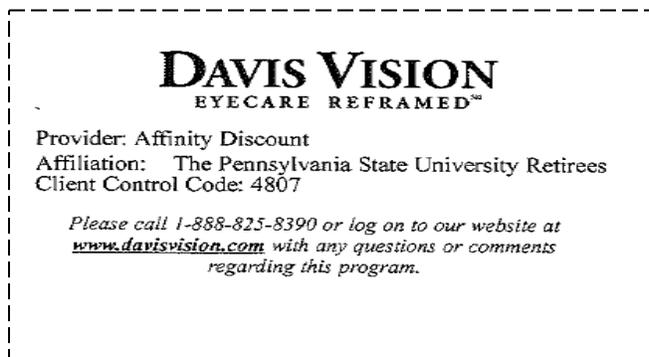
### Option 1:

Although dental and vision coverage is not a benefit provided to Penn State retirees, you may choose to continue either or both of those plans under COBRA. The maximum period of coverage under COBRA is 18 months. Employees eligible for COBRA will receive information and payment premium coupons following their retirement directly from Lifetime Benefit Solutions, Penn State's COBRA partner. All questions regarding COBRA benefits after an individual is enrolled in COBRA should be directed to [Lifetime Benefit Solutions](#) at 1-800-828-0078.

### Option 2:

You may also take advantage of a FREE discount vision program offered to retirees. This plan is available through [Davis Vision](#). Enjoy discounts on eyeglasses, accessories, and examinations - simply present the card at a participating Davis Vision provider.

Davis Vision discount pricing is available to anyone enrolled in a Highmark Medical plan. Please see the Davis Vision Discount Pricing sheet.



### Option 3:

Pennsylvania Association of Retired State Employees (PARSE) is available for additional dental and vision benefits after COBRA benefits end, if elected at time of retirement. For more information on [PARSE](#), please visit their website.

### Option 4:

If your spouse is an active Penn State employee, they may cover you and eligible dependents under their Dental and Vision plan, which may be more cost effective than electing COBRA. If this is the case, please contact Employee Benefits.

## **Additional Benefits-All Retirees who meet the years of service requirement (As Outlined in Policy HR54)**

### **Life**

- For employees hired on or before April 30, 1954: \$10,000 life insurance policy will be provided to you after retirement.
- For employees hired on or after May 1, 1954: A \$5,000 life insurance benefit will be provided to you after retirement at no cost.

**Please contact the Employee Benefits Division to review your beneficiary designation, if necessary.**

### **Voluntary Life**

Voluntary life insurance (beyond the \$5,000 at no cost) will end upon retirement, unless you convert to an individual policy. You must complete and return the Prudential conversion form within 31 days of your retirement date.

To obtain an application, please contact Prudential at 1-800-778-3827. Please provide the contract number – 35200 when calling.

### **Long-Term Disability**

Long-Term Disability coverage ends upon retirement. However, if you begin working elsewhere after retiring from the University, you may convert your coverage to an individual policy within 31 days following your retirement.

[Prudential LTD Conversion Information and Form](#)

### **Accidental Death and Dismemberment**

Accidental Death and Dismemberment (AD&D) coverage will end upon retirement, unless you convert to an individual policy. You must complete and return the conversion form within 31 days of your retirement date to the Hartford address listed on the form.

Contact The Hartford at 877-320-0484 to obtain a conversion form.

## Health Matters Physical Activity Programs

Retirees can participate in all Health Matters programs (with the exception of flu shots) at the same cost as active employees. It is important that you register for classes in advance. Courses are offered throughout the day at different campus locations, so you can choose the program that fits your schedule!

**NOTE:** Once retired, your annual flu shot is covered through the medical plan by Highmark Blue Shield, rather than through Health Matters. You should schedule your flu shot with your personal physician.

Highmark Blue Shield also offers a variety of online programs; non-Medicare eligible retirees can contact Highmark at 800-914-4384 and Medicare-eligible retirees can contact Highmark at 866-918-5285. Their website is also a valuable resource, at [www.highmarkblueshield.com](http://www.highmarkblueshield.com).

**Silver Sneakers** is one of the nation's leading exercise programs designed exclusively for older adults. It is a unique physical activity, lifestyle, and social-oriented health and wellness program specifically designed for Medicare-eligible members of all fitness levels. Freedom Blue PPO members receive a complimentary membership at a participating fitness center, plus access to any participating location across the United States. Members have free access to all amenities included with a basic fitness center membership. Members, who live more than 15 miles from a participating center, can still take advantage of the Silver Sneakers Steps self-directed walking and physical activity program. To learn more or to locate a participating provider, visit the [SilverSneakers website](#).

## Educational Benefits

Educational privileges are available to retirees able to retire from the University, as outlined in Policy [HR54](#). 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](#)).

Educational privileges are available to a retiree's spouse and unmarried dependent children. A spouse already receiving educational assistance from the University (such as a graduate assistantship) is not eligible for the grant-in-aid.

A completed Application for Dependent Grant-In-Aid form must be submitted to the Employee Benefits Division in order for the tuition discount to be applied for spouses or unmarried children. No forms are necessary for retirees.

**For additional information or questions regarding retirement, please call the**

**Benefits Service Center at 814-865-1473 or by emailing [benefits@psu.edu](mailto:benefits@psu.edu).**

Additional informational links are available on [ohr.psu.edu/benefits/retirement/guide-to-retirement](http://ohr.psu.edu/benefits/retirement/guide-to-retirement)