



University  
of Idaho

# RETIREMENT PLANNING

*PRESENTED BY*  
*UNIVERSITY OF IDAHO BENEFIT SERVICES &*  
*90 DAYS FROM RETIREMENT*

# AGENDA



- Welcome & Introductions
- Key Requirements
- UI Retiree Tier Eligibility
- Choosing a Retiree Health Plan
- Maintenance of Benefits
- Dental, Vision, & Life Insurance
- Paying for Retiree Health Plan
- Timeline



# KEY REQUIREMENTS – FSH 3730

- University of Idaho retiree health plan elections are irrevocable. There will be no future opportunity to elect coverage or change coverage.
- Must be enrolled in a UI active employee health plan at the time of retirement.
  - Standard PPO Plan or High Deductible Health Plan (HDHP)
  - Cannot be on waived coverage
- Spouse & other dependents – This is your **ONLY** opportunity to add your spouse, or other dependents currently enrolled to your UI Retiree Health Plan.

# UI RETIREE TIER ELIGIBILITY



## Tier Eligibility

- Retiree Health Plan is divided into four tiers (I – IV)
- Eligibility for each tier varies based on:
  - Years of Qualified Service (Temporary Help Not Qualified)
  - Age
  - Date in which Eligibility Criteria is Met
  - Hire Date (Before July 1, 2020)
  - Breaks in Service
  - Benefit Eligibility & Active Health Plan Enrollment
- Tier eligibility determines pre- and/or post-Medicare plan coverage:
  - Pre- & Post-Medicare Coverage, or
  - Pre-Medicare Coverage Only

## Requesting a Tier Calculation

- Approximately 12 – 18 months from anticipated retirement date
- Complete the online “Tier Request” form located on the Benefits webpage
- Benefit Services will email you confirmation of tier eligibility with additional documentation
- Thoroughly review all documentation & request a follow-up meeting with Benefit Services

# CHOOSING A RETIREE HEALTH PLAN



## Retiree Medical Plan Options

- Retiree PPO Plan
- Retiree High Deductible Health Plan
- Transfer of deductible & cost-share to retiree health plan
  - Active PPO Plan to Retiree PPO Plan – YES
  - Active HDHP to Retiree HDHP – YES
  - Active PPO Plan to Retiree HDHP – NO
  - Active HDHP to Retiree PPO Plan – NO

## Pre-Medicare

- UI Retiree Health Plan is primary
- Prescription drug coverage through CVS/Caremark
  - HDHP Preventive Drug List – Not available on Retiree Health Plan

## Post-Medicare

- Medicare enrollment is required
- UI Retiree Health Plan becomes secondary to Medicare (NOT a supplemental plan)
  - Claims processed as **Maintenance of Benefits (MOB)**
- No prescription drug coverage
  - Only Exception – Tier I, Retiree PPO Plan, SilverScripts
- Health Reimbursement Account Stipend
  - Only available if Tier II or III, Retiree PPO Plan

# MAINTENANCE OF BENEFITS



*When the UI Retiree Health Plan is secondary, it pays the amount necessary to ensure that the total combined amount you receive from the UI Retiree Health Plan and the primary plan (Medicare) is no greater than the amount you would have received under the UI Retiree Health Plan alone.*

## Scenario 1

- Retiree sees a Medicare participating provider for an office visit.
- The provider bills Medicare \$175 for the office visit.
- Medicare allows \$100 for the office visit.
- Provider must write off \$75 and cannot balance bill it to the retiree.
- The retiree has met their Medicare Part B deductible.
- Medicare processes the claim according to the \$100 allowed charge at 80% and pays the provider \$80 and allows the provider to bill the retiree the remaining \$20.
- The UI Retiree Health Plan then processes the claim as secondary.
- The retiree has met their UI Retiree Health Plan deductible.
- The UI Retiree Health Plan considers the \$100 allowed charge and determines it too would have paid \$80 with a \$20 balance owed by the retiree.
- Therefore, the UI Retiree Health Plan will not pay anything additional on the claim. However, the \$20 balance will be applied toward the retiree's cost-share maximum.
- The retiree is responsible for the \$20 remaining balance owed to the provider.

# MAINTENANCE OF BENEFITS



## UI Retiree Health Plan Provides Value Toward:

- Services not covered by Medicare i.e., first 3 pints of blood, hearing aids, etc.
- Inpatient deductible and cost-share in some scenarios
- Medicare limited benefits that have been exhausted
- Catastrophic events

UI Retiree Health Plan is NOT a Medicare Supplement or Medicare Advantage Plan

# DENTAL, VISION & LIFE INSURANCE



## Dental and Vision Benefits End upon Retirement

- Not included in Retiree Health Plan
- COBRA is a self pay option (maximum 18 Months)

## Life Insurance and Portability Options

- Employer paid basic life insurance ends upon retirement
- If less than age 75, active employee optional life insurance available to port for 30 days from last day worked.
- Dependent life insurance ends upon retirement

## Retiree Death Benefit – Tier I, Post-Medicare Only

- \$10,000 maximum death benefit
- Funded by the University of Idaho – No cost to retiree
- Administered by the University of Idaho
- Beneficiary Designation – Contact Benefit Services



# TIER IV SICK LEAVE CONVERSION



## Sick Leave Conversion

- Tier IV Only
- Convert  $\frac{1}{2}$  accrued sick leave, up to a maximum of 600 hours
- Based on equivalent hourly salary at the time of retirement
- Sick Leave Credits are used to pay retiree cost of Tier IV Retiree Health Plan
- Cannot be used to pay for spouse or dependent cost of coverage



# RETIREMENT TIMELINE

## Three to Four Years in Advance

- Estimate Retirement Income / Meet with a Financial Advisor
  - PERSI, ORP, Social Security, other Supplemental Accounts
- Consider Your Retirement Lifestyle

## One to Two Years in Advance

- Meet with Your Retirement Vendor (PERSI, ORP,)
- Submit a UI Retirement Tier Request
- Consider Health Insurance Coverage Options

## Six Months in Advance

- Apply for PERSI Retirement Income (if applicable)
- Consult with your ORP Vendor to Begin Distributions (if applicable)

## Two to Four Months in Advance

- Finalize Your Retirement Date
- Submit Written Resignation
- Utilize Routine Medical, Dental and/or Vision Benefits (active plan)

## Last Month Before Retirement

- Refill Prescription Drug Medications
- Honored Staff & Emeritus Privileges
  - Gold Retiree Parking Permit & UI Email Address, Retiree VandalCard

# RETIREMENT PLANNING RESOURCES



- Faculty-Staff Handbook (FSH)
  - 3730 – Retirement Privileges and Programs
- [Benefits Website](#)
  - Retiring from the University
  - Retiree Health Plan
- Retiree Summary Plan Description (SPD)
- 90 Days From Retirement
- [benefits@uidaho.edu](mailto:benefits@uidaho.edu)