

ADVENTIST RETIREMENT – HR UPDATES

2016 – 2017

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The webinar is now online.
The presentation will begin at 3:00 pm Eastern

- Please print out the following materials to reference during the presentation
(for best results, you may want to print in grayscale rather than full color)
 1. **Handout version of this presentation** – *for taking notes and jotting down questions as we proceed*
- To download: www.adventistretirement.org, Employer, SHARP, Webinars
(scroll down to bottom of page), 2016 HR Updates Webinar

SHARP ELIGIBILITY RULE

- Retirement plan healthcare eligibility rules have not changed.
 - 15 years of Church service credit to qualify for healthcare – DB + DC
 - Joint & Survivor reduction – provides the option for the spouse to qualify for certain benefits including healthcare
 - Spouse eligibility
 - Earned Credit eligibility – 65+ or 40 YSC if pre-65
 - Medicare Part B reimbursement – for only those with pre-2000 YSC

HISTORY OF FUNDING OF RETIREMENT HEALTHCARE

- The Retirement Plan is funded by a percentage of the annual tithe as voted by the NAD Committee
 - A portion of the Joint & Survivor reduction helps fund healthcare for the eligible spouse
 - In the Defined Contribution-only era there is no designation of a Joint and Survivor spouse = no built-in funding for the eligible spouse
 - Healthcare costs in the nation are going up 5 - 8% every year
 - The Adventist Retirement Board annually reviews the healthcare expenses
 - There has been annual cost shifting to the retiree

MEDICARE

- Medicare Part A and Part B is the primary healthcare coverage for all age 65 retirees and spouses.
 - The Retirement healthcare is designed to pay after Medicare
 - The Part A deductible is paid first by the retiree then Medicare pays
 - Medicare pays 80% of a Part B claim
 - Retiree pays 20% (without a limit on how much they could pay)
 - www.medicare.gov
- The Retiree/Spouse must enroll in Medicare. (Retirement is not involved in their enrollment)
- The Retiree/Spouse must pay the Medicare Part B premium.

CHANGES FOR 2017 FOR AGE 65 RETIREE/SPOUSE

- As part of our commitment to employees and retirees who have faithfully served this church, we seek to continue to provide access to quality, affordable healthcare.
- Retirees will purchase health insurance on the individual market, with financial help from the Plan through a health reimbursement account. (HRA)
 - The HRA amount placed in an account for each retiree, will be based on their years of service
- The advantages for the retiree:
 - Greater choice of healthcare insurance companies which allows more retiree specific coverage levels
 - The ability to pay less for equal or better coverage
 - The Retirement Plan will continue to subsidize the retiree with the HRA

AON RETIREE HEALTH EXCHANGE

- Ten years experience in the Medicare exchange marketplace
- Benefit Advisor (no fee)
- Customer Service is based in Lincolnshire, IL
- Advocacy Services (no fee)
- Annual Open Enrollment
- Recommended by NCOA (National Council on Aging)

2017 RETIREMENT HEALTHCARE – AGE 65

- The Adventist Retirement Board voted changes to healthcare for the Retirement Plan
 - Healthcare is changing to Aon Retiree Health Exchange
 - Medicare marketplace options for the retiree:
 - MediGap
 - Medicare Advantage
 - Medicare D
 - The retiree/spouse must have Medicare Part A and Part B
 - Aon Retiree Health Exchange helps the retiree find supplemental healthcare to assist with the retiree's 20% coinsurance.
 - The Retiree must pay the insurance carrier and providers first and then submit those paid statements to the HRA for reimbursement
 - The Retirement Plan will provide an HRA (Health Reimbursement Account) of funds for the retiree to use to pay premiums, coinsurance, copays, deductibles, dental, vision, hearing, etc. of insurance purchased on the Aon Retiree Health Exchange
 - SHARP, as it currently functions, for the Medicare eligible retiree/spouse will end 12-31-2016

AON RETIREE HEALTH EXCHANGE 2016 MAILINGS ETC.

- Transition Guide and introductory website: July 25, 2016
- Medicare Insurance Guide: July 2016
- Retiree webinar August 11, 2016 2-4 p.m. EDT (listed in the Transition Guide)
- 12 Retiree meetings scheduled across the U.S. (listed in the Transition Guide)
- Education Kit & Welcome Letter and Aon Retiree Health Exchange website: September 2016
 - Individual appointment included in the letter
 - Retiree must call Aon to confirm their appointment
 - Website goes live for current retirees
- Retiree webinar September 15, 2016 2-4 p.m. EDT (listed in the Transition Guide)
- DVH Option open enrollment letter: October 2016
- Appointment with a Benefit Advisor: October – December 2016

SAMPLE RETIREMENT APPLICATION – 2016

- Retirement Date is 11-1-2016
 - Complete the SHARP enrollment form in the 2016 Benefit Calculator.
 - Retiree will have 2 months of SHARP coverage.
 - The SHARP enrollment form will trigger the Retirement office to add the new retiree to the Aon Retiree Health Exchange weekly file.
 - Aon Retiree Health Exchange will mail a welcome letter and education kit to the new retiree.
 - The retiree will make choice on the Aon Retiree Health Exchange that become effective 1-1-2017.

BENEFIT CALCULATOR - 2017

Spouse	Katie		y	9/25/1955	999-88-8888
65+ Only	Retiree	Spouse	Monthly Cost	Retiree Cost	Spouse Cost
65+ Dental/Vision/Hearing	y	y	\$90	\$90	\$90
Less Earned Credit	Error!	Error!		\$65	\$65
Personal DVH Cost				\$25	\$25
Pre-Medicare Only					
Pre-Medicare Medical	n	y	\$450	\$0	\$450
Pre-Medicare Rx	n	y	\$120	\$120	\$120
Pre-Medicare DVH	n	y	\$90	\$0	\$90
Total Pre-Medicare Cost	Error!	Error!		\$120	\$660
Less Pre-Medicare Earned Cr.				\$120	\$640
Personal Pre-Medicare Cost				\$0	\$20
Non-MC Child Below 26					
Name	DOB	SS#			Date Turns 26
Jane	3/30/1993	666-66-6666	\$130	\$130	3/30/2019
Total Non-Medicare Cost				\$130	
Less Non-MC Earned Credit				\$130	
Personal Non-Medicare Cost				\$0	
Total Personal Monthly Cost				\$25	\$4510
Monthly Payroll Withholding for SHARP					\$70
SHARP Declined? Y or N		Reason Declined?			

HRA DOLLAR AMOUNT ON THE RETIREMENT APPLICATION

HRA Estimate	Retiree	Spouse
Annual HRA Plan Contribution	\$2,400	\$2,400
Less DVH Earned Credit	\$780	\$780
Net Annual HRA Contribution	\$1,620	\$1,620

SHARP APPLICATION AFFIDAVIT - 2017

Please enroll me in SHARP Coverage as requested above. I authorize SHARP to deduct monthly contributions based on the options I have selected. If the cost is greater than my pension, I will make advance monthly payments.

I understand that:

SHARP provides Medical and Prescription Drug assistance for age 65+ enrollees only through funding into a Healthcare Reimbursement Account (HRA). I will work with Aon Retiree Health Exchange to enroll in the plan(s) that best meet my needs **separately** from this SHARP enrollment.

For age 65+ enrollees SHARP only provides a Dental/Vision/Hearing option. I can opt out of DVH now, resulting in a larger contribution to my HRA, but will only have one future DVH open enrollment to be effective in 2018.

SHARP Pre-Medicare Medical and Prescription Drug options will cease at age 65 when I will be given opportunity to join an exchange option.

My non-eligible spouse may participate in SHARP, but will receive no financial assistance towards options selected.

SHARP's DVH & Pre-Medicare options include calendar year deductibles and maximums, neither of which will be prorated during enrollment year.

It is my responsibility to notify SHARP when any children enrolled above are no longer eligible to participate.

The Pre- and Non-Medicare options are part of a PPO network. The use of out-of-network providers may result in increased personal responsibility.

The Pre-Medicare Medical Option does not include Rx or DVH.

Age 65+ enrollees must also enroll directly in Medicare A and B. If I am eligible for a monthly benefit from the pre-2000 NAD Church Retirement Plan, I will be partially reimbursed for the Medicare B premium for the Retiree and eligible spouse if I send to SHARP a copy of my Medicare Card showing Medicare B enrollment. Medicare rules regarding delayed enrollment in Medicare B (outpatient) or Medicare D (prescription drug coverage) may result in a Medicare premium penalty. It is my responsibility to enroll with Medicare on a timely basis.

All Service Credit and other information will be reviewed by the Retirement Office before finalization. A SHARP employee will contact me to step through my selections.

DVH OPTION EARNED CREDIT- 2017

- The SHARP DVH Option will continue in 2017 – annual limits have not changed
- The monthly charge is \$90 (a \$25 increase)
- The DVH annual earned credit will be based upon the retiree’s years of service category

** The columns below showing less than 15 years are for special situations such as divorce where a residual amount of healthcare is available.

Retirement Plan Service Credit	35+ Yrs.	30-34 Yrs.	25-29 Yrs.	20-24 Yrs.	15-19 Yrs.	8-14 Yrs.**	5-7 Yrs.**
Category	A	B	C	D	E	F	G
SHARP DVH Option Annual EC amount	\$780	\$708	\$624	\$552	\$468	\$396	\$312

SPOUSE WITH PRE-MEDICARE - 2017

Social Security Election Form (Alternate)		(Only if the Standard Form is not attached)	Not Required
(Y or N) I am in the U.S. Social Security program. (spouse/employer signatures not required)			
(Y or N) I opted out of the U.S. Social Security program. I understand that (1) I will not be entitled to Social Security benefits relating to my earnings as a minister, and (2) that SHARP, the retiree Healthcare Plan, will NOT provide coverage for healthcare expenses normally covered by Medicare. If eligible for healthcare coverage, ancillary benefits may be available. Refer to SHARP booklet for more information. (spouse/employer signatures required)			
Retiree Signature:		Date:	Spouse Signature:
Employer memo: This Minister has been informed of the Healthcare implications of being ineligible for Medicare.			
Authorized Employer Signature:		Date:	

SUPPLEMENTAL HEALTHCARE, ADVENTIST RETIREMENT PLAN				Required	
Enrollment Form for 2017					
Church Service Only	Eligible for Assistance? Y or N		DOB	SS#	
Retiree	Johnny D Johnson		7/1/1950	999-99-9999	
Spouse	Katie		9/25/1955	999-88-8888	
65+ Only	Retiree	Spouse	Monthly Cost	Retiree Cost	Spouse Cost
65+ Dental/Vision/Hearing	y	N	\$90	\$90	\$0
Less Earned Credit				\$65	\$0
Personal DVH Cost				\$25	\$0
Pre-Medicare Only					
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Less Non-MC Earned Credit				\$130	
Personal Non-Medicare Cost				\$0	
Total Personal Monthly Cost				\$25	\$20

PRE-MEDICARE/NON-MEDICARE EARNED CREDIT (IF ELIGIBLE)

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Retirement Plan Service Credit	35+ Yrs.	30-34 Yrs.	25-29 Yrs.	20-24 Yrs.	15-19 Yrs.	8-14 Yrs.**	5-7 Yrs.**
Category	A	B	C	D	E	F	G
Pre-Medicare Medical Monthly	\$440	\$385	\$330	\$275	\$220	\$170	\$110
Pre-Medicare Rx/DVH Monthly	\$200	\$180	\$160	\$140	\$120	\$100	\$80
Non-Medicare Monthly	\$130	\$115	\$100	\$80	\$65	\$50	\$35

QUESTIONS ?