

alight

Pre-Retirement Information



Process of Securing Retirement Healthcare Coverage

What You Need to Know and Do

A growing number of employers have replaced, or plan to replace, a traditional group health plan with an “exchange,” where their Medicare-eligible retirees and spouses can choose the individual coverage options that work best for them. Medicare-eligible retirees and spouses purchase health insurance on the individual market. Adventist Retirement provides financial support for this coverage through a health reimbursement account (HRA).

With the help of the Aight Retiree Health Solutions, Medicare-eligible retirees and spouses can explore a variety of health plan options that fit their individual needs at prices that fit their budgets. The individual market also offers greater flexibility, since Medicare-eligible retirees can select a different plan for themselves and their Medicare-eligible spouses, so everyone’s needs are met.

You will not automatically be enrolled in coverage upon retirement or by becoming eligible for Medicare as a result of turning age 65. You must take action to have supplemental Medicare coverage and financial assistance from Adventist Retirement in the future. This includes confirming a telephone appointment with the Aight Retiree Health Solutions and enrolling in individual coverage.

How the Aight Retiree Health Solutions Can Help

The Aight Retiree Health Solutions has you covered when it comes to learning about your individual health insurance options, enrolling in coverage, and finding help when you need it.

Adventist Retirement and the SHARP department must receive your retirement application before they can determine your eligibility for healthcare benefits. After your eligibility is established by SHARP, you’ll receive an **education package** mailed by Aight explaining how to log on to the **Aight Retiree Health Solutions website**, where you can find answers to many of the questions you may have about your individual coverage options and the enrollment process. The education package also will include the date and time of your prescheduled telephone appointment with an unbiased, licensed, certified **Benefits Advisor***. This personalized, one-on-one assistance is available at no cost to you. You are welcome to include family members, trusted friends, or a power of attorney in your discussions with your dedicated Benefits Advisor, so give some thought to who you might wish to include.

You must call and confirm your appointment.

The Aight Retiree Health Solutions website and your Benefits Advisor provide the help you need to:

- Understand your individual health insurance options and narrow them down.
- Apply for the plan that most closely meets your healthcare and financial needs.
- Change your coverage over time, if necessary, as your needs change.

*Benefits Advisors are certified, licensed insurance agents and receive no special compensation to enroll you in a specific plan or with a specific carrier. As a result, you can be sure that they’ll help you make an objective choice that’s right for you. By law, individual health insurance purchased through the Aight Retiree Health Solutions cannot cost more than if you bought the same plan on your own.

Meeting with a Benefits Advisor? Here's what to Expect

On the date of your telephone appointment, your Benefits Advisor will call you during the scheduled time window to answer your questions and help you select and enroll in an individual health plan (***provided that you confirmed your appointment in advance***). Your Benefits Advisor will walk you through the enrollment process, including any actions you need to take, such as receiving and acknowledging the plan Explanation of Benefits documentation and completing an enrollment application for the plans you choose. If you've asked a power of attorney, trusted friend, or family member to join the call, please make sure this person is available at that time.

Being prepared will help make this process faster and more efficient. Being organized is especially important if you're keeping your appointment with a Benefits Advisor, since you'll have a specific window of time to meet. To ensure that you're well-prepared for this call, please verify that you're enrolled in both Medicare Part A and Part B, and you have your Medicare card available for the appointment. The Alight Retiree Health Solutions will need your Medicare Parts A and B effective dates, which can be found on your card.

If you're not already enrolled in Medicare Part B, contact the Social Security Administration today at **www.ssa.gov** or by calling **1-800-772-1213 (TTY call 1-800-325-0778)**. You must be enrolled in Medicare Parts A and B to enroll in an individual health plan.

Already Enrolled?

If you previously obtained individual health coverage to supplement your Medicare benefits but would like to make changes to your current coverage, you'll need to wait until the annual Medicare Open Enrollment Period (October 15–December 7). Notify SHARP that you are currently enrolled during your initial phone contact with them.

Get Help Paying for Coverage

To help you pay for your individual health coverage, based upon qualifying eligibility rules, a health reimbursement account (HRA) will be established in your name and funded by Adventist Retirement. You can use the money in your HRA to reimburse yourself for medical and prescription drug coverage premiums, as well as copays, deductibles, and other eligible out-of-pocket healthcare expenses. The HRA is a tax-free account, so you don't pay taxes on your balance or reimbursements. These accounts also do not bear interest.

Your Spending Account™ (YSA) is the service that administers the funds in your HRA and oversees your reimbursements. For details on how to get reimbursed through your HRA, look for the HRA welcome kit that will be mailed to your home shortly after you complete your enrollment into a medical or prescription plan through Alight Retiree Health Solutions.

Important: While you're not required to use the Alight Retiree Health Solutions to help you choose and enroll in individual Medical and/or Prescription Drug Plan(s), Adventist Retirement will not provide you with an HRA contribution unless you do so. It is very important to keep in mind that if you don't enroll through the Alight Retiree Health Solutions during your initial eligibility window, you won't be eligible for an HRA in the future.

More details about HRAs and Adventist Retirement contributions will be included in your Alight Retiree Health Solutions education package.

Special Help for Catastrophic Prescription Drug Expenses: If you frequently require prescription drugs, there's a chance you'll reach the Medicare catastrophic coverage limit for prescriptions. While the

majority of retirees are unlikely to reach this limit, if this impacts you, you will be eligible for the catastrophic HRA. Once you submit to Alight's Your Spending Account or YSA (the entity administering the Health Reimbursement Accounts), the explanation of benefits (EOB) showing the Medicare prescription drug out-of-pocket maximum has been reached, and submit to YSA your first prescription drug claim, YSA will initiate the catastrophic HRA and process your claim for reimbursement. There is no annual limit on this benefit—once you are eligible for the catastrophic HRA, you will be reimbursed for all prescription drug claims you submit. Call 1-844-360-4714 for assistance when you reach the catastrophic coverage limit. The HRA summary plan description provides additional details about how to take advantage of this special assistance if you need it.

What About Dental and Vision Coverage?

You also have coverage options for these important benefits. Of the two options available to supplement your Medicare coverage—Medicare Supplement (Medigap) Plans and Medicare Advantage Plans—Medicare Advantage Plans sometimes offer extra coverage, such as dental, vision, and/or hearing benefits.

The second option is SHARP DVH Option (dental, vision, and hearing) which works on an 80%/20% reimbursement model. Maximum payouts per calendar year are:

- Dental: \$2,200
- Vision: \$400
- Hearing: \$2,200 (with one-year lookback provision)

The Plan operates the DVH separately from the HRA model. If you select SHARP DVH, you will be charged a monthly contribution through your pension or the SHARP manual bill process. The 2021 monthly charge will be \$102. The plan will pay an Earned Credit towards your DVH charge, based on your years of qualifying service credit. The numbers shown are Per Participant.

Years of Qualifying Church Service	Plan DVH Annual Contribution	DVH Annual Charge	Net Annual Cost	Net Monthly Pension Withholding
35+	\$780	\$1,224	\$444	\$37
30-34	\$696	\$1,224	\$528	\$44
25-29	\$612	\$1,224	\$612	\$51
20-24	\$528	\$1,224	\$696	\$58
15-19	\$444	\$1,224	\$780	\$65

If you choose to waive participation in DVH, the DVH Annual Contribution shown above will be contributed to your HRA in addition to the standard HRA contribution. **The decision to opt out of DVH is a permanent decision. The Plan will not allow you to return to DVH in the future.**

There are alternatives to DVH in the market. Costs are relatively low; however maximum payouts are also quite low. Some dental plans are essentially preventive plans. Some are network limited. We urge retirees to consider options. The Benefits Advisor can help you understand what options are available. You can then decide whether to sign up for SHARP's DVH Option or to seek modest replacement in the Exchange market.

Important Medicare Rules You Need to Understand

There are specific Medicare-mandated enrollment windows called “Special Enrollment Periods” or “SEP.” You are limited in when and how often you can join, change, or leave a Medicare plan, depending on the type of plan or certain qualifying events. Your retirement qualifies you for an SEP with different deadlines for enrollment in a Medicare Advantage, Medicare Supplement and/or a Prescription Drug Plan.

Medicare Advantage Plan or Medicare Prescription Drug Plan (also known as Part D or “PDP”)

Your chance to join (called a Special Enrollment Period or SEP) begins prior to your retirement date. The SEP lasts for 2 full months after your employer coverage ends.

Medicare Supplement (also called a Medigap) Guaranteed Issue

You can enroll up to 63 days after the date your qualifying employer coverage ends with Guaranteed Issue. Guaranteed Issue means you cannot be denied coverage, or have a premium increase based on past or present health issues. If you had creditable coverage, the carrier also cannot exclude any preexisting conditions, with limited exceptions.

It is important to select your new plans and enroll within the appropriate time frame, to avoid a lapse in your insurance coverage.

Medicare Part D Late Enrollment Penalty

If you do not join a Medicare Prescription Drug Plan (PDP) when you are first eligible OR if you have a period of 63 or more days in a row without “creditable drug coverage,” Medicare will charge you a penalty for every month you were not covered under a drug plan, and this penalty will last indefinitely. The late enrollment penalty is an amount added to your Medicare Part D monthly premium and depends on how long you went without Part D or other creditable prescription drug coverage.

Medicare Part B Late Enrollment Penalty

In most cases, if you don't sign up for Part B when you're first eligible, you'll have to pay a late enrollment penalty. You'll have to pay this penalty for as long as you have Part B. Your monthly premium for Part B may go up 10% for each full 12-month period that you could have had Part B but didn't sign up for it. Also, you may have to wait until the General Enrollment Period (from January 1 to March 31) to enroll in Part B. Coverage will start July 1 of that year.

Frequently Asked Questions

What types of Medical coverage are available to supplement my Medicare benefits?

Generally, there are two options: Medicare Supplement (Medigap) Plans and Medicare Advantage Plans. More information about these types of plans will be included in the education package you'll receive in the mail. Your Benefits Advisor will help you decide which type of plan is right for you and your Medicare-eligible spouse.

Will there be comprehensive Medicare Advantage plans to choose from that include dental and vision coverage?

In many cases, yes. Some Medicare Advantage Plans offer extra coverage, such as dental, vision, and/or hearing benefits. Most Medicare Advantage Plans include Medicare prescription drug coverage, which means you don't need to purchase separate prescription drug coverage. The Alight Retiree Health Solutions can also enroll you in a dental and/or vision plan offered by a national provider. Those premiums can be reimbursed from your HRA. SHARP DVH Option premiums and deductibles cannot be reimbursed from your HRA.

Shouldn't I enroll in a Medigap plan now so I have that level of coverage in the future as I get older?

The Alight Retiree Health Solutions offers multiple carriers with products specifically designed for retirees transitioning from group medical coverage understanding that your health needs are unique today and may change in the future. You may find that a Medicare Advantage plan better suits your immediate needs allowing you to save money for the future. Should your health needs change, you can choose one of the Medicare Supplement plans, through the Alight Retiree Health Solutions, that always offer Guaranteed Issue without going through underwriting. *The ability to change plans without medical status underwriting in the future is exclusive to participants in a Medical plan through Alight Retiree Health Solutions.* Your Benefits Advisor can tell you which of the plans allow you to enroll in the future without going through underwriting.

There are instances where premiums for the same carrier's Supplement plans available outside of Alight's exchange will seem less. Some carriers offer exchange-exclusive plans that are only available through a Private Exchange. These plans are not the same as what you would get from your local broker or even if you went direct to the carrier. One of the key differences is that you will always be Guaranteed Issue with certain exchange-exclusive plans only through Alight. Be advised when comparing monthly premiums to Alight's Medigap plans as what is available in the open market are not exactly the same as enrolling through Alight's exchange due to the availability of extra benefit enhancements and Guaranteed Issue.

Aren't Medicare Parts A and B enough WITHOUT supplemental coverage?

If you don't purchase health insurance in the individual market, you'll continue to have coverage under Medicare Parts A and B (assuming you're enrolled in both). However, we strongly recommend that you find an individual health plan to supplement your Medicare benefits since Medicare alone does not limit your annual out-of-pocket expenses. If you're not already enrolled in Medicare, keep in mind that you could face penalties if you don't enroll during specific enrollment periods. Go to www.medicare.gov for more information about when you need to enroll to avoid penalties.

How long will the appointment with my Benefits Advisor last?

In general, you'll spend about 45 to 90 minutes on the phone speaking with your Benefits Advisor. The length of the call will depend on whether you enroll that day or want to include your eligible spouse, an appointed power of attorney, a trusted friend, or a family member on the call. The length of your appointment will also depend on how much preparation you do in advance as well as how many questions you have.

For example, if you go online to the Alight Retiree Health Solutions website, before your call, to enter the requested information (your medical needs, prescription drugs you and your Medicare-eligible spouse currently take, etc.), your appointment could be much shorter. See the checklist in the education package you will receive for details on how to prepare for your call.

And of course, we encourage you to take all the time you need to make these important decisions relating to your benefits. If, during the first call with your Benefits Advisor, you are not sure which benefits are right for you and your family, you do not need to enroll. Feel free to schedule additional appointments for future dates.

Am I the only one who can speak to my Benefits Advisor?

No. Feel free to include your spouse, a caregiver, a trusted friend, or a family member on the call with your Benefits Advisor. However, only someone with legal power of attorney can enroll for you or sign forms and other documents. When you confirm your appointment, tell your Benefits Advisor if someone will be speaking on your behalf and provide his or her name and phone number.

Will I need to choose the same plan for myself and my spouse?

No. You'll have flexibility to choose the coverage that best meets your individual needs and those of your Medicare-eligible spouse. For example, your spouse may need a higher level of benefits or a more robust prescription drug plan than you do, or vice versa.

I'm eligible for Medicare, but my spouse and children are not. How will this work?

Since you're Medicare-eligible, you can supplement your Medicare benefits by enrolling in an individual medical and prescription drug plan through the Alight Retiree Health Solutions. If your spouse is eligible for

SHARP, he or she can enroll separately in SHARP Pre-Medicare, a plan for less than age 65, nonMedicare-eligible, retirees or spouses. Contact the SHARP office for information about the Adventist Retirement SHARP Pre-Medicare option. When your spouse becomes Medicare-eligible, he or she may also be eligible for the Alight Retiree Health Solutions program and an HRA contribution.

Can the Alight Retiree Health Solutions help me find coverage for a Medicare-eligible dependent under the age of 65?

In most cases, yes. Your Benefits Advisor can provide access to the tools and resources available to individuals who are not yet 65 but are eligible for Medicare due to a disability. SHARP will also offer coverage for Medicare-eligible retirees and spouses under the age of 65. Contact the SHARP office for more information.

Can I use my HRA to pay premiums other than those for medical and prescription drugs—like vision coverage, for example?

Yes. Adventist Retirement allows medical, prescription, vision, and dental premiums to be reimbursed through the HRA if you enroll in a Medical or Prescription Drug plan through the Alight Retiree Health Solutions. SHARP DVH Option premiums, copays and deductibles cannot be reimbursed from your HRA.

I am under 65 and retired. When can I enroll in Medicare Parts A & B and Supplemental Plans?

This timeframe is called the *Initial Enrollment Period* for Age-ins. The Initial Enrollment Period is a 7-month window which begins 3 months prior to your 65th birthday, the month of, and 3 months after your 65th birthday. This is the timeframe when you can enroll in Medicare Parts A & B and Supplemental Coverage. *Exception:* If a customer is born on the first of the month, their "Birth Month" according to Medicare is the month before (one who turns 65 on March 1st will normally have Medicare effective dates of February 1st). Applying for and obtaining Medicare Parts A & B is important to coincide with your Alight Retiree Health Solutions coverage.

I am over 65 and retiring, and I delayed Part B because I was working. When should I enroll in Part B?

You have an 8-month window to enroll in Part B without penalty. Keep in mind, if you wait, you will not have health insurance for outpatient services until you enroll. Therefore, it is a good idea to have your Part B effective the day after you retire. That way you will not have a lapse in coverage. Medicare will only begin benefits on the 1st of a month.

What if I enroll in Part B after the 8-month enrollment period?

If you wait until after the 8-month period to enroll in Part B, 1.) Your monthly premium for Part B may go up 10% for each 12-month period that you could have had Part B, but did not sign up, and 2.) You will

have to enroll during the **General Enrollment Period** (from January 1 to March 31) with an effective date of July 1 of that year.

Is the Medicare Part B premium reimbursable through my HRA?

SHARP provides a Medicare Part B reimbursement benefit, a percentage of \$104.90, to retirees with Defined Benefit service. The retiree should contact the SHARP office about this benefit. The remaining portion of the Medicare Part B premium not reimbursed by Adventist Retirement may be submitted for reimbursement from the HRA.

Can I use my HRA to pay for healthcare expenses other than medical and prescription drugs? Yes.

In addition to your premiums, your HRA can be used for copays, deductibles, and other eligible out-of-pocket healthcare expenses. Once your HRA has been established, you will find a full description of eligible expenses on the YSA website or by speaking with your Benefits Advisor. SHARP DVH Option premiums and deductibles cannot be reimbursed from your HRA.

Can I use my HRA to pay my spouse's group health plan premiums, copays, or other out-of-pocket expenses?

For tax reasons, if your spouse is covered under a before-tax group health plan, his or her premiums and expenses cannot be reimbursed from your HRA.

Why do I pay first?

In order to keep your reimbursement from being taxed, the IRS requires that you pay eligible health expenses out of your own pocket first. You may then get reimbursed through your HRA.

Why can't Adventist Retirement just pay my healthcare premiums for me using the funds in my HRA?

For the funds in your HRA to remain a tax-free benefit, the IRS requires that you pay your premiums out of your own pocket first and then request reimbursement through your HRA.

When will I find out how much I'll receive in my HRA?

You'll learn how much Adventist Retirement will contribute to your HRA in the education package you'll receive from the Alight Retiree Health Solutions.

Will the HRA receive an annual cost-of-living adjustment (COLA)?

Adventist Retirement intends to review this subsidy annually, but there's no guarantee that the amount contributed to your HRA will increase each year or keep up with inflation.

Will the HRA be offered indefinitely?

While it's Adventist Retirement's intent to make an annual contribution to a retirees' HRAs indefinitely, it can't be guaranteed. If you're eligible for this annual subsidy, you'll receive a notice each year about contributions for the following year. If Adventist Retirement decides to end HRA contributions, you'll be notified in advance.

My spouse and I are both eligible for Medicare. Will we each have an HRA account?

No. Contributions that Adventist Retirement makes on behalf of an eligible retiree and spouse will be combined into one HRA in the retiree's name. Reimbursement of eligible expenses will be available to both the retiree and his or her eligible spouse, as long as funds are available in the HRA. If one of you passes away, you may utilize the remainder of the funds in the joint account and the following year only the survivor will receive their annual allocation.

If you are both retirees of Adventist Retirement, your HRA accounts will be separate.

I can enroll in my spouse's group health plan as a dependent, but I want the Adventist Retirement HRA contribution. Can I still receive it if I don't enroll through the Alight Retiree Health Solutions?

No. To receive Adventist Retirement's HRA contribution, you must enroll in a Medical or Prescription Drug Plan through the Alight Retiree Health Solutions.

Will I lose the money in my HRA if I don't use it by the end of the year?

No. If you don't spend all the money in your account before the end of the year, your remaining balance will carry over for you to use the following year.

What happens to the balance in my HRA when I die?

If you have an eligible spouse who survives you, he or she will become the account holder of your HRA. The balance in your HRA at the time of your death will be available to your spouse, in a joint account, as long as he or she qualifies for continued coverage after your death. Adventist Retirement will continue to make annual contributions to the HRA for your spouse, as long as he or she remains eligible. If you don't have a spouse, the funds will be forfeited and won't be paid out as part of your estate.

If you and your spouse are both retiree of Adventist Retirement, your HRA accounts remain separate.

How can I learn more about my HRA?

More information about your HRA and Adventist Retirement's contributions will be in the education package you'll receive 30-60 days prior to your retirement effective date. If you enroll through the Alight Retiree Health Solutions, you'll also receive an HRA welcome kit with complete details about managing your account, filing claims for reimbursement, and signing up for auto-reimbursement.

Help After You Enroll

Adventist Retirement has selected the Alight Retiree Health Solutions because its services don't stop after you enroll. Once you've enrolled in a Medical or Prescription Drug plan through the Alight Retiree Health Solutions, your Benefits Advisor, as well as customer service representatives and special advocates, are available to help you free of charge. Advocates are experienced in a variety of Medicare insurance topics, including claims, billing procedures, appeals, and even problems getting appointments with specialists. Please note that this type of service is not generally available if you enroll in an individual health plan through an insurance carrier or broker.

Annually, you will hear from the Alight Retiree Health Solutions with information about your annual HRA amount in the mail prior to Medicare's annual Open Enrollment period which is usually October 15 through December 7th and availability for assistance to change your coverage for the following year. It is recommended that you evaluate your need to change health coverage based on changes in your life, situation, health and prescriptions annually with the help of a licensed Benefits Advisor.

IMPORTANT: Receipt of your HRA funding is contingent upon you maintaining either a Medical or Prescription drug plan enrollment through the Alight Retiree Health Solutions. Changes such as moving residences and/or enrolling in new coverage outside of Alight will preclude you from receiving your HRA allocation. If your situation causes you to need to enroll in new coverage, you should contact and arrange for an appointment with an Alight Benefits Advisor to assure any enrollment changes do not disrupt your HRA funding.

How to Get Answers to Your Questions

We recognize your health plan choices and costs are important to you. The education package you'll receive will help answer many of your questions.

For general information, please call the Alight Retiree Health Solutions at 1-844-360-4714 (TTY use 711 Relay). Representatives are available Monday through Friday from 8 a.m. to 8 p.m. Central time.