



# Pre-Retirement Training

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Employee Benefits Office

# Today's Agenda

- Deferred Compensation
  - Benefits Available to All Retirees
  - Medicare and Coordination with SacCounty Medical Plans
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RETIREMENT ORIENTATION

EMPLOYEE BENEFITS OFFICE

DEFERRED COMPENSATION PLAN



# Benefit Office Presenter

**Donna Bonnel**

916.874.4695

bonneld@saccounty.net

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# Retirement

- Congratulations on your retirement!
- We're happy to be here to cover your Deferred Compensation and Health Benefit options.



# Agenda

- FINAL PAYCHECK CONTRIBUTION
  - PAYOUT OPTIONS
  - LOANS
  - BENEFICIARIES
  - CONTACTS
-

# Final Paycheck Contributions

- Terminal check has no DC contributions unless you have a Final Compensation Amendment form on file.
  - Large balance payouts can be directed into Deferred Comp to eliminate Federal and State taxes.
  - Social Security and Medicare (7.65%) will be deducted unless you have reached the annual income maximum.
  - Let's take a look at an example
-

# Final Paycheck Contributions - continued

## Cashing Out Accruals

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay	40.86	71.00	2,901.06	57,688.77
Leave Without Pay				0.00
CTO taken				746.64
Sick Leave Pay				1,411.55
Sick Leave-Family				820.23
Vacation Pay				495.95
Holiday				1,852.88
Standby Pay				1,503.90
Overtime Time and 1/2				2,448.20
Overtime FLSA Adjustm				26.24
Term CTO Pay-SP Elig	40.86	25.80	1,054.19	1,054.19
Terminal Vacation Pay	40.86	103.90	4,245.35	4,245.35
Correctional/MHTC				246.82
<b>Total Compensation</b>			<b>8,200.60</b>	<b>72,540.72</b>
PRE-TAX DEDUCTIONS				
EE Paid VSP Pre Tax				139.00
EE Kaiser HMO Tier B				5,281.20
CERS Pension High			274.15	5,954.95
<b>Total Pre-Tax Ded.</b>			<b>274.15</b>	<b>11,375.15</b>
TAXES PAID				
IncTax-Federal			1,337.08	6,331.56
IncTax-California			525.24	1,575.49
TX EE Medicare Tax			118.91	973.25
TX EE Social Security Tax			508.43	4,161.47
SDI Tax-California			29.01	618.21
<b>Total Taxes</b>			<b>2,518.67</b>	<b>13,659.98</b>
AFTER-TAX DEDUCTIONS/ADJUSTMENTS				
Misc Union (017)				70.00
Union Dues (017)				540.64
<b>Total After-Tax Ded.</b>				<b>610.64</b>
<b>Total Net Pay</b>			<b>5,407.78</b>	<b>46,894.95</b>

Net Pay Details	Amount
Payroll Check	5,407.78

## Accruals to DC Plan

COMPENSATION	Rate	Hours	This Period	Year-to-Date
Regular Base Pay	40.86	71.00	2,901.06	57,688.77
Leave Without Pay				0.00
CTO taken				746.64
Sick Leave Pay				1,411.55
Sick Leave-Family				820.23
Vacation Pay				495.95
Holiday				1,852.88
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<b>Total Compensation</b>			<b>8,200.60</b>	<b>72,540.72</b>
PRE-TAX DEDUCTIONS				
EE Paid VSP Pre Tax				139.00
EE Kaiser HMO Tier B				5,281.20
CERS Pension High			274.15	5,954.95
457 Plan FT Pre-Tax			5,299.54	5,299.54
<b>Total Pre-Tax Ded.</b>			<b>5,573.69</b>	<b>16,674.69</b>
TAXES PAID				
IncTax-Federal			245.11	5,239.59
IncTax-California			47.11	1,097.36
TX EE Medicare Tax			118.91	973.25
TX EE Social Security Tax			508.43	4,161.47
SDI Tax-California			29.01	618.21
<b>Total Taxes</b>			<b>948.57</b>	<b>12,089.88</b>
AFTER-TAX DEDUCTIONS/ADJUSTMENTS				
Misc Union (017)				70.00
Union Dues (017)				540.64
<b>Total After-Tax Ded.</b>				<b>610.64</b>
<b>Total Net Pay</b>			<b>1,678.34</b>	<b>43,165.51</b>

Net Pay Details	Amount
Payroll Check	1,678.34



# Taxation of Final Paycheck Contribution

- Taxation will be higher than your regular paycheck
  - Formula to determine taxation is
    - Value of the Accruals X 26 pay periods = Annualized amount
    - Example:
      - Value of Accruals - \$5,299.54
      - Multiplied by 26 (number of pay periods in a year)
      - Taxed as if you made in this paycheck: \$137,788.04
-

# Defer Taxes from Terminal Check

- Consider transitioning all vacation, CTO, HIL accruals into the deferred comp plan up to the annual maximum allowed by the IRS
- Also can contribute ½ sick accrual pay-out for those who are eligible
- Check with Benefits to see if the limits can be increased through the Three-Year Catch Up Program.

2021 IRS Limits	
Under Age 50	\$19,500
Age 50 or over	\$26,000

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# Post Termination

- No additional contributions into 457(b) Plan
- Work directly with Fidelity on any transactions
  - Modifying investment choices
  - Change of address
  - Beneficiary designation
  - Distributions from account



# Stay in the Plan

- Retirees are encouraged to leave their assets in the Plan
  - When reviewing options, consider some of the benefits of keeping your money with Fidelity:
    - **Low fees:** more than \$1B in assets helps keep your fees low
    - **A wide choice of investment options:** Target Date Funds, various Asset Class Funds, and the self-directed BrokerageLink account.
    - **Local, non-commissioned representatives:** Dedicated, non-commissioned representative available to meet. Arrange an appointment by calling: 800-642-7131.
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# Stay in the Plan

- If considering a move from the plan, make sure you know and understand **all** of the fees associated with the new account (including those charged by the broker or investment manager, generally called Expense Ratios)
  - Remember, fees being paid in commissions leave less funds available to you
  - Numerous resources are available for you to use when you are considering moving your assets
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# Retirement Payout Options

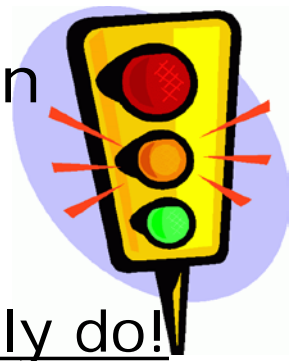
- **Upon termination/retirement** - multiple payout options (no penalties or age requirements in 457 Plan but 401(a) does have early withdrawal penalties)
    - Leave your money in the Plan
    - Withdraw lump-sum of entire balance
    - Partial lump sum followed by periodic distributions
    - Periodic distributions
    - Roll out to a 401k, 403b, 457b, IRA (all or part)
    - Seek tax advice on impact to taxes taken vs. taxes due as well as if distributions will impact taxability of Social Security payments
-

# Distribution Flexibility

- Can start/stop/adjust distribution amount at any
- Can specify a particular fund from which to make distributions
- Taxable as normal income in the year received
  - Currently 22% (20% Fed; 2% CA)
  - You will receive a 1099R each January
- Register your bank account information for direct deposit
- Must satisfy Required Minimum Distribution (RMD) rules (Year of Age 72)

457(b) Pre-Tax Plan has NO 10% PENALTY FOR EARLY WITHDRAWAL – Other plan types generally do!

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# Roth Account Distributions

- No taxes, penalty if account was established 5 or more years ago AND over age 59 ½, death, or disability.
- 1099-R in January
- All same distribution options available





# Distribution - continued

## **REQUIRED MINIMUM DISTRIBUTION (RMD)**

- Start deferred RMD by year of age 72 regardless of prior distributions
  - RMD calculation based on IRS requirement as well as account balance/life expectancy
  - Failure to take distribution by 72 will result in IRS penalty of 50% of what you should have taken as RMD
  - ROTH - No RMD distribution required - must meet aging (5 years) + age 59 ½, death or disability for no taxes or penalties
-

# Loan Decision

If you have a loan, you have 2 options in retirement:

- Continue to pay back agreed payments
  - Stop loan repayments\*. Contact Fidelity to have them cancel repayments
    - \*The loan balance will be counted as income and you will receive a 1099-R.
    - Remember, no taxes have been taken from the loan amount!
  - No 1099-R for ROTH loan balance but must meet aging of account + age 59 ½, death or disability before no taxes or penalties
-

# Account Beneficiary

**IMPORTANT: Always keep beneficiary current!**

- Beneficiary updates should be made with Fidelity
- Update online (log into your account) at: [netbenefits.com/saccounty](https://netbenefits.com/saccounty)
- Click "Portal"; Click "Beneficiaries" and follow the instructions.



# Account Beneficiary Options

If Beneficiary is:	Payout Options Are:
Your spouse	<ul style="list-style-type: none"><li>• Leave funds in account</li><li>• Take a lump sum of balance</li><li>• Partial lump sum, periodic distributions</li><li>• Periodic distributions</li><li>• Roll out</li></ul>
Non-spouse	<ul style="list-style-type: none"><li>• Deferred - Pay out over 10 years-decision required by December of year after death</li><li>• If election not made, must pay out balance by December of 4<sup>th</sup> year after death</li><li>• Transfer to Inherited IRA (age restrictions)</li><li>• <b>ROTH - Can transfer to an IRA (contact Fidelity for more information.)</b></li></ul>

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# Deferred Compensation Contacts

Contact Fidelity to:

- Set up distribution for both Deferred and ROTH
- Exchange fund balances
- Roll out
- Conversion from Deferred to ROTH
- Change Beneficiary
- Change name/address

**800.343.0860**

**Fidelity**

**[netbenefits.com/saccounty](http://netbenefits.com/saccounty)**

Contact the County for:

- Three Year Catch Up Program
- Accrual calculation/valuation
- Final paycheck contributions
- General deferred compensation questions

**916.874.4695**

**Donna Bonnel**

**[bonneld@saccounty.net](mailto:bonneld@saccounty.net)**

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# Additional Questions?



RETIREMENT ORIENTATION

EMPLOYEE BENEFITS OFFICE

HEALTH INSURANCE



Benefit Office Presenter

**HELLO!**

**Dave Comerchero**

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# Agenda

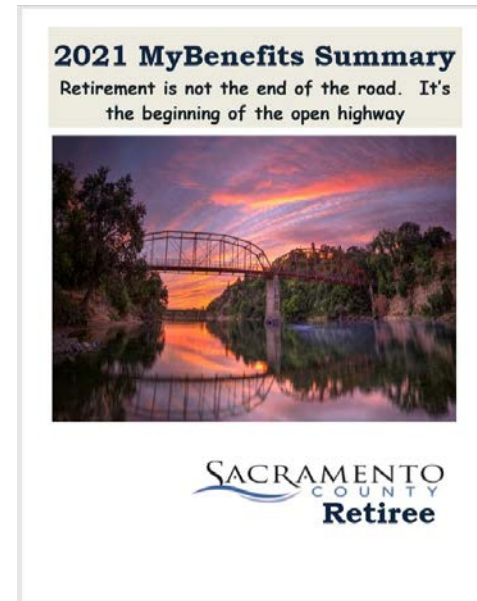
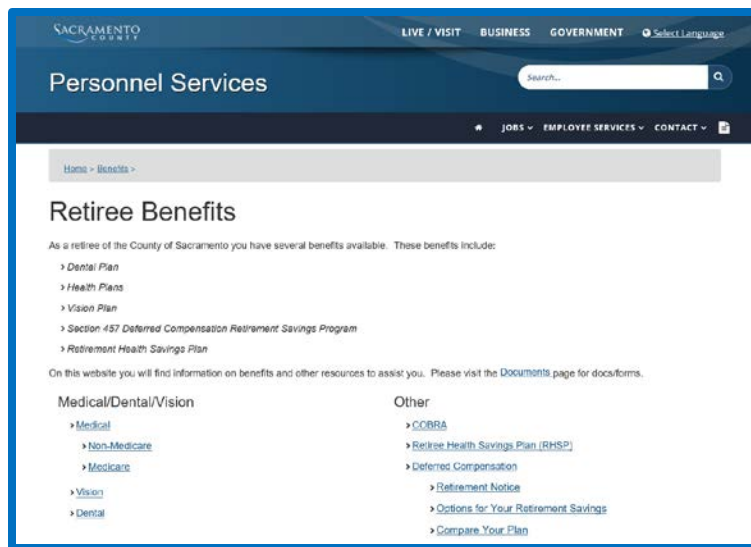
- Transition of current benefits to retirement
  - Enrollment timelines/deadlines
  - Coverage options
  - Enrollment process
  - Making changes
  - Contacts
-

# Benefits Information

All Retiree benefit information is online for easy access:

<https://personnel.saccounty.net/Benefits/Pages/RetiredEmployee.aspx>

Forms, documents, and links to vendors and providers are available at all times.



Always review Open Enrollment materials  
each year for cost and coverage changes

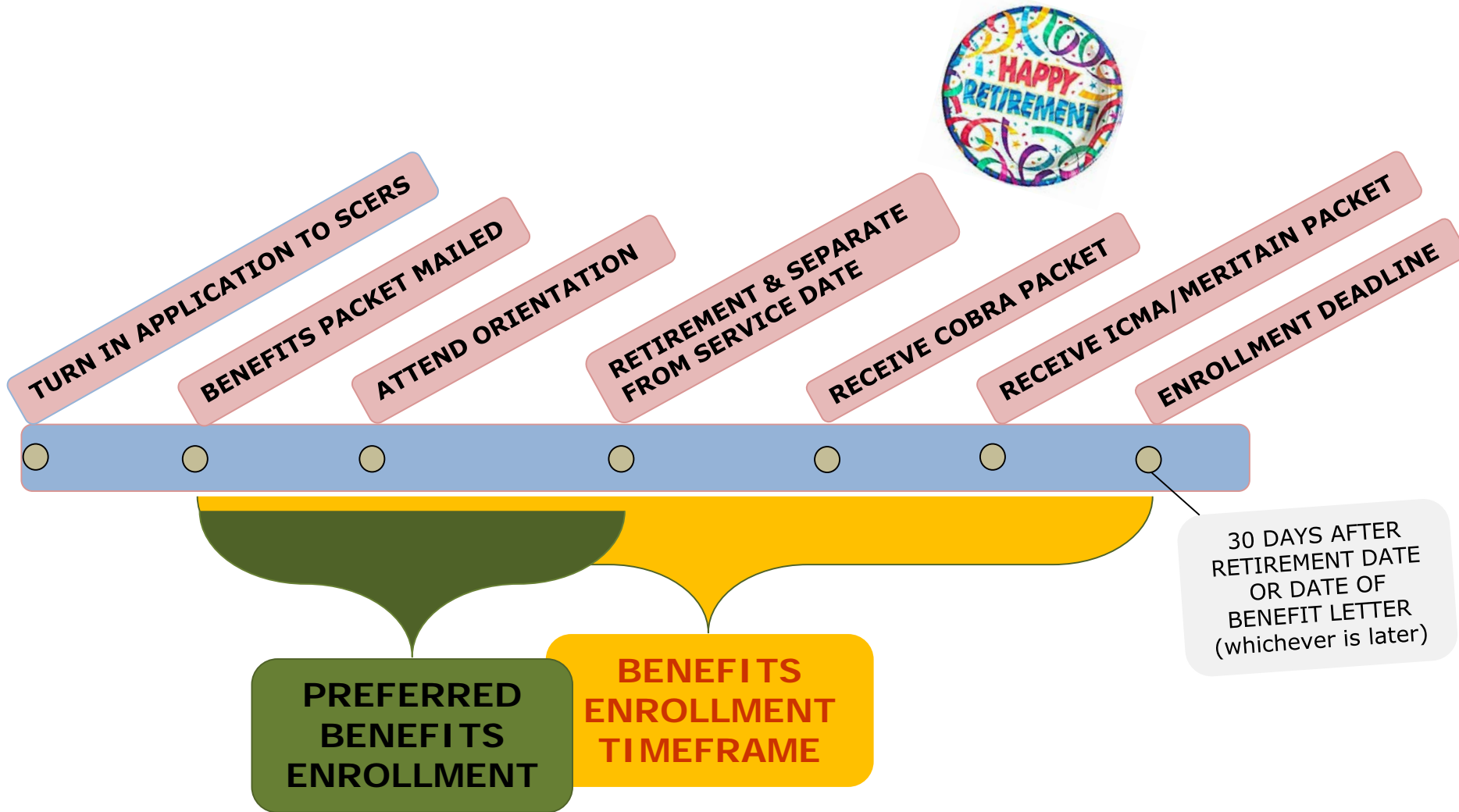
# Benefits Transition

All benefits end on the last day of the month you are in Active status (includes Vacation, PTO/CTO, Sick)

	MEDICAL	DENTAL	VISION	EAP	FSA	LIFE
Week 1	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	
Week 2					RETIREMENT DATE!	
Week 3						
Week 4			BENEFITS END			

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# Enrollment Timeline



# Enrollment Options


- Enroll in some/all of the County Plans
- Elect benefits under COBRA\*
- Enroll in other option or spouse's benefits\*
- Purchase individual coverage\*

**\*THERE ARE LIMITS ON RETURNING TO COUNTY PROGRAM**

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# Required COBRA Notice

Department of Personnel Services  
Employee Benefits Office  
Dave Comerchero,  
Employee Benefits Manager

  
County of Sacramento

COBRA Continuation Coverage Election Notice

June 12, 2016

Dear: Jenny Employee

This notice has important information about your right to continue your health care coverage in the County of Sacramento sponsored group health plan, as well as other health coverage options that may be available to you, including coverage through the Health Insurance Marketplace at [www.coveredca.gov](http://www.coveredca.gov) or call 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. Please read the information in this notice very carefully before you make your decision. If you choose to elect COBRA continuation coverage, you should use the election form provided later in this notice.

If you do not elect COBRA continuation coverage, your coverage under the Plan will end/ended on 05/31/2016 due to termination of employment.

Each person ("qualified beneficiary") listed below is entitled to elect COBRA continuation coverage, which will continue group health care coverage under the Plan for up to 18 months:

☐ Employee or former employee:  
☐ Spouse or former spouse:  
☐ Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage: Susie Child and Jimmy Child

If elected, COBRA continuation coverage will begin on 06/01/2016 and can last until 11/30/2016. You do not have to send a payment with the Election Form; however, coverage will not be reinstated until payment is received. You have an additional 45 days to send in payment for all premiums due.

You may elect any of the following options for COBRA continuation coverage:

Sutter High Deductible	\$501.47
Delta Dental	\$123.44
EAP	\$ 5.24
VSP	\$ 5.24

Life Insurance      You have 31 days from the date your coverage terminates to convert your coverage to an individual contract. Contact the Employee Benefits Office at (916) 874-2020 or [MyBenefits@sacounty.net](mailto:MyBenefits@sacounty.net) to request the application.

Required at termination even if you enroll in retiree benefits  
Will automatically receive ~ 2 weeks after your last day  
Allows you to continue employee coverage-you pay 100% of premium  
COBRA is 18 months, not usually elected for medical

## Consider COBRA for:

- EAP benefits
- Delta Dental
- Life insurance conversion

# COBRA Election



- Some reminders about a COBRA election:
    - Cost is 100% of the Active premium (Family cost for 2 retirees is more than Retiree cost)
    - Ending COBRA payments before 18 months is NOT a mid year loss of coverage and you are NOT eligible to elect other County retiree benefits
    - You must exhaust all 18 months of COBRA to qualify for a mid-year retiree event
-

# Available Retiree Benefits



- Medical
  - Dental
  - Vision
  - Life insurance – payment directly to carrier
  - RHSP – time to start using those County contributions!
  - HSA - providing eligibility retirements are met
  - Refer to Retiree Summary for full details
-



# Medical Plan Enrollment

- Medical plan eligibility is determined by your physical zip code, not mailing address
  - Leaving the region before age 65 may limit your coverage options
  - Cost is 100% retiree paid
  - Deductions taken from pension post-tax
  - Eligible to access ICMA reimbursement
-

# Medical Plan Options

## Non-Medicare Options (Under Age 65)



**KAISER PERMANENTE®**



**Sutter Health**



**Western Health Advantage**

Choose **HMO** or **High Deductible**  
(individual accrued deductible carries over)

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# Medical Plan Options

Medicare Options (Over Age 65 or Disabled)

If you have **Medicare** Parts A & B at the time you retire - You immediately enroll in a Medicare Advantage Plan through the Benefits Office



- Kaiser Senior Advantage Gold
- Kaiser Senior Advantage Silver



- UHC HMO
- UHC NPPO

Your basic Medicare benefit gives you other non-County sponsored options throughout the country if you decide to relocate elsewhere.

**DO NOT enroll in a separate non-County Medicare or Medicare Part D Rx plans or you will lose your County coverage!**

# Retiree Dental Plan Options

## Different benefits than employee plan

- Principal Financial - NOT DELTA DENTAL!



- Two coverage levels:
  - Standard Plan – \$1,500 annual maximum (Network, PPO and EPO)
  - Enhanced Plan - \$2,500 annual maximum (Network, PPO)
-

# Retiree Vision Coverage

Available as an independent coverage election to all retirees who are eligible for benefits

Vision Coverage is through  
Vision Service Plan - VSP

- Annual Exam: \$15 copay
- Frame Allowance: \$130/every other year

Enroll at initial offer, Open Enrollment, or life event

You can enroll eligible dependents

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# Life Insurance



- Coverage ends last day of month
- Can convert within 31 days of end date
- No cash value to current County coverage
- Conversion to individual plan will be more expensive
- Contact carrier for questions and conversion-phone number in COBRA letter

**Premium waiver available if disabled while Active and under age 60, must apply prior to separation to keep coverage**

# Retiree Health Savings Plan (RHSP)

\$25 Employer Contribution-account now becomes active!

Reimbursement of health expenses just like FSA/HSA (Retiree health premiums as well)

Can use the day you retire-save receipts

Meritain will mail a packet ~ 2 weeks after retirement

Set up recurring monthly reimbursement  
(form in your benefits packet)

Quarterly fee-\$7.50

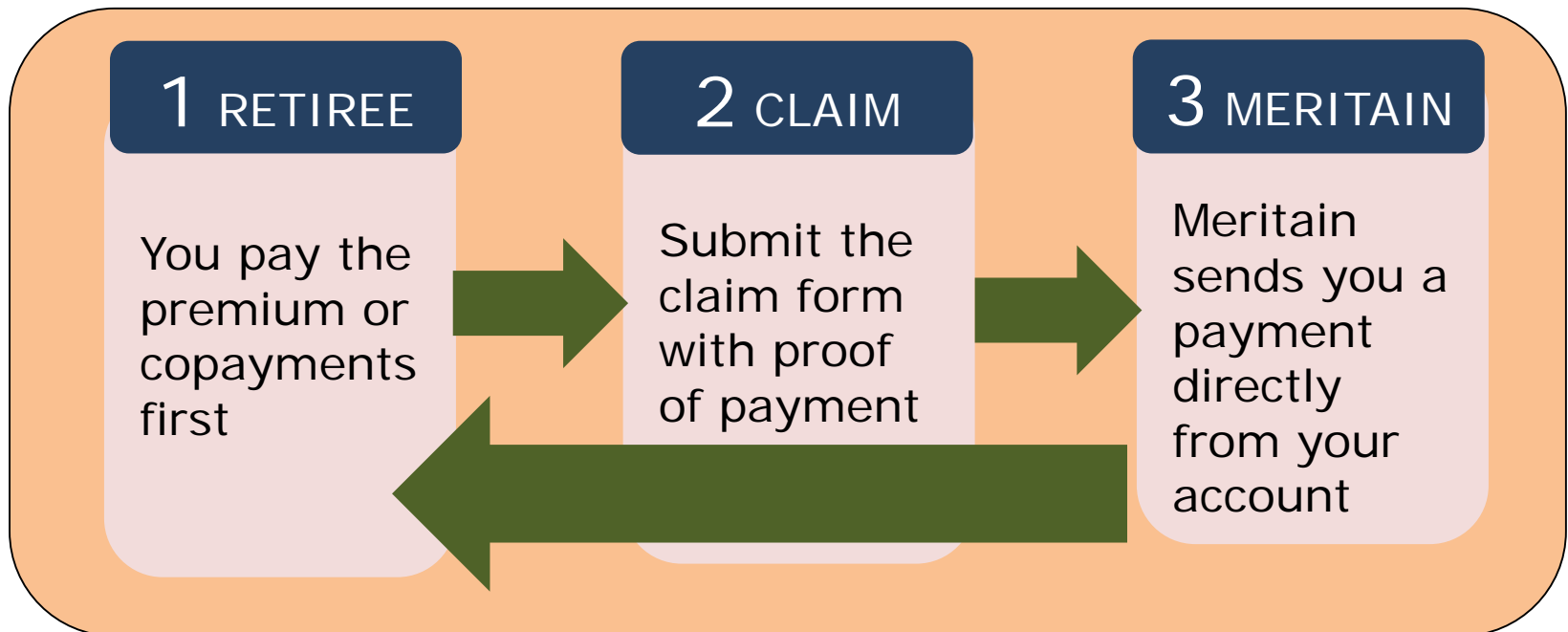
# RHSP-Reimbursements

For you, spouse and/or children under age 26

No cash out available – reimbursement only until account is empty

Contact ICMA-RC for account balance

Calculate how long account will cover benefit premium reimbursement





# RHSP-Reimbursement - continued

- Examples of reimbursable expenses include:
    - Premiums
    - Medical, dental and vision expenses such as co-pays, out of network expenses, lenses/frames
    - Prescriptions
    - Medicare Part B expenses
-

# Health Savings Account (HSA)

- Your HSA funds go with you and you can continue to spend existing HSA funds
- No HSA contributions through SCERS payroll
- Can make new post-tax contributions **IF** you meet requirements:

- MUST BE ENROLLED IN HDHP PLAN
- CANNOT HAVE MEDICARE
- MUST HAVE \$0 IN RHSP



**TIP: Always use RHSP funds first-they are the least flexible !**

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# Enrollment Process

- Benefit enrollment must be completed within 30 days
- Deductions are post-tax from your pension check and are one month in advance
- Changes can be made at Open Enrollment



# Who Can Be Enrolled?

## **RETIREES**

## **DEPENDENTS**

Spouse/Domestic Partner

Surviving Spouse/Domestic Partner

Children: Natural, step, adopted--to age 26

- Foster or legal guardianship--to age 19

Documentation is required to enroll dependents and is due at the time you turn in enrollment forms

**MULTIPLE SCERS PENSIONS**-You can only enroll in benefits under one pension account-even if you're receiving more than one SCERS pension

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# Enrollment - continued

**EFFECTIVE DATE** – Coverage starts the 1<sup>st</sup> day of the month following your retirement date and turned in enrollment forms

In most cases retiree coverage begins the day after employee coverage ends-with no break in coverage

**ENROLLMENT DEADLINE**—30 days from retirement date

Failure to enroll within 30 days of your retirement date is an automatic waiver of coverage

# Waiving Initial Enrollment

If you waive benefits at Retirement, RETURN IS POSSIBLE if the following are met:

- **WITHIN 30 DAYS OF A LIFE EVENT**
  - (ex. loss of group coverage, becoming Medicare eligible)
  - Losing benefits through Covered California is not eligible event; non-payment of COBRA premium is not eligible event
- **DURING OPEN ENROLLMENT**
  - Must provide proof of 12 months of continuous creditable coverage

Refer to the Retiree MyBenefits Summary or the Retiree Health Insurance Administrative Policy for details

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# Benefit Deductions

- Deductions for benefits will be taken from SCERS pension if check is enough
  - Premiums are paid a month in advance of coverage
    - (Ex. The pension check you receive at the end of January will pay for February's coverage)
  - First deduction for benefits may be doubled due to delay in initial SCERS account.
-

# When Can Changes Be Made?

- OPEN ENROLLMENT -Effective January 1<sup>st</sup>
- MOVE IN/OUT OF SERVICE AREA
- NEWLY ELIGIBLE FAMILY MEMBER
- DROPPING FAMILY MEMBER
- CHANGE IN COVERAGE ELIGIBILITY

Effective 1<sup>st</sup>  
day of  
month after  
**event and  
enrollment**

**Always review Open Enrollment materials  
each year for cost and coverage changes**

Contact the Benefits Office to determine if  
your event necessitates a change

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# Moving/Travelling

**TRAVEL**-Emergency coverage only outside of service area



**MOVING**-May require a change in medical plans or research on Affordable Care Act (ACA) or other individual plans

Contact Benefits Staff to determine coverage options if planning to move

# Additional Questions?



# EMPLOYEE BENEFITS OFFICE

700 H Street, Room 4650

Sacramento, CA 95814

(916) 874-2020 Phone

(916) 874-4621 Fax

[MyBenefits@saccounty.net](mailto:MyBenefits@saccounty.net)

<http://www.personnel.saccounty.net/Benefits/Pages/RetiredEmployee.aspx>

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# Understanding the Basics of Medicare



# Discussion

This section is primarily designed to provide details on the Federal Medicare program in case you do not enroll in the County sponsored Medicare programs. For example, you may move to locations where County plans are more limited, unavailable, or more costly than what you may be able to secure locally. This is only an overview. For more detailed information, you may wish to review the “Medicare and You” booklet available online at <https://www.medicare.gov/medicare-and-you>

- Medicare Basics
  - Premiums
  - Enrollment Periods
  - Late Enrollment Penalties
  - Medicare Plan Options
- 



# What is Medicare?

- Federal Government health insurance program
- Covers most medical services but has out of pocket expenses
  - Can be supplemented by private companies
  - Does not cover most Long Term Care

NOTE: All County Medicare plans require Federal Medicare A & B enrollment in retirement to remain on a County Medicare plan

# Eligibility for Medicare

## **Who is eligible for Medicare?**

- Age 65+ (Not necessarily linked to Social Security Age)
- Receive Soc. Sec. Disability Benefits for at least 24 months
- Have kidney failure, End Stage Renal Disease (ESRD)
  - Special Rules limit coverage to ESRD only if working/covered by worker
- Receive Social Security due to ALS (Lou Gehrig's Disease)

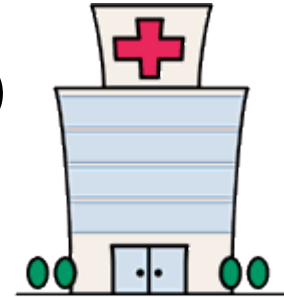
## **When do I apply for Medicare?**

- Apply 3 months before age 65 (if retired)
  - Defer Part B if currently covered under an active employer group plan
- Enrollment is normally automatic if
  - Receiving Social Security or Railroad Retirement Benefits already
  - Getting Disability Benefits for 24 months

# Medicare Basics

## **Part A – Hospital Care**

- Inpatient Skilled Nursing Facility (SNF)
- Home Health Care
- Hospice Care



## **Part B – Medical Insurance**

- Doctors Services
- Durable Medical Equipment
- X-rays, Lab Services

All County Medicare Plans  
are Advantage Plans!

## **Part C – (A,B & D Combined)– Medicare Advantage**

- Plans sold by private companies

## **Part D – Prescription Drug Coverage**

- Plans sold by private companies
-



# Original Medicare

- **Part A**
  - \$0 monthly premium with 40 Social Security quarters worked and taxed
    - 30-39 SS quarters \$259 /month
    - 0-29 SS quarters \$471 /month
  - Hospitalization Costs
    - \$1,484 deductible for hospital stays up to 60 days
  - Skilled Nursing Facility Costs
    - Days 1-20: \$0 for each benefit period
    - Days 21-100: \$176 per day for each benefit period
    - Days 101+: No Medicare costs, but SNF charges will apply
-

# Original Medicare - Cont'd

## **Part B**

- \$148.50 monthly premium (base premium for 2021, indexed by CMS annually)
  - \$198 deductible per year
  - 20% coinsurance for most Part B services
-

# Medicare Part B Premium Costs

Part B has an indexed cost for each individual enrollee, based on the previous year's income

If your yearly income during 2019, then in 2021 your Medicare Part B Premium is as Follows:			You pay each month during 2021
File individual tax return	File joint tax return	Filed married & separate tax return	
\$88,000 or less	\$176,000 or less	\$88,000 or less	\$148.50
Above \$88,000 up to \$111,000	Above \$176,000 up to \$222,000	Not applicable	\$207.90
Above \$111,000 up to \$138,000	Above \$222,000 up to \$276,000	Not applicable	\$297.00
Above \$138,000 up to \$165,000	Above \$276,000 up to \$330,000	Not applicable	\$386.10
Above \$165,000 and less than \$500,000	Above \$330,000 and less than \$750,000	Above \$88,000 and less than \$412,000	\$475.20
\$500,000 or above	\$750,000 or above	\$412,000 or above	\$504.90

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# First Enrollment Periods

- Initial Enrollment Period (IEP) “Typical”
    - An early retiree turns 65 years old
    - 7 month window beginning 3 months prior to birthday
    - No retroactive enrollments
  - Special Enrollment Period (SEP) “Occasional”
    - Retiring after 65 years old and had been covered under and employer plan while working (or dependent of worker)
    - Move out of plan’s service area
    - Plan no longer offered
  - General Enrollment Period “Last Option”
    - January 1 – March 31
    - Coverage begins on July 1
    - Late enrollment penalties may apply
-

# Annual Enrollment Periods

- Annual Election Period (AEP) “Without County Coverage”
    - October 15 – December 7 (MAPD & Part D)
    - Birthday Rule for CA residents (Medigap)
      - Change to a Medigap plan with equal to or lesser benefits
  - Open Enrollment Period (OEP) “Individual MA Enrollees Only Without County Coverage”
    - January 1 – March 31
    - Change from current MA plan to another
      - Or return to Original Medicare and purchase a Part D plan
-

# Enrollment Penalties

- Timing is critical
- Medicare A, B and D have penalties associated with late enrollments
- Each penalty is calculated using a different formula
- Following are the penalties



# Enrollment Penalties - continued

## Part A

- 10% penalty for twice the number of years without Part A
- **Example:** Retiree's birthday is March 15<sup>th</sup>. Part A becomes effective July 1 the following year.

Base Premium (0-30 qtrs)	\$ 458.00
1 yr without Part A	\$ 45.80
Monthly Premium for 2 yrs	\$ 503.80

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# Enrollment Penalties - continued

## Part B

- 10% penalty for each year without Part B (full 12 month periods) for life
- **Example:** Retiree enrolled in Part B 66 months after eligibility ends

Base Premium	\$ 148.50
Part B Penalty (50%)	\$ 74.25
Total Monthly Premium	\$ 222.75

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# Enrollment Penalties - Continued

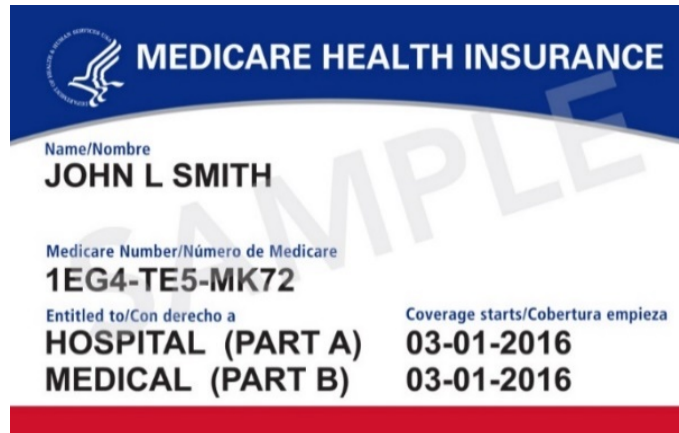
## Part D

- 1% penalty of National Beneficiary Base Premium per month without Part D for life
- **Example:** Retiree enrolled in Part D 31 months after eligibility ends

Base Beneficiary Premium	\$ 32.74
Part D Penalty	31%
Total Monthly Penalty	\$ 10.15

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# Medicare Options



A sample Medicare Health Insurance card for John L. Smith. The card features a blue header with the Medicare logo and the text "MEDICARE HEALTH INSURANCE". Below the header, the cardholder's name "JOHN L SMITH" is listed. The Medicare Number is "1EG4-TE5-MK72". The card also shows entitlement to Hospital (Part A) and Medical (Part B) coverage, both starting on 03-01-2016. A large "SAMPLE" watermark is visible across the center of the card.

<b>MEDICARE HEALTH INSURANCE</b>	
Name/Nombre <b>JOHN L SMITH</b>	
Medicare Number/Número de Medicare <b>1EG4-TE5-MK72</b>	
Entitled to/Con derecho a	Coverage starts/Cobertura empieza
<b>HOSPITAL (PART A)</b>	<b>03-01-2016</b>
<b>MEDICAL (PART B)</b>	<b>03-01-2016</b>



**Step 1:** How do you want to get your coverage?

**ORIGINAL MEDICARE**

**Part A  
Hospital  
Insurance**

**Part B  
Medical  
Insurance**

**MEDICARE ADVANTAGE PLAN**

(Use an HMO or PPO)

**Combines Part A, Part B  
and usually Part D**

**Step 2:** Do you need to add drug coverage?

**Part D Prescription  
Drug Coverage**

**Part D Prescription  
Drug Coverage**  
(if not already included)

**Step 3:** Do you need  
supplemental coverage?

**Medigap**  
(Medicare Supplemental  
Insurance Policy)

**End**

If you join a Medicare Advantage  
Plan, you don't need and can't be  
sold a Medigap policy

**End**

**All County Medicare Plans are Advantage Plans!**



# Medicare Plan Options

All County Medicare Plans  
are Advantage Plans!

## **Medicare Advantage (HMO, PPO, PFFS)**

Get All Part A and B Services Through Plan

- May have to use providers in plan's network
  - Part D Medicare Rx Drug coverage usually included
  - May Get Extra Benefits
    - Vision, hearing, dental services, and more Maximum Out of Pocket (MOOP)
-

# Medicare Plan Options

## Medigap (aka Medicare Supplement)

- Covers “Gaps” in Original Medicare
  - Deductibles, coinsurance,
  - copayments
- Does not work with Medicare Advantage Plans
- Access to any Doctor or Specialist that accepts Medicare assignment
- **Prescription Drug Plan (Part D)** *“Separate Decision”*
- Privatized prescription drug coverage
  - Choose plan which covers you best - formularies
  - Different costs and coverage (donut hole)



# Comparing Medigap Plan Benefits

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes**
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charge	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel exchange (up to plan limits)	No	No	80%	80%	80%	80%	No	No	80%	80%
Out-of-pocket limit	N/A	N/A	N/A	N/A	N/A	N/A	\$4,960	\$2,480	N/A	N/A

\*Plan F also offers a high deductible plan which includes a \$2,340 deductible for Medicare covered expenses.

\*\*Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in inpatient admission.

# Medicare Plans Without County Medical Benefits

- As you can see, there are a number of Medicare Options available
  - If you are considering enrolling in a Medicare Supplement plan, or any other Medicare Plan, we strongly encourage you to thoroughly review all options available and make the best choice for your situation
  - The Employee Benefits staff is knowledgeable about Medicare Advantage Plans, but cannot provide advice on any other Medicare Plans.
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# Questions?





# Thank you

- Thank you for your time today
- Please reach out to the benefits team for any additional questions please call us at 916-874-2020
- Congratulations and good luck in your retirement!

