

RETIREMENT ORIENTATION

EMPLOYEE BENEFITS OFFICE

DEFERRED COMPENSATION PLAN



Benefit Office Presenter

Donna Bonnel

916.874.4695

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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 form on file.
- Social Security and Medicare (7.65%) will be deducted unless you have reached the annual income maximum.
- Large balance payouts can be directed right into Deferred Comp to minimize taxes.

Remuneration statement			
COMPENSATION	Rate	Hours	This Period
Regular Base Pay	43.20	80.00	3,456.00
Vacation Paid Over Ma	43.20	7.70	332.64
CTO Expired and Paid			
HIL Paid Over Maximum	43.20	4.30	185.76
Insurance Subsidy	0.00		415.48
Insurance Subsidy Off			
Clothing Allowance	0.00		38.46
Term Differential Pay	0.00		4,415.04
Term CTO Pay-SP Elig	43.20	7.00	302.40
Terminal Vacation Pay	43.20	400.00	17,280.00
Terminal HIL Pay	43.20	104.00	4,492.80
20% Educ Incentive Pa	20.00		794.88
Total Compensation			31,713.46
.....			
PRE-TAX DEDUCTIONS			
CERS Pension Low			17.98
CERS Pension High			848.42
457 Plan FT Pre-Tax			22,075.20
Total Pre-Tax Ded.			22,941.60
.....			

Final Paycheck Contribution Taxation

- 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 - \$10,000
 - Multiplied by 26 (number of pay periods in a year)
 - Taxed as if you make in this paycheck: \$260,000
-

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

2020 IRS Limits	
Under Age 50	\$19,500
Age 50 or over	\$26,000

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.
-

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
-

Retirement Payout Options

- **Upon termination/retirement** - multiple payout options (no penalties or age requirements in 457 Plan)
 - Leave your money in the Plan (especially if retiring before 59 ½)
 - 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)

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



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

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

Contact the County for:

- Accrual calculation/valuation
- Final paycheck contributions
- General deferred compensation questions

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Additional Questions?



RETIREMENT ORIENTATION

EMPLOYEE BENEFITS OFFICE

HEALTH INSURANCE



Benefit Office Presenter

HELLO!

Dave Comerchero

Agenda

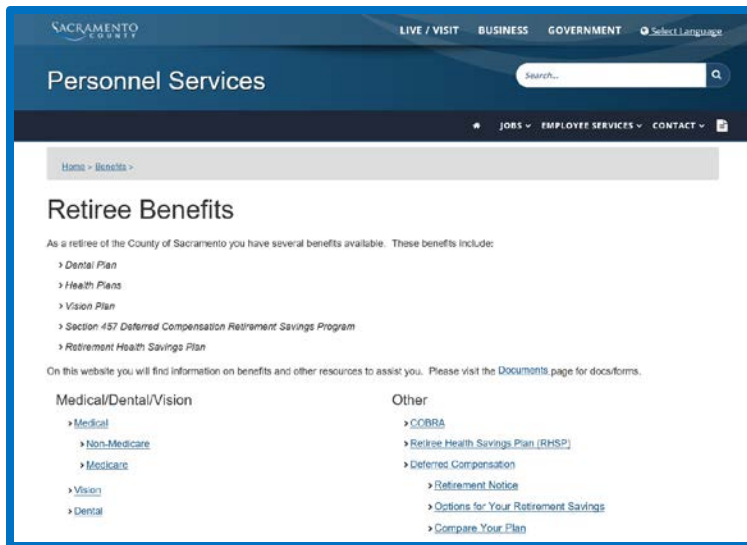
- Transition of current benefits to retirement
 - Enrollment timelines/deadlines
 - Coverage options
 - Enrollment process
 - Making changes
 - Contacts
-

Benefits Information

All Retiree benefit information is online for easy access:

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

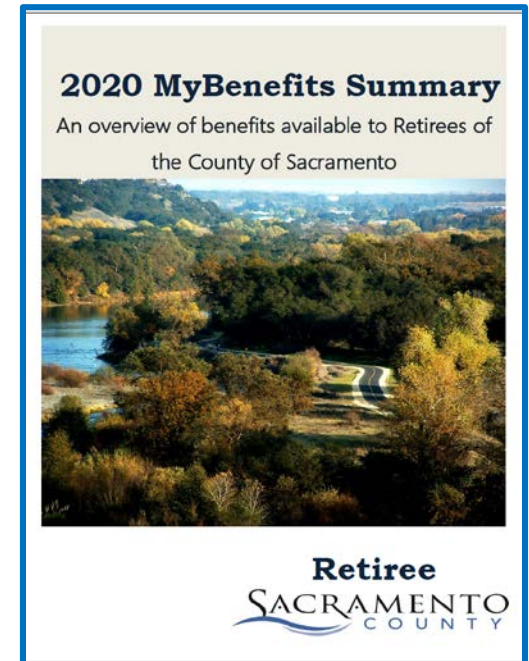
Forms, documents, and links to vendors and providers are available at all times.



The screenshot shows the Sacramento County Personnel Services website. The header includes the Sacramento County logo, navigation links for LIVE / VISIT, BUSINESS, and GOVERNMENT, and a language selection dropdown. The main navigation bar lists PERSONNEL SERVICES, JOBS, EMPLOYEE SERVICES, and CONTACT. The page title is "Retiree Benefits". Below the title, there is a list of benefits available to retirees, including Dental Plan, Health Plans, Vision Plan, Section 457 Deferred Compensation Retirement Savings Program, and Retirement Health Savings Plan. A note states: "On this website you will find information on benefits and other resources to assist you. Please visit the DOCUMENTS page for docs/forms." Below this, there are two columns of links: "Medical/Dental/Vision" and "Other".

- Medical/Dental/Vision
 - Medical
 - Non-Medicare
 - Medicare
 - Vision
 - Dental
- Other
 - COBRA
 - Retiree Health Savings Plan (RHSP)
 - Deferred Compensation
 - Retirement Notice
 - Options for Your Retirement Savings
 - Compare Your Plan

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



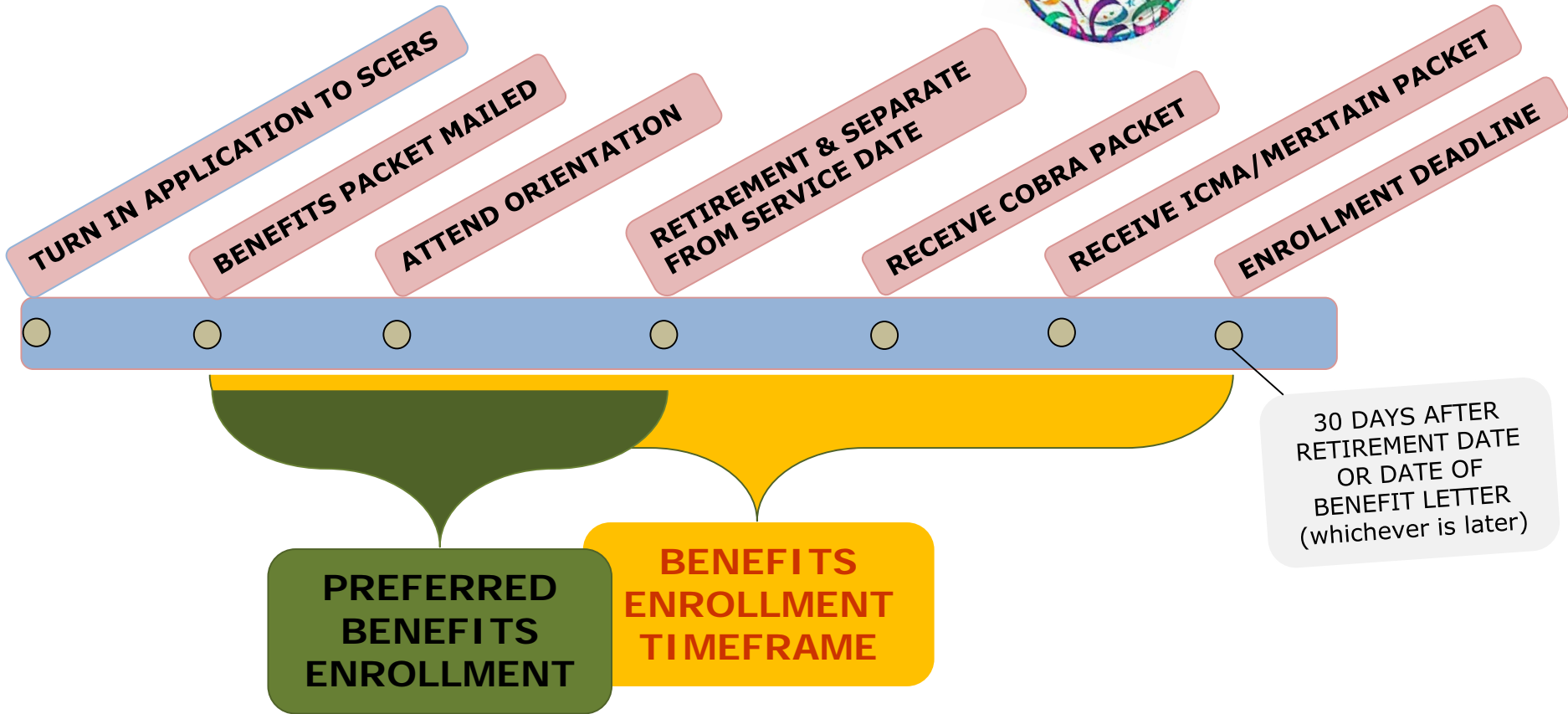
The graphic features a scenic photograph of a river flowing through a forest with autumn foliage. The text reads: "2020 MyBenefits Summary" and "An overview of benefits available to Retirees of the County of Sacramento". At the bottom, the Sacramento County logo is displayed with the word "Retiree" above it.

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			

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**

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 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 to request the application.

example

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)
 - Retiree Summary contains cost information
 - 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



Benefits Available to Retirees



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

Medical Plan Enrollment

- Medical plan eligibility is determined by your physical zip code, not mailing address
 - Cost is 100% retiree paid
 - Deductions taken from pension post-tax
 - Is eligible for ICMA reimbursement
-

Medical Plan Options

Non-Medicare Options (Under Age 65)



Choose **HMO** or **High Deductible**

(individual accrued deductible carries over)

Medical Plan Options

Medicare Options (Over Age 65 or Disabled)

If you have **Medicare** Parts A & B at the time you retire - You 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 Life - NOT DELTA DENTAL!**



- **Two benefit options:**
 - **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

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 Prudential 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



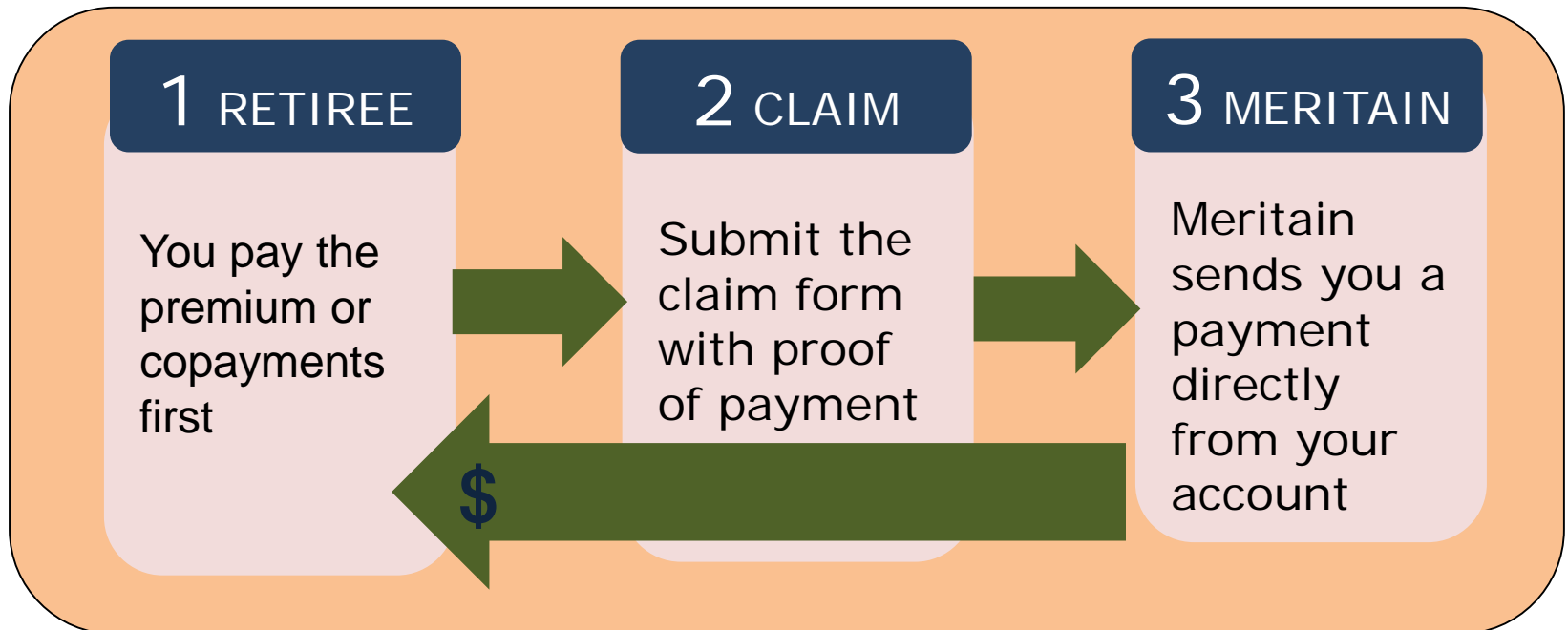
RHSP-Getting Reimbursed

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-Getting Reimbursed - 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 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 !

Enrollment Process

- 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

Enrollment - continued

EFFECTIVE DATE – Coverage starts the 1st 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

OR

- **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

Benefits 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

When Can Changes Be Made?

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

Effective 1st
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

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

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

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 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 (NOTE: All County Medicare plans require Federal Medicare A & B enrollment in retirement to remain on a County plan)
- Covers most medical services but has out of pocket expenses
 - Can be supplemented by private companies
 - Does not cover most Long Term Care

Eligibility for Medicare

Who is eligible for Medicare?

- Age 65+ (Not necessarily linked to Social Security Age)
- Getting 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

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

- Plans sold by private companies

Part D – Prescription Drug Coverage

- Plans sold by private companies



All County Medicare Plans
are Advantage Plans!

Original Medicare

Part A

- \$0 monthly premium with 40 Social Security quarters worked and taxed
 - 30-39 SS quarters \$252 /month
 - 0-29 SS quarters \$458 /month

Hospitalization Costs

- \$1,408 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

- \$144.60 monthly premium (base premium for 2020, indexed by CMS annually)
 - \$198 deductible per year
 - 20% coinsurance for most Part B services
-

Medicare Part B Premium Costs

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

If your yearly income during 2018 (for what you will pay in 2020 was:			You pay each month during 2020
File individual tax return	File joint tax return	Filed married & separate tax return	
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60
Above \$87,000 up to \$109,000	Above \$174,000 up to \$218,000	Not applicable	\$202.40
Above \$109,000 up to \$136,000	Above \$218,000 up to \$272,000	Not applicable	\$289.20
Above \$136,000 up to \$163,000	Above \$272,000 up to \$326,000	Not applicable	\$376.00
Above \$163,000 and less than \$500,000	Above \$326,000 and less than \$750,000	Above \$87,000 and less than \$413,000	\$462.70
\$500,000 or above	\$750,000 or above	\$413,000 or above	\$491.60

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 an 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 15th. 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

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	\$ 144.60
Part B Penalty (50%)	\$ 72.30
Total Monthly Premium	\$ 216.90

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

Medicare Plan Options



The image shows a Medicare Health Insurance card for John L. Smith. The card has a blue header with the Medicare logo and the text "MEDICARE HEALTH INSURANCE". Below the header, the cardholder's name is listed as "JOHN L SMITH". The Medicare Number is "1EG4-TE5-MK72". The card also lists the coverage start dates for Hospital (Part A) and Medical (Part B) as "03-01-2016". A large, light gray "SAMPLE" watermark is overlaid on the card. The card is framed by a blue border at the top and a red border at the bottom.

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



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.

Income Related Monthly Adjustment Amount (IRMAA-Part D Applicable)

Following is the table associated with the IRMAA-D:

If your filing and yearly income 2018 was:			You pay each month during 2020
File individual tax return	File joint tax return	Filed married & separate tax return	
\$87,000 or less	\$174,000 or less	\$87,000 or less	Your plan premium
Above \$87,000 up to \$109,000	Above \$174,000 up to \$218,000	Not applicable	\$12.20 + your plan premium
Above \$109,000 up to \$136,000	Above \$218,000 up to \$272,000	Not applicable	\$31.50 + your plan premium
Above \$136,000 up to \$163,000	Above \$272,000 up to \$326,000	Not applicable	\$50.70 + your plan premium
Above \$163,000 and less than \$500,000	Above \$326,000 and less than \$750,000	Above \$87,000 and less than \$413,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 or above	\$413,000 or above	\$76.40 + your plan premium

Donut Hole

- Medicare Modernization Act of 2003
 - Established Part D to be effective January 1, 2006
 - Included a “Donut Hole”
 - Majority of beneficiary receive a discount through the Initial Coverage Limit
 - Minority of beneficiary with catastrophic expenses receive relief from drug costs
 - Affordable Care Act & Bipartisan Budget Act
 - Staged closing of the Donut Hole until 2020
-

Retiree Rx Cost Diagram 2020

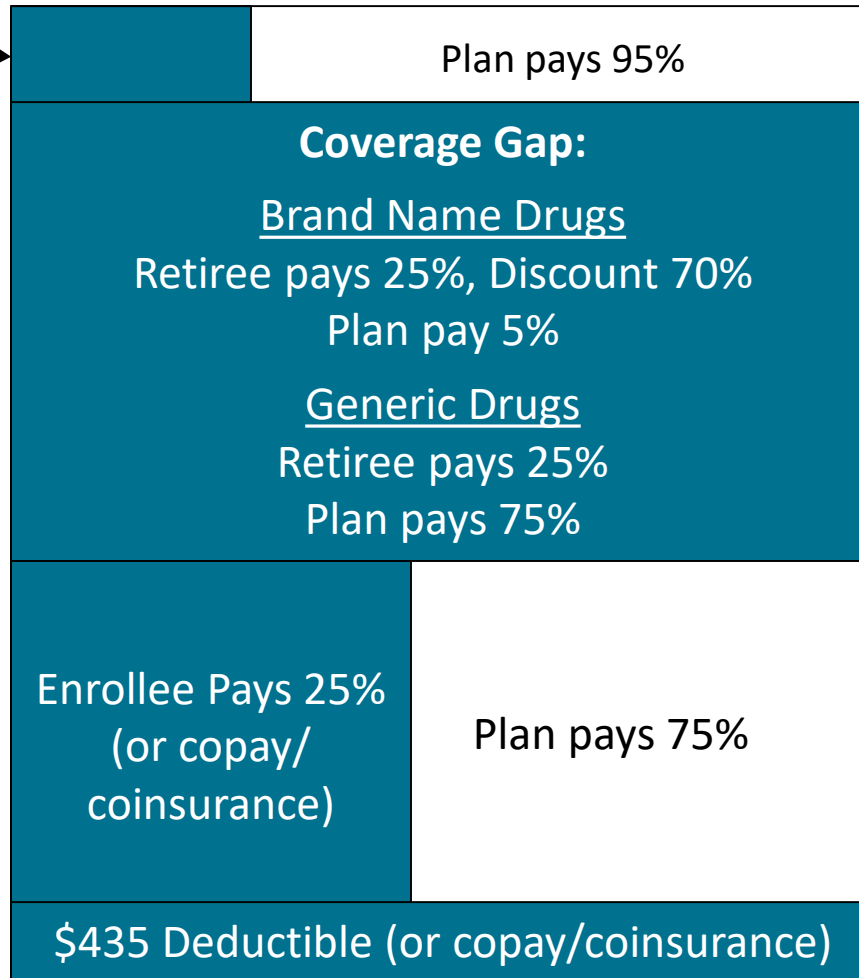
Enrollee pays the greater of:

5% or

Generic/Preferred – \$3.60

Brand Name – \$8.95

**Does Not
Apply to
County
Advantage
Plans**



Catastrophic Coverage Limit when True Out-Of-Pocket (TrOOP) = \$6350

Initial Coverage Limit = \$4020 in total drug costs between you and your plan

Questions?



Thank you

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

