PLANNING FOR RETIREMENT
EFFECTS OF INFLATION

WHEN EVALUATING YOUR RETIREMENT NEEDS, IT’S IMPORTANT TO REMEMBER THAT TODAY’S DOLLARS WON’T BE WORTH AS MUCH IN THE YEARS AHEAD. YOU’LL NEED TO KEEP YOUR RETIREMENT FUNDS INVESTED IN VEHICLES THAT WILL PROVIDE FOR BOTH INCOME AND GROWTH.

EXAMPLE OF A FIVE-YEAR PROJECTION

<table>
<thead>
<tr>
<th>TODAY’S DOLLAR</th>
<th>ASSET GROWTH RATE</th>
<th>INFLATION RATE</th>
<th>INFLATION FACTOR</th>
<th>FUTURE DOLLAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,000</td>
<td>7%</td>
<td>1.4026</td>
<td>$25,246</td>
<td></td>
</tr>
<tr>
<td>$22,000</td>
<td>5%</td>
<td>1.2763</td>
<td>$28,078</td>
<td></td>
</tr>
<tr>
<td>(4,000)</td>
<td></td>
<td></td>
<td>(2,832)</td>
<td></td>
</tr>
</tbody>
</table>

In this example the individual believes that his/her income will grow at a lesser rate than inflation. Therefore the surplus of $4,000 in today’s dollars is reduced to $2,832 in five years.

INFLATION FACTOR TABLE

<table>
<thead>
<tr>
<th>RETIRING IN</th>
<th>4%</th>
<th>5%</th>
<th>6%</th>
<th>7%</th>
<th>8%</th>
<th>9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>1.0400</td>
<td>1.0500</td>
<td>1.0600</td>
<td>1.0700</td>
<td>1.0800</td>
<td>1.0900</td>
</tr>
<tr>
<td>5 Years</td>
<td>1.2167</td>
<td>1.2763</td>
<td>1.3382</td>
<td>1.4026</td>
<td>1.4693</td>
<td>1.5386</td>
</tr>
<tr>
<td>10 Years</td>
<td>1.4802</td>
<td>1.6289</td>
<td>1.7908</td>
<td>1.9672</td>
<td>2.1589</td>
<td>2.3674</td>
</tr>
<tr>
<td>15 Years</td>
<td>1.8009</td>
<td>2.0789</td>
<td>2.3966</td>
<td>2.7590</td>
<td>3.1722</td>
<td>3.6425</td>
</tr>
<tr>
<td>20 Years</td>
<td>2.1911</td>
<td>2.6533</td>
<td>3.2071</td>
<td>3.8697</td>
<td>4.6610</td>
<td>5.6044</td>
</tr>
</tbody>
</table>

SOURCE: TIAA
<table>
<thead>
<tr>
<th>ANNUAL INFLATION RATE</th>
<th>TODAY</th>
<th>5 YEARS</th>
<th>10 YEARS</th>
<th>15 YEARS</th>
<th>20 YEARS</th>
<th>25 YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>$1,000</td>
<td>$1,338</td>
<td>$1,791</td>
<td>$2,397</td>
<td>$3,207</td>
<td>$4,292</td>
</tr>
<tr>
<td>8%</td>
<td>1,000</td>
<td>1,469</td>
<td>2,159</td>
<td>3,172</td>
<td>4,661</td>
<td>6,848</td>
</tr>
<tr>
<td>10%</td>
<td>1,000</td>
<td>1,611</td>
<td>2,594</td>
<td>4,177</td>
<td>6,728</td>
<td>10,835</td>
</tr>
<tr>
<td>12%</td>
<td>1,000</td>
<td>1,762</td>
<td>3,106</td>
<td>5,474</td>
<td>9,646</td>
<td>17,000</td>
</tr>
<tr>
<td>14%</td>
<td>1,000</td>
<td>1,925</td>
<td>3,707</td>
<td>7,138</td>
<td>13,743</td>
<td>26,462</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WHAT $100,000 WILL BE WORTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
</tr>
<tr>
<td>8%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>12%</td>
</tr>
<tr>
<td>14%</td>
</tr>
</tbody>
</table>

SOURCE: AARP
Legg Mason Wood Walker, Inc.
PARTIAL/PHASED RETIREMENT PROGRAM

► ELIGIBILITY

► APPLICATION PROCEDURE

► TERMS
PARTIAL/PHASED RETIREMENT PROGRAM (PPRP)

► OPEN (PARTIAL) OR FIXED (PHASED) PERIOD
► FLEXIBLE WORK DESIGN
► REDUCED WORKLOAD and SALARY
► EMPLOYEE BENEFITS CONTINUE
► RETIREMENT INCOME AVAILABLE
PARTIAL/PHASED RETIREMENT PROGRAM (PPRP)

ELIGIBILITY

► FULL-TIME REGULAR AND
► FACULTY UNIT OR
► NON-REPRESENTED FACULTY OR
► REPRESENTED PROFESSIONAL/ADMINISTRATIVE STAFF OR
► NON-REPRESENTED PROFESSIONAL/ADMINISTRATIVE STAFF AND
► AGE 55+ WITH 10+ YEARS SERVICE OR
► AGE + SERVICE > 73
PARTIAL/PHASED RETIREMENT PROGRAM (PPRP)

APPLICATION PROCEDURE

► DISCUSS PLANS WITH PEERS, ADMINISTRATION, SPOUSE/PARTNER

► OBTAIN INCOME, BENEFITS, LEGAL, TAX ADVICE

► PREPARE APPLICATION FORM

► APPLICATION REVIEW BY DEPARTMENT, CAMPUS ADMINISTRATION, CHANCELLOR’S OFFICE

► UPON APPROVAL, SIGN PARTICIPATION AGREEMENT
PARTIAL/PHASED RETIREMENT PROGRAM (PPRP)
TERMS

► % REDUCTION IN WORKLOAD

► PROPORTIONAL REDUCTION IN SALARY

► BENEFITS INDEPENDENT OF SALARY GENERALLY UNAFFECTED, E.G., HEALTH COVERAGE, TUITION WAIVERS

► BENEFITS RELATED TO SALARY GENERALLY CONTINUE BUT ARE BASED ON REDUCED SALARY, E.G., LIFE INSURANCE, TIAA CONTRIBUTIONS, LTD – DISABILITY AND ANNUAL LEAVE ACCRUALS ADJUSTED BASED ON % FT

► TENURE UNAFFECTED

► RETIREMENT INCOME CAN BEGIN, SUBJECT TO PLAN RULES, OR BE DEFERRED

► CASH WITHDRAWAL MAY ALSO BE AVAILABLE (IF WITHIN 3 YEARS OF FULL RETIREMENT AND NOT MORE THAN 50% FTE)

► INCENTIVE RETIREMENT PLAN MAY BE AVAILABLE AT FULL RETIREMENT
INCENTIVE RETIREMENT PLAN (IRP)

◆ PROVIDES LUMP SUM PAYMENT TO TIAA

◆ WORKS IN CONJUNCTION WITH PARTIAL/PHASED RETIREMENT PROGRAM

◆ RETIREMENT INCOME MAY BEGIN IMMEDIATELY OR BE DEFERRED
INCENTIVE RETIREMENT PLAN (IRP)
ELIGIBILITY

◆ FULL-TIME REGULAR
  AND
  ◆ FACULTY UNIT (HIRED PRIOR TO JULY 1, 1996)
    OR
  ◆ NON-REPRESENTED FACULTY (HIRED PRIOR TO JULY 1, 1996)
    OR
  ◆ REPRESENTED PROFESSIONAL/ADMINISTRATIVE STAFF (HIRED PRIOR TO JULY 1, 2006)
    OR
  ◆ NON-REPRESENTED PROFESSIONAL/ADMINISTRATIVE STAFF (HIRED PRIOR TO JULY 1, 2006)
    AND
  ◆ AGE 55+ WITH 10+ YEARS SERVICE
    AND
  ◆ ENROLLED IN RETIREMENT PLAN FOR FACULTY AND PROFESSIONAL EMPLOYEES.
INCENTIVE RETIREMENT PLAN

APPLICATION PROCEDURE

◆ DISCUSS WITH CHAIR, SUPERVISOR, ADMINISTRATION, SPOUSE/PARTNER

◆ OBTAIN INCOME, BENEFITS, LEGAL, TAX ADVICE

◆ COMPLETE MAINESTREET SELF-SERVICE RETIREMENT GUIDE
INCENTIVE RETIREMENT PLAN (IRP)

TERMS

♦ AVAILABLE AT FULL RETIREMENT

♦ LUMP SUM PAYMENT CALCULATED AT 1 \( \frac{1}{2} \)\% \( \text{TIMES} \) COMPLETED YEARS OF SERVICE \( \text{TIMES} \) THE FINAL ANNUAL BASE SALARY (27 YEAR MAXIMUM)

♦ LUMP SUM PAYMENT IS TAX-SHELTERED UP TO IRS LIMITS

♦ PARTIAL PHASED RETIREMENT PLAN (PPRP) SALARY CONVERTED TO FULL SALARY AT RETIREMENT
SOCIAL SECURITY

✓ BEGAN 1937
  ► ACT SIGNED AUGUST 14, 1935
  ► TAXES COLLECTED FIRST TIME JANUARY, 1937

✓ BENEFITS PROVIDED FOR:
  ➔ RETIREMENT
  ➔ DISABILITY
  ➔ SURVIVOR

✓ CONTRIBUTION AMOUNTS FOR CALENDAR 2018 - 7.65%
  ➔ 6.2% on EARNINGS UP TO $128,400
  ➔ 1.45% on EARNINGS (NO LIMIT)
  ➔ PAID by BOTH EMPLOYEE and EMPLOYER
  ➔ SELF-EMPLOYED PAY 15.30%
SOCIAL SECURITY

- **ELIGIBILITY**

  - **2018 SOCIAL SECURITY**
    - TAXES EARN CREDITS FOR EACH $1,320 IN EARNINGS (MAXIMUM OF 4 PER YEAR).
  
  - **NEED 40 CREDITS TO BE ELIGIBLE FOR A BENEFIT IF BORN 1929 OR LATER, LESS IF BORN EARLIER.**

- **FULL RETIREMENT BENEFITS**

  - **FULL BENEFITS AVAILABLE AT AGE 65 IF BORN 1937 OR EARLIER.**
  
  - **FULL RETIREMENT AGE WILL GRADUALLY INCREASE TO AGE 67 IF BORN 1938 OR LATER.**
    - (a) 1938-1942 (2-MONTH INCREMENTS)
    - (b) 1943-1954 (AGE 66)
    - (c) 1955-1959 (2-MONTH INCREMENTS)
    - (d) 1960 OR LATER (AGE 67)
SOCIAL SECURITY

- EARLY RETIREMENT BENEFITS
  - Retirement benefits can begin as early as Age 62.
  - Widow/widower benefits can begin as early as Age 60 (Age 50 if disabled).
  - Disability benefits are dependent on work history prior to disability.

- EARLY RETIREMENT REDUCTION FACTORS
  - Factors vary depending on date of birth.
  - If full retirement age is 65, the reduction is $5/9$ of $1\%$ per month prior to Age 65 (20\% at Age 62).

For example, if your full retirement age is 67, the reduction at Age 62 is approx. 30\%, Age 63 - 25\%, Age 64 - 20\%, Age 65 - 13.3\%, and Age 66 - 6.67\%.
SOCIAL SECURITY

- DELAYED RETIREMENT CREDITS
- YOUR FULL BENEFIT IS INCREASED EACH YEAR FOR DELAYED RETIREMENT BASED ON YEAR OF BIRTH (UP TO AGE 70):

<table>
<thead>
<tr>
<th>YEAR of BIRTH</th>
<th>YEARLY RATE of INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1933-1934</td>
<td>5.5%</td>
</tr>
<tr>
<td>1935-1936</td>
<td>6.0</td>
</tr>
<tr>
<td>1937-1938</td>
<td>6.5</td>
</tr>
<tr>
<td>1939-1940</td>
<td>7.0</td>
</tr>
<tr>
<td>1941-1942</td>
<td>7.5</td>
</tr>
<tr>
<td>1943 or LATER</td>
<td>8.0</td>
</tr>
</tbody>
</table>

- SPOUSAL BENEFITS

- SPOUSE IS ELIGIBLE TO RECEIVE 1/2 OF RETIRED WORKER’S FULL BENEFIT AT AGE 65 (REDUCED IF DRAWN EARLIER). FOR EXAMPLE, 46% AT AGE 64, 42% AT AGE 63, AND 37 1/2% AT AGE 62.

- FULL BENEFITS AVAILABLE IF SPOUSE IS CARING FOR A CHILD UNDER AGE 16 OR DISABLED, REGARDLESS OF AGE.

- IF YOUR BENEFIT AS A SPOUSE IS HIGHER THAN YOUR RETIREMENT BENEFIT, YOU RECEIVE A COMBINATION EQUAL TO THE HIGHER SPOUSAL BENEFIT.
SOCIAL SECURITY

DIVORCED SPOUSE BENEFIT

- ELIGIBLE IF MARRIAGE LASTED AT LEAST 10 YEARS
- DIVORCED SPOUSE MUST BE AT LEAST AGE 62 AND UNMARRIED.
- BENEFITS A DIVORCED SPOUSE RECEIVES HAS NO EFFECT ON THE AMOUNT OF BENEFITS A CURRENT SPOUSE CAN GET.

CALENDAR 2018 EARNINGS LIMITS

- UNDER FULL RETIREMENT AGE -- $17,040. BENEFITS REDUCED $1 FOR EVERY $2 OVER THE LIMIT.
- YEAR YOU REACH FULL RETIREMENT AGE -- $45,360. BENEFITS REDUCED $1 FOR EVERY $3 OVER THE LIMIT UNTIL THE MONTH YOU REACH FULL RETIREMENT AGE.
- AT FULL RETIREMENT AGE OR OLDER -- NO LIMIT ON EARNINGS.
- SPECIAL MONTHLY RULE (1ST YEAR OF RETIREMENT ONLY).
SOCIAL SECURITY

**ESTIMATING YOUR SOCIAL SECURITY BENEFIT (IF BORN IN 1956 OR LATER)**

- HIGHEST 35 YEARS OF EARNINGS (UP TO MAXIMUM EACH YEAR) FROM 1951 TO THE YEAR YOU TURN 62.
- INDEX EACH YEAR OF EARNINGS FOR INFLATION.
- DIVIDE BY 420 (NUMBER OF MONTHS IN 35 YEARS) TO DETERMINE AVERAGE INDEXED MONTHLY EARNINGS.
- MULTIPLY FIRST $895 BY 90%; MULTIPLY THE NEXT $4,502 BY 32%; AND MULTIPLY ANY AMOUNT OVER $5,397 BY 15%. TOTAL TO DETERMINE MONTHLY SOCIAL SECURITY BENEFIT.
- MAXIMUM MONTHLY BENEFIT FOR AN INDIVIDUAL FOR CALENDAR 2018--$2,788 (AVERAGE OF $1,360).

**WINDFALL ELIMINATION PROVISION**

- APPLIES TO ANYONE ELIGIBLE FOR A FEDERAL, STATE, OR MUNICIPAL PENSION.
- CHANGES FIRST MULTIPLIER FROM 90% TO 40%. OTHERS REMAIN THE SAME.
- EXCEPTIONS APPLY.
**SOCIAL SECURITY**

- **GOVERNMENT PENSION OFFSET**
  - Applies to spousal or widow/widower benefit.
  - Two-thirds of civil service pension must be used to offset spousal or widow/widower benefit.
  - Exceptions apply.

- **TAXATION OF SOCIAL SECURITY BENEFITS**
  - Determine taxable income for the year plus one-half of your social security benefits.
  - For an individual, 50% of social security benefits are taxable if AGI* is between $25,000 and $34,000; 85% if taxable is over $34,000.
  - For a couple filing jointly, 50% of social security benefits are taxable if AGI* is between $32,000 and $44,000; 85% if taxable is over $44,000.

* Adjusted Gross Income
SOCIAL SECURITY

HOW DO YOU APPLY FOR BENEFITS?

- CALL NATIONAL TOLL FREE #1-800-1382-1213 (LOCAL # IN PHONE BOOK)
- INFORMATION NEEDED DEPENDING ON YOUR CIRCUMSTANCES -- YOUR

- SOCIAL SECURITY NUMBER;
- BIRTH CERTIFICATE;
- W-2 FORMS OR SELF-EMPLOYMENT TAX RETURN FOR LAST YEAR;
- MILITARY DISCHARGE PAPERS (DD-214) IF YOU HAD MILITARY SERVICE;
- YOUR SPOUSE’S BIRTH CERTIFICATE AND SOCIAL SECURITY NUMBER IF HE/SHE IS APPLYING FOR BENEFITS;
- CHILDREN’S BIRTH CERTIFICATES AND SOCIAL SECURITY NUMBERS, IF APPLYING FOR CHILDREN’S BENEFITS;
- PROOF OF U.S. CITIZENSHIP OR LAWFUL ALIEN STATUS IF YOU (OR A SPOUSE OR CHILD IS APPLYING FOR BENEFITS) WERE NOT BORN IN THE U.S.;
- THE NAME OF YOUR BANK AND YOUR ACCOUNT NUMBER SO YOUR BENEFITS CAN BE DIRECTLY DEPOSITED INTO YOUR ACCOUNT.

NOTE: Original documents or copies certified by the issuing office are required. Social Security will take copies and return originals to you.
GROUP TERM LIFE INSURANCE
LIBERTY MUTUAL

## CURRENT COVERAGE – UNDER AGE 65 & WORKING

<table>
<thead>
<tr>
<th></th>
<th>Basic Life Insurance</th>
<th>*Optional Term Life</th>
<th>+ *Spouse/Domestic Partner Life</th>
<th>@Dependent Child(ren)Life</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COVERAGE – 65 OR OVER &amp; WORKING</strong></td>
<td>• 1 X Annual Salary Rounded Upward to Nearest $1,000</td>
<td>• 1, 2, 3, 4, or 5 X Annual Salary, Rounded Upward to Nearest $1,000</td>
<td>• $10,000 Increments to a Maximum of $50,000 (Guaranteed Issue)</td>
<td>• $5,000 or $10,000 Per Child (Guaranteed Issue)</td>
</tr>
<tr>
<td><strong>COVERAGE AT RETIREMENT</strong></td>
<td>• Reduced by 35% • Option to Convert</td>
<td>• Reduced by 35% • Option to Convert</td>
<td>• Option to Convert Individual Life Policy</td>
<td>• Option to Convert Individual Life Policy</td>
</tr>
<tr>
<td><strong>- 0 –</strong></td>
<td>• Option to Convert Individual Life Policy</td>
<td>• Option to Convert Individual Life Policy</td>
<td>• Option to Convert Individual Life Policy</td>
<td>• Option to Convert Individual Life Policy</td>
</tr>
</tbody>
</table>

* Coverage ceases when employee/spouse or domestic partner reaches age 70.
+ Not to exceed 1/2 of Employee Elected Amount.
@Coverage ceases at age 26.

NOTE: Combination of Basic & Optional Term Life (OTL) may not exceed $1,000,000.

Sample Rates (Rates are subject to change and vary with age and amount converted. Minimum that can be converted-- $1,000).
**GROUP TERM LIFE INSURANCE**
**LIBERTY MUTUAL**

**CURRENT COVERAGE – UNDER AGE 65 & WORKING**

<table>
<thead>
<tr>
<th>AD &amp; D</th>
<th>Additional Seatbelt with Basic AD &amp; D</th>
<th>@Optional AD &amp; D</th>
<th>Additional Seatbelt with Optional AD &amp; D</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Same as Basic</td>
<td>• 10% of Principal Amount (Up to $50,000)</td>
<td>• 10% of Principal Amount (Up to $10,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Employee Only or Family Coverage, $10,000 Increments to a Maximum of $350,000</td>
<td></td>
</tr>
</tbody>
</table>

**COVERAGE – 65 OR OVER & WORKING**

• Reduced by 35% at Age 70**

• Reduced by 35% at Age 70**

• Reduced by 35% at Age 70**

• Reduced by 35% at Age 70**

**COVERAGE AT RETIREMENT**

• -0-

• -0-

• -0-

• -0-

**Reduced to a minimum of 15% by age 85.**

**Not to exceed 10 times salary up to a maximum of $350,000.**
GROUP HEALTH INSURANCE

- ELIGIBILITY
- CURRENT COVERAGE
- GENERAL POLICY PROVISIONS
  - CIGNA COPAY Plan
  - CIGNA CHOICE Plan with HSA
  - EMPLOYEE UNDER AGE 65
  - EMPLOYEE AGE 65 OR OVER
  - EMPLOYEE RETIRES PRIOR TO AGE 65
  - EMPLOYEE RETIRES AT AGE 65 OR OVER
### Group Health Insurance Eligibility

#### Employees
- **Full-Time Regular**
- **Part-Time Regular – at Least 50%**
- **Benefits Regular**
- **Eligible Part-Time Temporary Faculty**

#### Dependents
- **Spouse**
- **Domestic Partner**
- **Children – to age 26**

#### Retirees
- **If Covered at Retirement**
- **Dependents – If Covered at Retirement**

---

#### EMPLOYEES

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time Regular</td>
<td></td>
</tr>
<tr>
<td>Part-Time Regular – at Least 50%</td>
<td></td>
</tr>
<tr>
<td>Benefits Regular</td>
<td></td>
</tr>
<tr>
<td>Eligible Part-Time Temporary Faculty</td>
<td></td>
</tr>
</tbody>
</table>

#### DEPENDENTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse</td>
<td></td>
</tr>
<tr>
<td>Domestic Partner</td>
<td></td>
</tr>
<tr>
<td>Children – to age 26</td>
<td></td>
</tr>
</tbody>
</table>

#### RETIREES

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Covered at Retirement</td>
<td></td>
</tr>
<tr>
<td>Dependents – If Covered at Retirement</td>
<td></td>
</tr>
</tbody>
</table>
GROUP HEALTH COVERAGE

CURRENT COVERAGE

► CIGNA COPAY OR CHOICE PLAN WITH HSA ADMINISTERED BY CIGNA

► PRESCRIPTION DRUG CARD ADMINISTERED THROUGH CIGNA

► EMPLOYEE AND DEPENDENT PREMIUM SHARED BETWEEN EMPLOYEE AND UNIVERSITY
GROUP HEALTH COVERAGE
GENERAL POLICY PROVISIONS
ACTIVE EMPLOYEES

CHOICE PLAN with HSA

- **DEDUCTIBLE**: $1,500/$3,000 PER CALENDAR YEAR
- **CO-INSURANCE**: 10% In-Network, 30% Out-of-Network
- **MAXIMUM**: $2,500/$5,000 PER CALENDAR YEAR OUT-OF-POCKET
- **UMS HSA CONT**: $1,000 Individual, $2,000 Family (2 or more)

- **PRESCRIPTION DRUG PLAN**: SUBJECT TO DEDUCTIBLE, CO-INSURANCE, AND OUT-OF-POCKET Max
GROUP HEALTH COVERAGE

GENERAL POLICY PROVISIONS

ACTIVE EMPLOYEES

COPAY

- DEDUCTIBLE: $0

- PCP CO-PAYMENT: $15 PER VISIT (Varies by CB Unit or Non-Rep Status)

- LIFETIME LIMIT: UNLIMITED

- MAXIMUM OUT-OF-POCKET $1,500 Ind./$3,000 Family

- PRESCRIPTION DRUG PLAN
  - $10/$15 CO-PAYMENT—GENERIC/G PREFERRED
  - $30 CO-PAYMENT—BRAND PREFERRED
  - $50 CO-PAYMENT—BRAND NON-PREFERRED

  PER 30-DAY SUPPLY
  - MAIL ORDER
  - $20/$30 GENERIC/G PREFERRED
  - $60 BRAND
  - $100 BRAND

  90-DAY SUPPLY FOR 2 COPAYS
  - NO DEDUCTIBLE
  - MAXIMUM OUT-OF-POCKET EXPENSES
  - $1,300 PER CALENDAR YEAR (INDIVIDUAL)
  - $1,950 PER CALENDAR YEAR (FAMILY)

- $250 IND./$500 FAMILY

- 20% CO-INSURANCE TO $2,500 IND./$5,000 FAMILY

- CO-INSURANCE MAY BE HIGHER FOR OUT-OF-NETWORK PROVIDERS
GROUP HEALTH COVERAGE

GENERAL POLICY PROVISIONS

RETIREES UNDER AGE 65

COPAY

<table>
<thead>
<tr>
<th>DEDUCTIBLE:</th>
<th>$ -0-</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCP CO-PAYMENT:</td>
<td>$15 PER VISIT</td>
</tr>
<tr>
<td>LIFETIME LIMIT:</td>
<td>UNLIMITED</td>
</tr>
<tr>
<td>MAXIMUM OUT-OF-POCKET</td>
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<table>
<thead>
<tr>
<th>PRESCRIPTION DRUG PLAN</th>
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</thead>
<tbody>
<tr>
<td>→ $10/$15 CO-PAYMENT—GENERIC/G PREFERRED</td>
</tr>
<tr>
<td>→ $30 CO-PAYMENT—BRAND PREFERRED</td>
</tr>
<tr>
<td>→ $50 CO-PAYMENT—BRAND NON-PREFERRED</td>
</tr>
<tr>
<td>PER 30-DAY SUPPLY MAIL ORDER</td>
</tr>
<tr>
<td>→ $20/$30 GENERIC/G PREFERRED</td>
</tr>
<tr>
<td>→ $60 BRAND</td>
</tr>
<tr>
<td>→ $100 BRAND</td>
</tr>
<tr>
<td>90-DAY SUPPLY FOR 2 COPAYS</td>
</tr>
<tr>
<td>→ NO OUT-OF-POCKET MAXIMUM</td>
</tr>
</tbody>
</table>

- $250 IND./$500 FAMILY
- 20% CO-INSURANCE TO $2,500 IND./$5,000 FAMILY
- CO-INSURANCE MAY BE HIGHER FOR OUT-OF-NETWORK PROVIDERS
GROUP HEALTH COVERAGE
GENERAL POLICY PROVISIONS
RETIREES UNDER AGE 65

CHOICE PLAN (No HSA)

- **DEDUCTIBLE** $1,500/$3,000 PER CALENDAR YEAR
- **CO-INSURANCE** 10% In-Network, 30% Out-of-Network
- **MAXIMUM** $2,500/$5,000 PER CALENDAR YEAR OUT-OF-POCKET
- **UMS HSA CONT** $0

- **PRESCRIPTION DRUG PLAN**
  - SUBJECT TO DEDUCTIBLE, CO-INSURANCE, AND OUT-OF-POCKET MAX
GROUP HEALTH COVERAGE
GENERAL POLICY PROVISIONS
MEDICARE ELIGIBLE RETIREES

AETNA MEDICARE ADVANTAGE PLAN

- **DEDUCTIBLE** ➔ $300 PER CALENDAR YEAR
- **CO-INSURANCE** ➔ Or COPAY FOR SOME COVERED SERVICES
- **MAXIMUM** ➔ $2,750 PER CALENDAR YEAR OUT-OF-POCKET EXPENSES

- **PRESCRIPTION DRUG PLAN** (considered a Medicare D RX Plan)
  - ➔ $10 CO-PAYMENT-GENERIC
  - ➔ $25 CO-PAYMENT-BRAND PREFERRED
  - ➔ $40 CO-PAYMENT-BRAND NON-PREFERRED
  - ➔ $55 CO-PAYMENT-SPECIALTY
  PER 30-DAY SUPPLY
  - MAIL ORDER ONLY
    - ➔ $20 GENERIC
    - ➔ $50 BRAND
    - ➔ $80 BRAND
    ➔ $110 SPECIALTY
  90-DAY SUPPLY FOR 2 CO-PAYS
GROUP HEALTH COVERAGE
EMPLOYEES AGE 65 OR OVER

● CIGNA COPAY OR *CHOICE PLAN WITH HSA
  ◆ PRESCRIPTION DRUG PROGRAM
  ◆ EMPLOYEE AND DEPENDENT PREMIUM SHARED BETWEEN EMPLOYEE AND UNIVERSITY

● MEDICARE A --- NO COST
● MEDICARE B --- PAID BY EMPLOYEE ($134.00/MONTH) IF EMPLOYEE ENROLLS

*Choice Plan not available if Medicare eligible per IRS regulations
GROUP HEALTH COVERAGE

EMPLOYEE RETIRES PRIOR TO AGE 65

- OPTIONAL CIGNA COPAY OR CHOICE PLAN (No HSA) WITH
  - PRESCRIPTION DRUG PROGRAM

- AETNA MEDICARE ADVANTAGE PLAN FOR MEDICARE ELIGIBLE SPOUSE/DOMESTIC PARTNER OR CHILD(REN)

- RETIREE and DEPENDENT COVERAGE PAID BY RETIREE (PREMIUM MAY BE DEBITED FROM CHECKING ACCOUNT OR SAVINGS ACCOUNT
GROUP HEALTH COVERAGE

EMPLOYEE RETIRES AT AGE 65 OR OVER

- **MEDICARE A** --- NO COST

- **MEDICARE B** --- PAID BY RETIREE ($134.00/MONTH)

  NOTE: EMPLOYEE MUST ENROLL TO BE ELIGIBLE TO CONTINUE UNIVERSITY COVERAGE

- **OPTIONAL AETNA MEDICARE ADVANTAGE PLAN:**

  - PRESCRIPTION DRUG PROGRAM (considered a Medicare D RX Plan)

  - EFFECTIVE JANUARY 1, 2017, RETIREE PAYS 20% OF THEIR INDIVIDUAL PREMIUM AND ONE-HALF DEPENDENT PREMIUM IF RETIREE HAS 10 YEARS OF CONTINUOUS UNIVERSITY SERVICE IMMEDIATELY PRIOR TO RETIREMENT
MAINTAINING YOUR ORAL HEALTH IS EXTREMELY IMPORTANT

When you retire from the University of Maine System, you have the option of retaining dental coverage through the University’s retiree dental plan.

At whatever age you retire, you need to do the following:

(1) Notify your campus benefits office, in writing.

(2) Complete the MaineStreet Self-Service Retirement Guide to elect dental coverage.

You may elect to authorize the University to debit your checking or savings account for the monthly dental premium. Currently $55.67 (Single), $102 (2-Person), or $174.20 (Family) monthly.
Monthly Group Health Rates for Retirees, Widows/Widowers and Former Employees on LTD

SEE NEXT SLIDE
EFFECTIVE: JANUARY 1, 2018 for UMS Retirees Who Retire 01/01/17 or Later
MONTHLY GROUP HEALTH RATES for RETIREES, WIDOWS/WIDOWERS, and EMPLOYEES on LONG-TERM DISABILITY

<table>
<thead>
<tr>
<th>RETIREES &amp; WIDOW/WIDOWERS</th>
<th>Choice-C</th>
<th>COPAY-P</th>
<th>Choice-C</th>
<th>COPAY-P</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ONE ADULT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree Under Age 65</td>
<td>$1,083.00</td>
<td>$1,382.00</td>
<td>$ -----*</td>
<td>$ -----*</td>
</tr>
<tr>
<td>Widow/Widower Under Age 65</td>
<td>1,083.00</td>
<td>1,382.00</td>
<td>542.00</td>
<td>691.00</td>
</tr>
<tr>
<td>Retiree Age 65 or Over</td>
<td>283.00</td>
<td>N/A</td>
<td>57.00</td>
<td>N/A</td>
</tr>
<tr>
<td>Widow/Widower Age 65 or Over</td>
<td>283.00</td>
<td>N/A</td>
<td>142.00</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TWO ADULTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Both Under Age 65</td>
<td>2,383.00</td>
<td>3,040.00</td>
<td>$ -----*</td>
<td>$ -----*</td>
</tr>
<tr>
<td>Retiree Under Age 65, Spouse Over</td>
<td>1,366.00</td>
<td>1,665.00</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Retiree Over Age 65, Spouse Under</td>
<td>1,366.00</td>
<td>1,665.00</td>
<td>599.00</td>
<td>748.00</td>
</tr>
<tr>
<td>Retiree and Spouse Both Over Age 65</td>
<td>566.00</td>
<td>N/A</td>
<td>199.00</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>FAMILY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Both Adults Under Age 65</td>
<td>3,033.00</td>
<td>3,869.00</td>
<td>$ -----*</td>
<td>$ -----*</td>
</tr>
<tr>
<td>Retiree Under Age 65, Spouse Over</td>
<td>2,233.00</td>
<td>2,770.00</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Retiree Over Age 65, Spouse Under</td>
<td>2,233.00</td>
<td>2,770.00</td>
<td>1,032.00</td>
<td>1,301.00</td>
</tr>
<tr>
<td>Retiree and Spouse Both Over Age 65</td>
<td>1,649.00</td>
<td>1,948.00</td>
<td>740.00</td>
<td>890.00</td>
</tr>
<tr>
<td>Widow/Widower &amp; New Spouse, Both Under 65</td>
<td>3,033.00</td>
<td>3,869.00</td>
<td>1,517.00</td>
<td>1,935.00</td>
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<tr>
<td><strong>ONE ADULT ONLY, with MINOR CHILDREN</strong></td>
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</tr>
<tr>
<td>Retiree Under Age 65</td>
<td>2,166.00</td>
<td>2,764.00</td>
<td>$ -----*</td>
<td>$ -----*</td>
</tr>
<tr>
<td>Widow/Widower Under Age 65</td>
<td>2,166.00</td>
<td>2,764.00</td>
<td>1,083.00</td>
<td>1,382.00</td>
</tr>
<tr>
<td>Retiree Over Age 65</td>
<td>1,366.00</td>
<td>1,665.00</td>
<td>599.00</td>
<td>748.00</td>
</tr>
<tr>
<td>Widow/Widower Over Age 65</td>
<td>1,366.00</td>
<td>1,665.00</td>
<td>683.00</td>
<td>833.00</td>
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<tr>
<td>Widow/Widower Over 65 Plus Adult Dependent Who Receives Medicare Benefits</td>
<td>566.00</td>
<td>N/A</td>
<td>283.00</td>
<td>N/A</td>
</tr>
<tr>
<td>Minor Children Only</td>
<td>1,083.00</td>
<td>1,382.00</td>
<td>542.00</td>
<td>691.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EMPLOYEES ON LONG-TERM DISABILITY</th>
<th>Choice-C</th>
<th>COPAY-P</th>
<th>Choice-C</th>
<th>COPAY-P</th>
</tr>
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<tr>
<td><strong>ONE ADULT</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Under Age 65</td>
<td>$1,083.00</td>
<td>$1,382.00</td>
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<td># $276.00</td>
</tr>
<tr>
<td>Under Age 65 - Eligible for Medicare</td>
<td>283.00</td>
<td>N/A</td>
<td>57.00</td>
<td># N/A</td>
</tr>
<tr>
<td><strong>TWO ADULTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Both Under Age 65</td>
<td>2,383.00</td>
<td>3,040.00</td>
<td>867.00</td>
<td># 1,105.00</td>
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<tr>
<td>Both Under Age 65 - Employee Eligible for Medicare</td>
<td>1,366.00</td>
<td>1,665.00</td>
<td>599.00</td>
<td># 748.00</td>
</tr>
<tr>
<td>Employee Under Age 65, Spouse Over</td>
<td>1,366.00</td>
<td>1,665.00</td>
<td>359.00</td>
<td># 418.00</td>
</tr>
<tr>
<td><strong>FAMILY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Both Adults Under Age 65</td>
<td>3,033.00</td>
<td>3,869.00</td>
<td>1,192.00</td>
<td># 1,520.00</td>
</tr>
<tr>
<td>Both Adults Under Age 65 - Employee Eligible for Medicare</td>
<td>2,233.00</td>
<td>2,770.00</td>
<td>1,032.00</td>
<td># 1,301.00</td>
</tr>
<tr>
<td>Employee Under Age 65, Spouse Over</td>
<td>2,233.00</td>
<td>2,770.00</td>
<td>792.00</td>
<td># 970.00</td>
</tr>
</tbody>
</table>
RETIRTEE OPT OUT AND REENROLLMENT PROVISION

THE BOARD OF TRUSTEES ADOPTED CHANGES TO THE ELIGIBLE CRITERIA FOR CONTINUATION OF HEALTH COVERAGE FOR UMS RETIREES.

CHANGE EFFECTIVE APRIL 1, 2008

EFFECTIVE APRIL 1, 2008 RETIREES HAVE A ONE-TIME OPTION TO CEASE COVERAGE UNDER THE UMS HEALTH PLAN WITH AN OPPORTUNITY TO REENROLL IN THE UMS HEALTH PLAN, PROVIDED THAT THE ELECTION TO REENROLL OCCURS NO LATER THAN NINETY (90) DAYS AFTER THE RETIREE BECOMES ELIGIBLE FOR MEDICARE AND THE RETIREE DOCUMENTS CONTINUOUS COVERAGE FOR THEMSELVES AND DEPENDENTS DURING THE PERIOD FOR WHICH THEY WERE NOT COVERED IN THE UMS HEALTH PLAN.

UMS DOES NOT REMIND THE RETIREE AND IT IS THE RETIREE’S RESPONSIBILITY TO REQUEST REENROLLMENT WITHIN THE ALLOWABLE 90 DAYS.

ALSO, IF A RETIREE EXERCISES THEIR ONE-TIME OPT OUT, REENROLLS, AND LATER CANCELS THEIR HEALTH COVERAGE, THEIR COVERAGE MAY NOT BE REINSTATED IN THE FUTURE.
QUESTIONS

🌟 WE WILL NOW DEVOTE THE REMAINING TIME TO ANY QUESTIONS YOU HAVE REGARDING TODAY’S PROGRAM