

Retirement Decision Guide

**Especially for
Faculty & Non-Classified
Employees**

of the



Community College

of

Rhode Island

TABLE OF CONTENTS

Introduction.....	Page 3
Phased Retirement Program.....	Page 4
RIBOG Health Insurance Cost Sharing Plan	Page 7
COBRA Health Benefits.....	Page 11
Social Security	Page 15
Medicare	Page 17
Repercussions on Other Benefits	Page 21
Working After Retirement	Page 23
Quick Telephone / Web Reference	Page 24

Last Updated: September 2010

Although every attempt is made to keep the content of this Guide accurate and current, this information is provided for informational purposes only. The College will not be bound by any clerical or content errors. Information on these pages is also subject to change without prior notice.

*For additional information, please contact
CCRI's Office of Human Resources, 400 East Avenue, Warwick, Rhode Island 02886-1807
Telephone: (401) 825-2311 • Fax: (401) 825-2345
Web: www.ccri.edu/pers*

INTRODUCTION

CCRI's Office of Human Resources is pleased to provide you with its Retirement Decision Guide for Faculty and Non-Classified Employees.

This guide has been developed to answer some of the most "Frequently Asked Questions" when contemplating retirement. It discusses your options regarding continued health insurance coverage, contacting Social Security Administration, and a host of other topics.

The earlier you begin to examine and make plans concerning these issues, the smoother the transition will be.

If, after reviewing this booklet, you should have any additional questions or need any clarification, please contact the Office of Human Resources at ext. 2311.

PHASED RETIREMENT PROGRAM

Please read the Phased Retirement Program specifications carefully.

The decision to participate in the Phased Retirement Program is irrevocable and involves a commitment on the part of the faculty member to retire no later than the end of the fiscal year during which he/she has turned age 65.

OVERVIEW

In 1994, the Board of Governors for Higher Education approved a Phased Retirement Program for full-time, tenured faculty of the Community College of Rhode Island.

It is important to note that the decision to participate in the Phased Retirement Program is irrevocable and involves a commitment on the part of the faculty member to retire no later than the end of the fiscal year during which he/she has turned age 65.

PROGRAM SPECIFICATIONS

Phased-In Retirement is defined as a period of part-time employment preceding retirement. The program includes a pro-rated salary equivalent to the appropriate percentage of full-time work, continued available group health insurance coverage, and continued pro-rated contributions to the employee's Internal Revenue Code § 403b retirement plan.

1. Eligible faculty are those full-time tenured faculty who have a minimum of ten continuous years of full-time employment at the Community College of Rhode Island and are between the ages of 55-65 years of age at the time of commencement of a phased-in assignment. Participation in the program is purely voluntary on the part of the faculty member.
2. All candidates must formally apply in writing in order to be considered for participation in the program.
3. Initial approval of an application will be required by the department chairperson, who shall forward his/her recommendation to a committee comprised of administration and faculty. After reviewing all candidates, the committee will forward its recommendations to the president (or his designate), whose decision shall be final.

***PHASED
RETIREMENT
PROGRAM***

(continued)

4. The decision to participate in the Phased-In Retirement Program is irrevocable and involves a commitment on the part of the faculty member to commence a phased-in assignment immediately and to retire no later than the end of the fiscal year during which the faculty member attains age 65.
5. The faculty member shall notify the administration, if possible, at least one semester in advance of his/her intended retirement.
6. A phased-in assignment will consist of either: (1) teaching full-time for one semester during the academic year, and the faculty member shall have no assignment for the remaining semesters in that year; or (2) teaching half-time for both semesters of the academic year.
7. Subject to applicable laws, rules, and regulations governing faculty members' retirement accounts (non-ERS), a faculty member may annuitize his/her retirement account and receive income from the account while on phased retirement. This shall not be required.
8. The College shall provide health/dental insurance coverage during the phased-in period for the entire year in accordance with applicable law and the Faculty Association contract. The faculty member will continue to make his/her co-payment toward health insurance.
9. The College's contribution to the faculty member's retirement program will be based on a pro-rated one-half salary rate.
10. Sick leave accrued after the phased-in process begins will be pro-rated at the 50% rate in accordance with contract provisions.
11. Participating faculty members shall be eligible for tuition waiver then available to full-time faculty.
12. Upon termination or retirement, accumulated salary reduction days will be paid at the then current full-time salary rate so long as the faculty member accumulated such days at a full-time salary rate.

PHASED RETIREMENT PROGRAM

(continued)

13. Participation in the Phased-In Retirement Program shall not confer any greater job security, rights, or status in the phased-in assignment than the faculty member would otherwise be entitled to under the provisions of the collective bargaining agreement and applicable law.
14. Net savings achieved by the plan will be applied toward enhancement of the academic enterprise. If there are recurring savings, these may be utilized, on recommendation of the administration, for salary adjustments.
15. Any faculty member who participates in the Phased-In Retirement Program is ineligible for full-time or part-time re-employment in positions under the jurisdiction of the Board of Governors for Higher Education. However, participating faculty members may be hired on a per course hourly lecturer basis, subject to applicable laws and regulations.
16. This program and its provisions shall be subject to and construed consistently with applicable laws, regulations, policies, management rights, and authority of the Board of Governors.

IMPLEMENTATION

If you think the Phased Retirement Program is for you, please follow the Implementation Instructions here ...

Employees wishing to participate in the Phased Retirement Program must submit a copy of the Faculty Phased Retirement Application form and the Age Discrimination in Employment Act Waiver to his/her respective department chairperson prior to the end of the fiscal year (May 21, 2011). Both of these forms are available in the Office of Human Resources or on the Human Resources web site under 'FORMS'.

**HEALTH
INSURANCE
COST SHARING
PLAN -
RI BOARD OF
GOVERNORS**

OVERVIEW

The RI Board of Governors (RIBOG) has established a health care insurance retirement program. It is based on years of service and age at retirement.

ELIGIBILITY

This health benefit applies to all employees who either currently participate in or will be eligible to participate in the RIBOG Alternate Retirement Plan (ARP) as defined in RI General Law 16-17.1-1 and 2. This includes employees with a primary retirement plan funded through, Metropolitan, TIAA-CREF, or VALIC.

COVERAGE

Post-65 Medicare Supplemental Coverage

Years of Service	Employer's Share	Employee's Share
10-15	50%	50%
16-19	70%	30%
20-27	90%	10%
28+	100%	0%

**Cost Per Month - Plans Available
for Retirees With Medicare A & B**

Plan 65 - \$218.54 monthly

<u>Subsidy</u>	<u>Employer</u>	<u>Employee</u>
50/50%	\$109.57	\$109.57
70/30%	152.98	65.56
80/20%	174.83	43.71
90/10%	196.69	21.85
100/0%	218.54	0.00

Medicare Complete - \$137.00 monthly

<u>Subsidy</u>	<u>Employer</u>	<u>Employee</u>
50/50%	\$68.50	\$68.50
70/30%	95.90	41.10
80/20%	109.60	27.40
90/10%	123.30	13.70
100/0%	137.00	0.00

The rate for Medicare Complete is effective through the end of the calendar year.

EARLY RETIREE HEALTH PLAN

Currently the State offers two health insurance options upon retirement through United HealthCare, for retirees under age 65.

<u>United “Early Retiree” Plan</u>	<u>*2010-11</u>
Individual Plan	\$789.76
Family Plan	\$2,197.33

United “Value” Plan

Individual Plan	\$530.62
Family Plan	\$1,487.53

*Health insurance rates are subject to change by the State of Rhode Island at the beginning of each fiscal year on July 1st.

Health Insurance Coverage

Information regarding the level of coverage in each of the above health insurance plans is available at CCRI's Office of Human Resources.

Frequently Asked Questions

Q. I participate in the Phased Retirement Program and teach only one-half of the year. Are my years of service calculated at a half-time rate?

A. No. The calculation of years of service for those participating in the Phased Retirement Program will be the same as they would have been if the employee had been working full-time both semesters of the academic year. Employees retiring under the BOG Phased Retirement Plan and those who choose to do so in the future will be covered by the cost sharing plan. They will participate in the plan upon retirement.

Q. Once I select a plan, must I keep that plan?

A. No. You will be notified of health insurance open enrollment drives as you are now. You will be able to change plans at that time. Enrollment drives for retirees are usually held in December of each year.

**HEALTH
INSURANCE
COST SHARING
PLAN -
RI BOARD OF
GOVERNORS**

(continued)

Frequently Asked Questions *(continued)*

Q. My spouse is not planning to retire for a few more years. He/she will be able to cover me under his/her health insurance plan until retirement. If I don't participate in the retiree health insurance coverage immediately upon my retirement, do I forfeit future coverage under the plan?

A. No. Once your spouse has retired and is no longer covering you under his/her plan, you are allowed to begin participation in the retiree health insurance benefit based on your age and the years of service credited to you on the date of your retirement.

Q. I plan to live out of state when I retire. The current health plan will not cover me out of Rhode Island. What can I do?

A. Contact United HealthCare at 1-800-422-1404 for procedures and medical center locations.

If you are under 65 and live outside of the coverage area, contact United HealthCare to arrange for medical care in the area in which you live.

Q. Can family coverage be purchased for both COBRA and the Retiree plans?

A. Yes, family coverage can be purchased for both the Early Retiree and Post 65 Retiree plans. If the family is comprised of two adults only (no dependents), two individual plans are less expensive. The Board of Governors pays only for the retiring employee who is 65 years old or over.

Q. Can vision and dental coverage be purchased also?

A. For retirees under age 65, dental and vision can be purchased for up to 18 months, through COBRA. After COBRA, vision and dental are no longer available through the current State health insurance retiree plan.

**HEALTH
INSURANCE
COST SHARING
PLAN -
RI BOARD OF
GOVERNORS**

(continued)

Frequently Asked Questions (*continued*)

An employee who retires due to a total disability and provides a Social Security award letter confirming this disability retirement. Then, the prescription, vision, and dental riders can be purchased at the same rate as an active employee, rather than at the higher retiree rates. The monthly costs for dental and vision riders for totally disabled retirees may be obtained from the Office of Human Resources.

Q. If an employee under age 65 retires, will there be any health insurance coverage?

A. Yes. The retiree may continue health insurance with optional riders through COBRA for up to 18 months and then transfer to the basic plan, but the retiree is responsible for 100% of the cost. Riders are not available with the basic plan. The retiree will be responsible for the full premium. However, when the retiree reaches age 65, the employer-paid health insurance premium will be paid based on the years of actual service at the time of retirement.

Example:

The retiree is 62 years old and has 24 years of service. He/She is eligible for COBRA benefits with riders if selected at his/her own cost for 18 months. Then, until the employee reaches age 65, he/she is eligible for the basic medical plan, with no riders. The retiree will be responsible for the full premium. When the employee reaches age 65, he/she would be entitled to 90% employer contribution toward a base plan.

**COBRA
HEALTH
BENEFITS
FOR
RETIREES**

**CONSOLIDATED OMNIBUS BUDGET
RESOLUTION ACT (COBRA)**

This federal law allows employees who are losing their medical coverage to purchase health insurance, at the group rate, from their former employer for 18 months. This allows retiring state employees to keep the health care coverage they received as active employees for 18 months.

WHAT IS COBRA?

COBRA is a federal law that allows you to continue your "active" health plan benefits for 18 months after your retirement date or until age 65, whichever comes first. Your "active" health plan benefits include your dental and vision plans, which you may also choose to, continue under COBRA for 18 months or until age 65, whichever comes first.

COST

The cost of continuing your health plan under COBRA is the group rate premium plus a 2% administrative fee.

You may select a Family Plan if you have dependent children or children who are full-time students as defined by the plan you select. If you are covering yourself and a spouse, selecting two individual plans (rather than a family plan) is the most cost-effective method.

	<u>Indv</u>	<u>Family</u>
Medical, Dental, Vision	\$578.92	\$1,617.99
Medical, Dental	571.83	1,602.95
Medical, Vision	548.32	1,532.32
Medical	541.23	1,517.28
Dental	30.60	85.67
Dental, Vision	37.69	100.71
Vision	7.09	15.04

IMPLEMENTATION

If you are a member of the Employees Retirement System of RI (ERSRI), contact the ERSRI office for further details about COBRA.

If you are a RIBOG employee participating in the Alternate Retirement Plan (ARP) and wish to continue

**COBRA
HEALTH
BENEFITS
FOR
RETIREES**
(continued)

IMPLEMENTATION *(continued)*

your health plan under COBRA, you must complete a COBRA form and appropriate health insurance application form(s) and return them to the Office of Human Resources within 60 days of your retirement. The Office of Human Resources will notify the person in charge of the Board of Governor's plan of your election, and they, in turn, will bill you quarterly, if applicable, for your portion of the monthly premium.

HOW DO I PAY FOR IT?

The Board of Governor's Plan Administrator, located at the University of Rhode Island, will send you a quarterly bill indicating your monthly premium once your COBRA application and termination notice are received. If you are entitled to a percentage of state-paid health care coverage, this will be reflected in your initial bill. You must then return the indicated premium to the return address listed on your quarterly bill.

CAN I CHANGE HEALTH PLANS?

You may change health plans when applying for COBRA only if you plan to live out of state upon retirement.

Also, during the 18 months you are on COBRA, you will be notified of Open Enrollment (typically each December, with coverage effective on the 1st of the following January) during which you may change plans.

MAYBE I'D RATHER HAVE A RETIREE PLAN ...

If you choose to activate a retiree health plan rather than continue your "active" employee benefits under COBRA, you will need to complete the application for the health care plan of your choice and submit it to the Office of Human Resources within 60 days of your retirement. You will be billed for your portion of the premium not covered by the RIBOG Retiree Health Insurance Program.

**COBRA
HEALTH
BENEFITS
FOR
RETIREES**
(continued)

WHEN IS MY COBRA PLAN EFFECTIVE?

The application processing period may take four (4) to six (6) weeks to process; however, your coverage is effective retroactive to your date of retirement. If you incur medical expenses during this time, save your receipts to submit to your health plan provider for reimbursement. In case of an emergency involving extensive medical treatment during this time, contact the Office of Human Resources who will contact your health plan provider.

WHAT HAPPENS AFTER 18 MONTHS OF COBRA? *If you are under 65 ...*

Your vision and dental plans end when your COBRA benefits end.

The BOG Plan Administrator will notify you when the COBRA period is ending. At that time, you will have the option of enrolling in the early retiree plan. The early retiree plan will be continued through the RIBOG, and you will be billed for the full premium.

If you do not choose health care, your coverage will terminate, and you will not be able to sign up for a plan until an open enrollment (in December). Or, if you wish, you may seek a health plan on your own.

If you are over 65 ...

Your active medical coverage will end the day you retire. Your vision and dental benefits will end when COBRA benefits end (if you elect COBRA).

If you wish to continue with a supplemental health insurance plan in addition to Medicare through RIBOG, you must notify the BOG Plan Administrator at least 30 days before your COBRA ends. (The BOG Plan Administrator will notify you when the COBRA period is ending.) You may select an Over 65 Supplemental Health Plan providing you have both Parts A & B of Medicare.

**COBRA
HEALTH
BENEFITS
FOR
RETIREES**
(continued)

**WHAT HAPPENS AFTER 18 MONTHS OF
COBRA? *If you are over 65 ... (continued)***

You will be billed for your portion of the premium through RIBOG.

If you do not notify the BOG Plan Administrator, your health care coverage will terminate, and you will not be able to join another health plan until Open Enrollment (in December, effective the following January). Or, if you wish, you may seek a health plan on your own.

**CAN I HAVE A FAMILY PLAN THROUGH
COBRA?**

If you have dependent children, you will be enrolled in a family plan. If your family consists of you and your spouse, the Office of Human Resources will enroll each of you in an individual account, with individual health plan account numbers. The reason for this individual enrollment is that two individual health plans cost you less than a family plan.

**WHO WILL SEND ME A NEW HEALTH PLAN
CARD WHILE I'M ON COBRA?**

If you have enrolled in a new or different health plan, the health plan provider will send the new card directly to you.

SOCIAL SECURITY

*Social Security
Administration has
an extensive web site,
which provides a
wealth of information
at: www.ssa.gov*

WHEN TO APPLY

Social Security Administration recommends that people apply for retirement benefits at least three (3) months before they want their benefits to begin.

HOW TO APPLY

You can apply for retirement benefits on-line at www.ssa.gov. You can also apply by calling the toll-free number (1-800-772-1213). Representatives can make an appointment for your application to be taken over the telephone or at any convenient Social Security office.

People who are deaf or hard of hearing may call the toll-free "TTY" number (1-800-325-0778) between the hours of 7:00 am and 7:00 pm Monday through Friday.

WHAT INFORMATION WILL I NEED TO APPLY?

The documents you will need to bring with you depend upon the circumstances of your claim, but here are some items you should have available:

- your Social Security number;
- your birth certificate;
- your W-2 forms or self-employment tax return for last year;
- your military discharge papers if you had military service;
- proof of U.S. citizenship or lawful alien status if you were not born in the U.S.; and
- the name of your bank and your account number so your benefits can be directly deposited into your account.

AGE TO RECEIVE FULL SOCIAL SECURITY

*My full retirement
age is: _____*

<u>Year of Birth</u>	<u>Full Retirement Age</u>
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-54	66

SOCIAL SECURITY
(continued)

AGE TO RECEIVE FULL SOCIAL SECURITY (cont.)

<u>Year of Birth</u>	<u>Full Retirement Age</u>
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

The earliest a person can start receiving Social Security retirement benefits will remain at 62.

SOCIAL SECURITY REDUCTIONS BY AGE

You can retire at any time between age 62 and full retirement age. However, if you start at one of these early ages, your benefits are reduced a fraction of a percent for each month before your full retirement age. As a general rule, early retirement will give you about the same total Social Security benefits over your lifetime, but in smaller amounts to take into account the longer period you will receive them.

- ❑ *I have reached full retirement age.*
- ❑ *I am taking Social Security before reaching full retirement age.*

IMPORTANT: There are disadvantages and advantages to taking your benefit before your full retirement age. The advantage is that you collect benefits for a longer period of time. The disadvantage is that your benefit is permanently reduced. Each person's situation is different, so make sure you contact Social Security before you decide to retire.

According to my conversation with Social Security Administration, my monthly income will be \$_____

Percentage monthly and total reductions are approximate due to rounding. The actual reductions are .555 or 5/9 of 1% per month for the first 36 months and .416 or 5/12 of 1% for subsequent months.

<u>Year of Birth</u>	<u>Full Retirement Age</u>	<u>Age 62 Reduction Months</u>	<u>Total % Reduction</u>
1937 or earlier	65	36	20.00
1938	65 and 2 mos.	38	20.83
1939	65 and 4 mos.	40	21.67
1940	65 and 6 mos.	42	22.50
1941	65 and 8 mos.	44	23.33
1942	65 and 10 mos.	46	24.17
1943--1954	66	48	25.00
1955	66 and 2 mos.	50	25.84
1956	66 and 4 mos.	52	26.66
1957	66 and 6 mos.	54	27.50
1958	66 and 8 mos.	56	28.33
1959	66 and 10 mos.	58	29.17
1960	67	60	30.00

MEDICARE

WHAT IS MEDICARE?

Medicare is a federal health insurance program for persons age 65 and over, and certain disabled persons under the age of 65.

WHAT DOES MEDICARE COVER?

Recommended Reading:

[Medicare & You](#)
Free booklet available from Medicare. Can also be downloaded from www.medicare.gov under the Publications section.

You may also pick up a copy of the [Guide to Social Security & Medicare in the Office of Human Resources](#).

Medicare has two parts: **Part A** (Hospital Insurance) and Part B (Medical Insurance). Part A of Medicare helps to pay for care in hospitals as an in-patient, critical access hospitals, skilled nursing facilities, hospice care, and some home health care. Most people do not have to pay for Part A because they and/or their spouse paid Medicare taxes while working.

Part B of Medicare helps to pay for doctors' services, outpatient hospital care, and some other medical services that Part A does not cover, such as the services of physical and occupational therapists, and some home health care. Beginning in 2005, new services for preventive care are being covered by Medicare Part B, including a one-time physical exam upon retirement, and cardiovascular and diabetes screening tests as needed. Part B helps pay for these covered services and supplies when they are medically necessary. Most people pay monthly for Part B.

Medicare Part D—Prescription Coverage began on January 1, 2006. It is insurance that covers both brand-name and generic equivalents at participating pharmacies. It was designed for retirees with very high prescription costs.

If you have Medicare as either your primary health insurance or secondary health insurance, you must sign up for Part D when you sign up for Part B in order to avoid paying a higher premium. The exception to avoiding the penalty is to provide Medicare with a **certificate of creditable coverage**. This means that if you have a prescription plan that is as good as or better than Part D, through your current or former employer, you do not need to sign up for Medicare's prescription coverage plan. The Office of Human Resources will provide you with the certificate.

MEDICARE

(continued)

State of Rhode Island employees currently enjoy prescription benefits through their United Health Plan. State of Rhode Island retirees enjoy prescription benefits through their United Health Medicare Complete Plan. Both of these plans provide equal or greater coverage than Medicare's plan.

If upon retiring, you elect United Health 65 plan, you will not have prescription coverage, and therefore must enroll in Medicare's prescription drug plan or other Medicare Health Plans that offer drug coverage. Upon retirement, Human Resources will provide you with a Certificate of Creditable Coverage. You can present that certificate to Medicare to avoid being charged a penalty for delayed enrollment.

Detailed information is available at www.medicare.gov on the web. You can look at the "Medicare & You 2007" handbook, visit or call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.
Medicare Part D—Prescription Coverage

ENROLLING IN MEDICARE

Medicare is available at the beginning of the month in which you turn age 65*.

**This age is NOT scheduled to rise even though the full retirement age for Social Security is rising.*

If you are entitled to Social Security benefits in the month you attain age 65, you are automatically enrolled in Medicare part A. You will receive your Medicare card three months before.

If you are not entitled to receive retirement benefits from Social Security at age 65, you are still eligible for Medicare Part A and/or Part B. In this case, you must apply for Medicare coverage during the three-month period before you turn 65.

Your spouse can qualify for Medicare Part A at age 65 based on your work record if you are eligible for monthly Social Security benefits, even if you are only age 62-64, or if you are receiving Social Security disability benefits. Almost everyone in the U.S. can enroll in Part B at age 65.

MEDICARE

(continued)

Please Note: When you enroll in Part A of Medicare, you are also automatically enrolled in Part B, unless you tell the Social Security Administration that you don't want it.

If you do not take Part B when you are first eligible for Medicare at age 65, you may sign up during a General Enrollment Period at your local Social Security Office. This period runs from January 1 through March 31 of each year. Remember, the cost of Part B may go up 10% for each 12 month period that you could have participated but did not, except in special cases (*see below*). You would have to pay this extra 10% for the rest of your life.

WHAT IF I'M AGE 65 OR MORE AND I'M STILL COVERED UNDER AN EMPLOYER-SPONSORED PLAN?

If you have coverage under an employer-sponsored plan based on your or your spouse's *current* or *active* employment, you will usually want to wait until you retire to apply for Part B. This is because the employer plan may be the primary coverage, and Medicare Part B may offer little, if any, additional coverage to justify paying the Part B premium.

If you defer Part B coverage until you retire, you have the seven months following your retirement date to enroll in Medicare Part B with no penalty. This is considered a *Special Enrollment Period*. At that time, you may decide to drop or continue your COBRA coverage. Either way, your employer will continue to pay its share of your State-sponsored plan.

You may sign up for Part B after the seven month period, but the penalty will apply and result in a higher monthly premium.

HOW DO I PAY FOR MEDICARE PART B?

The premium for 2010 is \$110.50 per month. This is deducted from your Social Security check. If you do not receive Social Security, Medicare will either send you a bill for your Part B premium every 3 months or you can use Medicare Easy Pay as an electronic payment option. This payment option allows people with Medicare to have their Medicare premiums automatically deducted from either their savings or checking account free of charge. For more information on how to sign up, go to <http://www.medicare.gov> and then to Frequently Asked Questions.

DO THE MEDICARE PREMIUMS CHANGE?

New Medicare rates are announced each fall and become effective the following January.

MEDICARE

(continued)

HOW ARE MY BILLS PAID BY MEDICARE?

When you get services covered by the original Medicare Plan, your provider sends the bill to a private company that handles bills for Medicare. A Fiscal Intermediary pays bills for Part A services and a Medicare Carrier pays bills for Part B services. After they process the bill, you will get an Explanation of Medicare Benefits or a Medicare Summary Notice. Please check this payment notice to be sure you got all the services, medical supplies, or equipment that Medicare was billed for. If you disagree with what is covered or paid, you have the right to file an appeal.

If you have supplemental insurance (also known as medigap insurance), they may pay next, depending on the coverage provided and service received.

Any portion left, is your responsibility.

WHY IS "ASSIGNMENT" IMPORTANT?

Doctors and suppliers of healthcare equipment and supplies who agree to accept "assignment," accept the Medicare-approved amount as payment in full. You pay the coinsurance and deductible amounts.

If assignment is not accepted, charges are often higher -- this means you may pay more. Check with your healthcare provider prior to receiving services to ensure that he/she accepts "assignment."

For more information about "assignment," call 1-800-MEDICARE to get a free copy of *Does Your Doctor or Supplier Accept Assignment?* This document is also available on the internet at www.medicare.gov under the Publications section.

***WHAT
HAPPENS
TO GROUP
BENEFITS
AFTER
RETIREMENT?***

LIFE INSURANCE

If you retire while you are covered under this plan, your basic life insurance will remain in effect, if elected, during your retirement years, provided the State continues the life insurance contract.

When you attain the age of 65 prior to retirement, the value of your life insurance policy will be reduced at a rate of 1% per month until the value is equal to 25% of the amount of insurance in effect immediately prior to your 65th birthday.

If your basic life insurance policy has not been fully reduced prior to retirement, the value of your life insurance policy will be reduced at a rate of 2% per month subsequent to retirement until the value is equal to 25% of the amount of insurance in effect immediately prior to your 65th birthday.

Your Accidental Death & Dismemberment (AD&D) and supplemental life insurance coverage will terminate at retirement. There is no conversion option for AD&D. You may, however, convert your supplemental life insurance to an individual policy if you wish. You will not be required to show proof of good health when you apply for conversion coverage. Your converted policy may be any kind of individual policy the insurance company is issuing (except a term policy or one with disability or supplementary benefits) for the amount you are converting and for your age (nearest birthday) on the date your policy will be issued.

You must apply to convert your coverage and pay your first premium within 31 days following the date you are no longer eligible for coverage. Your conversion policy will become effective at the end of this 31-day period. If you die within this 31-day period, your death benefits will be paid as if you were still covered under the plan.

To apply for life insurance conversion, contact the Aetna Life Insurance Company at 1-800-523-5065.

**WHAT
HAPPENS
TO GROUP
BENEFITS
AFTER
RETIREMENT?**

(continued)

AFLAC INSURANCE POLICIES

Retirees may continue their AFLAC insurance policies under the terms and conditions of said policy. These policies include:

- Personal Cancer Protector Plan
- Personal Short-term Disability Insurance
- Personal Accident Expense Plan
- Personal Hospital Intensive Care Insurance

If you wish to continue coverage of any of the above-listed policies, you should contact AFLAC directly at 401-521-7700 to arrange for direct billing.

PRE-TAXED BENEFITS

Upon retirement, you are no longer eligible for Section 125 pre-taxed benefits, such as the medical spending accounts, dependent care accounts or life insurance.

LEGAL INSURANCE

There is no provision through the carrier to convert this insurance to a direct bill account; therefore, it cannot be continued after retirement.

***WORKING
AFTER
RETIREMENT***

SOCIAL SECURITY EARNINGS LIMIT

The Senior Citizens Freedom to Work Act of 2000, effective January 1, 2000, eliminated the retirement earnings test for persons who have attained full retirement age (FRA).

A limit on earnings from current work activity continues to apply to beneficiaries under full retirement age (FRA). If you earn more than the earnings limit, Social Security will reduce your benefits and your family members' benefits that are based on your work record. If a family member earns more than the earnings limit, only that person's benefit is reduced.

If you are under the FRA throughout 2010, you are allowed to earn \$14,160 with no reduction in benefits. (Please note that earnings limits change annually!) If your earnings exceed this amount, then \$1 of benefits is withheld for every \$2 you earn above \$14,160.

In some cases, if you are working under your FRA and continue working, you might consider applying for retirement benefits, especially if family members are eligible for benefits on your earnings record. Even if your earnings exceed the allowable limit, some benefits may still be payable.

For more information about earnings limits, please refer to the [Guide to Social Security & Medicare](#) available in the Office of Human Resources or refer to Social Security's web site at www.ssa.gov.

QUICK PHONE / WEB REFERENCE

Agency	Telephone	For Hearing or Speech Impaired	Web Site
Aetna	800-523-5065	860-273-1364	www.aetna.com
AFLAC	401-521-7700	800-622-2345 ext. 2096	www.aflac.com
VALIC	800-448-2542	N/A	www.aigretirement.com
CCRI's Office of Human Resources	401-825-2311	401-825-2313	www.ccri.edu/pers/ops.htm
Delta Dental	800-843-3582 401-752-6100	N/A	www.deltadentalri.com
Employees Retirement System of RI	401-222-2203	401-521-8980	www.state.ri.us/treas/ersri.htm
Medicare	800-MEDICARE	877-486-2048	www.medicare.gov
Metropolitan	401-828-2000	800-638-5433	www.metlife.com
RI Board of Governors (@URI)	401-874-2921	800-745-5555	www.ribghe.org
Social Security Administration	800-772-1213	800-325-0778	www.ssa.gov
TIAA-CREF	800-842-2776	800-842-2755	www.tiaa-cref.org
United HealthCare	866-202-0434	800-545-6751	www.uhc.com