

RETIREMENT BENEFITS SUMMARY

This information is designed to provide an overview of the benefits available to retirees of the University of Nebraska. Every effort has been made to provide an accurate summary of the university's benefits program. However, if there is a conflict between this material and the documents and contracts, the documents and contracts will govern. While the university hopes to offer these programs indefinitely, it has the right to amend or terminate any benefit plan.

Eligibility

Eligibility for University of Nebraska retirement benefits includes the following:

- Employees age 55 and over with 10 years of service.
- Employees age 65 or older with no service requirement.
- An employee, regardless of age, is eligible for a Disability Retirement should a physical or mental disability prevent satisfactory work performance. Approval of a Disability Retirement is predicated on 1) the disabled employee's obtainment of a Social Security Disability Award, or 2) long term disability benefits approval by the group long term disability insurance company. A Disability Retirement for an academic/administrative staff and faculty member must be approved by the Board of Regents.

Social Security Benefits

Social Security retirement benefits may be commenced as early as age 62 although monthly benefit payments will be reduced. Social Security benefits may also be delayed until age 70 which will increase the monthly benefit payment amount.

Illustrations depicting estimated Social Security income at age 65 are available upon request to the Social Security Administration.

To apply for Social Security benefits, individuals should contact the local Social Security Administration office at (800) 772-1213 at least three months prior to the retirement date.

Medicare Insurance

Medicare Insurance consists of two parts: Hospital Insurance (Part A) and Medical Insurance (Part B). Medicare is effective the first day of the month the retiree or their spouse attains age 65. If the retiree is already receiving Social Security benefits, enrollment in Medicare Parts A and B is automatic and beneficiaries will be notified and receive their Medicare Identification card approximately three months prior to their 65th birthday. In most cases, there is no premium for Medicare Part A. Enrollment in Medicare Part B, however, requires a monthly premium that is automatically deducted from the Social Security benefit check.

Employees who **continue to work after age 65** while participating in the university's group medical insurance plan (as an active employee) should delay enrollment in Medicare Part B during active employment. As an active employee, group medical insurance coverage will be the primary insurer of medical benefits, thus Medicare Part B is not required. Once Medicare Part B has been delayed due to participation in the university's group medical insurance plan (as an active employee), Medicare Part B enrollment should be requested 8 months prior to retirement.

Benefits Available at Retirement

Medical Insurance

Coverage

Employees who are enrolled for group medical insurance at retirement may continue coverage for themselves and dependents after retirement. *Only those dependents that are enrolled for coverage at retirement are eligible to continue medical insurance.* In addition, coverage is limited to the same medical benefit option the retiree was enrolled for prior to retirement. The medical benefit option may be changed, however, at any annual NUFlex benefits enrollment.

If an employee does not continue the university's medical insurance as a retiree, coverage may not be added at a later date. In addition, retirees who cancel their university medical insurance coverage during retirement **may not reenroll** for coverage. **Once coverage is cancelled, elections are irrevocable and cannot be reinstated.**

The university's retiree group medical insurance plan coordinates with both Medicare Part A and Part B. For retirees and spouses (if applicable) age 65 or older, Medicare becomes the primary insurance while the university's group medical insurance plan becomes secondary. As a result, all medical insurance claims should be initially submitted to Medicare for reimbursement. The Campus Benefits Office should be notified when a retiree or covered spouse becomes Medicare eligible so that a premium adjustment can be made.

As an alternative to the university's retiree medical insurance, retirees may continue group medical insurance coverage through COBRA. Although the COBRA premium may seem favorable to the retiree premium, COBRA coverage is limited to a maximum of 18 months. More details may be found on the [COBRA Information page](#).

Premiums

Retirees must pay the full cost of the medical insurance coverage. Premium information may be viewed on the [retiree premium summary](#).

Group medical insurance premiums are based on the retiree's Medicare Part A and Part B enrollment. Retirees and/or dependents not enrolled in Medicare Part A and Part B are required to pay the "non-Medicare" premium. Retirees and/or dependents enrolled in Medicare Part A and Part B are eligible for the "supplemented by Medicare" premium. This lower premium is made possible due to the university's retiree insurance plan coordinating benefits with Medicare. To be eligible for and receive the "supplemented by Medicare" premium, retirees must provide the Campus Benefits Office a copy of their Medicare insurance card. **Medicare insurance cards must indicate both Medicare Part A and Part B to receive the "supplemented by Medicare" premium.**

- At retirement, the university's medical insurance premium will be initially based on the "supplemented by Medicare" rates with the assumption the Medicare insurance card, which includes both Medicare Part A and Part B, will be forthcoming. If the Campus Benefits Office does not receive the Medicare Part A and Part B card within 60 days, the retiree's medical premium will be changed to the "non-Medicare" premium.
- A retiree or spouse currently enrolled for retiree medical insurance and paying the "non-Medicare" premium who attains age 65 and eligible for Medicare insurance will continue to pay the "non-Medicare" premium while waiting for their Medicare Part A and Part B card. Once a copy of the Medicare Part A and Part B card is provided, the premium would be reduced to the "supplemented by Medicare" premium to reflect Medicare "coordination of benefits".

Payment of group medical insurance premiums will be electronically withdrawn (ACH) from the retiree's bank account (retiree may choose the account) on the fifth day of each month. The first monthly premium payment should be made, however, by personal check or money order to allow sufficient time to process

and set up the retirement status. Thereafter, premiums will be withdrawn electronically.

- Should a retiree's electronically withdrawn (ACH) medical insurance premium become insufficient twice (2 times) within a six month period, the retiree will be removed from the ACH premium payment program. Once removed, the retiree will be required to pay the medical premium with a personal check or money order. **Payment of the medical insurance premium with a personal check or money order will include an additional \$10.00 monthly service charge.** Should the personal check become insufficient one time, the retiree will be required to submit a money order to cover future medical insurance premiums.
- Retirees electing to cancel retiree medical insurance coverage with the university must notify the Campus Benefits Office in writing by the 15th of the month prior to the effective month of cancellation (i.e. if cancellation notice is received February 10th, cancellation will be effective March 1st). Notice of cancellation received after the 15th of the month will not be effective until the 2nd month following thereafter (i.e. if cancellation notice is received April 21, cancellation will be effective June 1st). **No premium refunds will be made when medical insurance coverage is cancelled.** This policy also applies to any change to an electronic banking arrangement (ACH), i.e. change in banks, accounts, etc.

Comparison of University's Retiree Group Medical Insurance Plan versus a Private Medicare Supplemental Insurance Policy

Blue Cross Blue Shield of Nebraska

- Provides the same full coverage plan as for the active employee group, including the same medical and prescription drug benefits, deductibles, copays, coinsurance percentages, and stop-loss limits.
- Automatically becomes the secondary insurer to Medicare (**if enrolled**) for retirees and/or spouses upon attainment of the 65th birthday.
- As a secondary insurer, Blue Cross Blue Shield of Nebraska deducts only the amount that Medicare pays on a claim and then reimburses the remaining amount of Medicare approved charges, subject to the annual deductible, and coinsurance applicable to the retiree's medical plan option.
- If a claim for service is not considered a Medicare covered expense, but it is a covered service under the Blue Cross Blue Shield of Nebraska plan, the claim is paid subject to the annual deductible, and coinsurance applicable to the retiree's medical plan option.

Private Medicare Supplemental (Medigap) Policy

- Policies are designed to help cover the excess costs of medical services that Medicare insurance does not pay. For example:
 - Medicare Part A: Hospitalization services covered at 100% after the deductible for first 60 days. The supplemental policy would pay the deductible.
 - Medicare Part B: Medical Provider Services covered at 80% of approved charges after the annual deductible. Most Supplemental policies pay the deductible, and the remaining 20% of approved charges. Other Medicare Supplemental plans can be purchased to cover 100% of these excess charges and/or to provide limited coverage for prescription drugs.
 - Services and costs not considered a Medicare covered expense will be full cost to the retiree. A Medicare Supplemental policy bases coverage only on those services that Medicare covers, and will not pay for any non-covered services.

Dental Insurance

Coverage

Employees who are enrolled for group dental insurance at retirement may continue coverage for themselves and dependents after retirement. *Only those dependents that are enrolled for coverage at retirement are eligible to continue dental insurance.*

If an employee does not continue the university's dental insurance as a retiree, coverage may not be added at a later date. In addition, retirees who cancel their university dental insurance coverage during retirement **may not reenroll** for coverage. **Once coverage is cancelled, elections are irrevocable and cannot be reinstated.**

Premiums

Retirees must pay the full cost of the dental insurance coverage. Premium information may be viewed on the [retiree premium summary](#).

Payment of group dental insurance premiums will be electronically withdrawn (ACH) from the retiree's bank account (retiree may choose the account) on the fifth day of each month. The first monthly premium payment should be made, however, by personal check or money order to allow sufficient time to process and set up the retirement status. Thereafter, premiums will be withdrawn electronically.

- Should a retiree's electronically withdrawn (ACH) dental insurance premium become insufficient twice (2 times) within a six month period, the retiree will be removed from the ACH premium payment program. Once removed, the retiree will be required to pay the dental premium with a personal check or money order. **Payment of the dental insurance premium with a personal check or money order will include an additional \$10.00 monthly service charge.** Should the personal check become insufficient one time, the retiree will be required to submit a money order to cover future dental insurance premiums.
- Retirees electing to cancel retiree dental insurance coverage with the university must notify the Campus Benefits Office in writing by the 15th of the month, prior to the effective month of cancellation (i.e. if cancellation notice is received February 10th, cancellation will be effective May 1st). Notice of cancellation received after the 15th of the month will not be effective until the 2nd month following thereafter (i.e. if cancellation notice is received April 21, cancellation will be effective June 1st). **No premium refunds will be made when dental insurance coverage is cancelled.** This refund policy also applies to any change to an electronic banking arrangement (ACH), i.e. change in banks, accounts, etc.

Life Insurance

Retirees may continue basic term life insurance coverage subject to the following limitations:

- Employees retiring between ages 55-65 may continue up to \$25,000 of basic term life insurance coverage. The amount of coverage elected may not exceed the amount of coverage (includes both the employer-provided and voluntary life insurance coverage) the retiree was enrolled for prior to retirement.
- The basic term life insurance coverage reduces to \$5,000 on the January 1st following the retiree's attainment of age 65.
- All basic term life insurance coverage will end on the January 1st following the retiree's 75th birthday.
 - Coverage amounts exceeding the maximum limit may be continued by converting the additional coverage to a whole life policy. The premium for the whole life policy is based on the coverage amount and the retiree's age at time of conversion. Assurity Life Insurance should be contacted for insurance conversion information.

Premiums for basic life insurance will be billed by Assurity Life Insurance. Life insurance premium payments should be sent directly to Assurity Life Insurance.

- Age 55-65 \$5,000 \$1.75
- \$15,000 \$2.50
- \$25,000 \$5.00
- Age 65-70 \$5,000 \$9.50
- Age 70-75 \$5,000 \$18.05

Dependent Life Insurance

Employees enrolled for dependent life insurance coverage at time of retirement may continue coverage for a spouse and/or dependent child subject to the following limitations:

- Employees retiring between the ages of 55-65 may continue up to \$10,000 of coverage for a spouse. The amount of coverage elected may not exceed the amount of coverage the retiree was enrolled for prior to retirement.
- Coverage will be reduced to \$5,000 on the January 1st following the retiree's attainment of age 65.
- All dependent life insurance coverage will end when the dependent is no longer eligible or on the January 1st following the retiree's 70th birthday, whichever occurs first.
- Retirees must continue the basic term life insurance coverage to continue dependent life insurance coverage.
- Coverage for dependent children ends when a child attains age 19 or age 24, if a full-time student.
- Coverage amounts exceeding the maximum limit may be continued by converting the additional coverage to a whole life policy. The premium for the whole life policy is based on the coverage amount and the dependent's age at time of conversion. Assurity Life Insurance should be contacted for insurance conversion information.

Premiums for dependent life insurance will be billed by Assurity Life Insurance. Dependent life insurance premium payments should be sent directly to Assurity Life Insurance.

- Retiree's Age 55-65

Spouse	\$10,000	\$2.00
Child	\$10,000	\$3.00
Child	\$ 5,000	\$1.00
- Retiree's Age 65-70

Spouse	\$5,000	\$1.00
Child	\$5,000	\$1.00
Child	\$2,500	\$.50

Long Term Care Insurance

Employees who are enrolled in the long term care insurance program may continue coverage after retirement. Premium payments should be sent directly to CNA. For more information or details regarding premium payment options, CNA should be contacted (877) 895-6759.

Other University Benefits

Other university benefits including long term disability, vision care*, accidental death & dismemberment insurance, Health Care Reimbursement Account*, and Dependent Care Reimbursement Account may not be continued after retirement.

*Vision care and Health Care Reimbursement Account participation may be continued through COBRA.

Tuition Scholarship Program

Retirees and their eligible dependents may participate in the Tuition Scholarship Program.

Retirement Plan Information

TIAA-CREF retirement income illustrations can be requested by calling TIAA-CREF directly at (800) 842-2776. This information is available online at www.tiaa-cref.org.

Fidelity Investments has a distribution packet that can be requested by calling Fidelity directly at (800) 343-0860. This information is available online at www.Fidelity.com/atwork.