

The image shows a wide-angle view of the Iowa State University campus, featuring a large domed building on the left and a large tree-lined walkway in the foreground. The entire scene is overlaid with a semi-transparent red filter. Two thin, horizontal yellow lines are positioned above and below the text.

IOWA STATE UNIVERSITY

University Human Resources



Preparing for Retirement

ISU RETIREE INSURANCE AND MEDICARE

Qualification for Retirement

55 years of age or older,
regardless of years of service.

Learn more before you go

- The Retirement checklist can be found on the ISU Retiree website for employees to review the process
 - <https://hr.iastate.edu/retiree-benefits>
- Call 294-4800 or email benefits@iastate.edu to set up a time to discuss possible retirement dates, start the benefits paperwork process and review the steps with an ISU Benefits Consultant

Retirement Steps

- Decide on a retirement date, what is the last day you will be working?
- 9 month faculty retire in May or December, unless they work in the summer or need to retire due to other circumstances.
- The last day of work has bearing on insurance continuation and possibly on Medicare effective dates.

Retirement

- If retirement is within 3 months of Medicare eligibility for you or a dependent – discuss with Social Security Administration on when to apply for Part B.
- Benefits Office has an additional paperwork process for the Special Enrollment Period for those who had previously declined Part B.
 - Avoid late enrollment penalty

Workday Retirement Process

- Employees may submit their retirement notice in Workday
- Click on the person icon/your picture in the upper right corner and click “View Profile”
- A blue banner menu appears on the left. Click on “Actions” under your name/title, put cursor on “Job Change”
- Click “Resign”
- Enter proposed separation date (this is the last day you are at work)
- Click Voluntary the click “Worker Resignation > Voluntary > Retirement” (last option)

Vacation/Sick Leave

- Unused sick leave automatically pays out up to \$2,000 maximum
- Unused vacation, vacation credit, if eligible, will be paid out.
- The payout is included on your final pay.
- If interested in sheltering the payout from most (not all) taxes, there is a process in Workday to complete & submit by the 15th of the month in which you retire.
- Questions on the request: Fringe Benefit Accounting & Compliance Office
 - fbac@iastate.edu
 - 515-294-7662

Basic Life Insurance

- Life insurance terminates at retirement.
- Notice within Workday on option to continue life insurance as a personal policy.
- Information, rates and application: www.principal.com/isu

Long Term Disability Insurance

- Do health issues have you contemplating an earlier retirement?
- LTD insurance ends upon retirement date.
- Explore benefits of applying for LTD
 - replacement income
 - life insurance paid by LTD insurance
 - ISU Plan Medical/Rx/Dental continuation
- Limitations? Paperwork, approvals, possible delayed access to retirement account funds.

Qualifying for ISU Retiree Insurance

- To qualify to continue to participate in ISU retiree group medical/prescription and/or dental insurance:
 - Continuous enrollment in the University group plan(s) for **5 years** or longer up to the last day of work.

Continuing Group Medical and/or Dental Insurance

- Meet with an ISU Benefits Consultant:
 - If continuing ISU insurance, choose your plan and line up Medicare, if qualified.
 - Complete forms for continuing coverage, including Medicare Part D if eligible and submit to ISU Benefits Office prior to the date active employee insurance ends.

Retiree Open Enrollment

- Each year: October 15th – December 7th
- Effective dates of changes:
 - January 1st of the next year
- Events that take place outside of open enrollment must be reported within 30 days of the event
 - Examples: Marital status change, dependent no longer eligible, dependent gain/loss other coverage

Dental Insurance

- Administered by Delta Dental of Iowa
- Two plan choices:
 - Basic Plan
 - Comprehensive Plan – 3-year lock in
- PPO plus Premier Network

- If you drop coverage, you cannot enroll.

Dental Plan Comparison

Delta Dental Premier Plus PPO	Basic	Comprehensive 3-year lock in
Maximum Per Person/Year	\$750 (applied to restorative services only)	\$1,500
Annual Deductible – applied to first restorative visit	\$25	\$50
Check Ups & Cleaning	100%	100%
BASIC RESTORATIVE		
Cavity Repair & Extractions	50%	80%
Root Canals	50%	80%
Gum & Bone Disease	50%	80%
MAJOR RESTORATIVE		
High Cost Restorations	50%	50%
Bridges, Dentures, Implants	Not Covered	50%
Orthodontics	Not Covered	50% after deductible up to lifetime maximum of \$2,000 (no age limit)

2024 Dental Insurance Premiums

Tier of Coverage	2024 Basic Plan	2024 Comprehensive Plan
Retiree	\$24	\$42
Retiree & Spouse/Partner	\$58	\$109
Retiree & Child(ren)	\$65	\$115
Retiree & Family	\$74	\$130

Medical Insurance

- Administered by Wellmark Blue Cross/Blue Shield
 - BluePPO (the Preferred Provider Organization, a national network of the Blue Cross Blue Shield Association)
 - BlueHMO (the Wellmark Health Plan of Iowa Network)
- If you drop coverage, you cannot re-enroll.

Wellmark

BluePPO

- Access to nationwide network of participating providers
- Deductible, coinsurance and out-of-pocket maximums for in-network and out-of-network do not aggregate
- Deductible and out-of-pocket maximums reset every January

BlueHMO

- Iowa network of participating providers
- Emergency services only outside the state of Iowa
- Must designate a primary care physician (PCP)
 - Female participants may also designate a primary OB/GYN physician
- Referrals are not required for in-network providers
- Out-of-Network Specialist: Wellmark must approve out-of-network referrals before you receive services
- Guest membership: while away from home for 90 days or longer.
 - College students
 - Snowbirds
- Deductible and Out-of-pocket maximum resets every January

Plan Provisions	BluePPO		BlueHMO
	In-Network	Out-of-Network	*PCP designation required
Annual Deductible <ul style="list-style-type: none"> • Single • Family 	\$400 \$800	*Does not aggregate \$800 \$1,600	\$250 \$500
Coinsurance <ul style="list-style-type: none"> • In-patient or out-patient services 	20%	40%	10%
Annual Out-of-Pocket Maximum <ul style="list-style-type: none"> • Single • Family 	\$2,000 \$4,000	\$4,000 \$8,000	\$1,500 \$3,000
Preventive Services	\$0	40%, after deductible	\$0
Office Visit <ul style="list-style-type: none"> • Mental Health Services • Physical Therapy • Occupational Therapy • Speech Therapy *Non-office setting, coinsurance may apply	\$25 copay per provider per date of service (a separate copay may apply to lab and x-ray services if billed separately under a different provider)	40%, after deductible	\$15 copay per provider per date of service (a separate copay may apply to lab and x-ray services if billed separately under a different provider)
Emergency Room	\$125 copay, plus 20% coinsurance *copay waived if admitted	\$125 copay, plus 20% coinsurance *copay waived if admitted	\$125 copay, plus 10% coinsurance *copay waived if admitted

- **Medicare eligible retirees minimally impacted due to Medicare being primary payer**
- Copays, deductible & coinsurance apply to yearly out-of-pocket maximum

2024 Medical & Prescription Premiums – Single Plan

Plan Tier (price includes appropriate prescription coverage)	BluePPO & RX	BlueHMO & RX
Retiree Only		
Merit - Not Medicare eligible	\$851.00	\$825.00
Faculty, P&S, S & C – Not Medicare eligible	\$697.00	\$674.00
Medicare eligible	\$348.00	\$332.00

2024 Medical & Prescription Premiums – Retiree & Spouse/Partner

Plan Tier (price includes appropriate prescription coverage)	BluePPO & RX	BlueHMO & RX
Retiree & Spouse/Partner		
Merit - Two not Medicare eligible	\$1,938.00	\$1,886.00
Faculty, P&S, S &C – Two not Medicare	\$1,585.00	\$1,541.00
Merit – One with Medicare, one without Medicare	\$1,193.00	\$1,151.00
Faculty, P&S, S &C – One with Medicare, one without Medicare	\$1,039.00	\$1,000.00
Two Medicare eligible	\$690.00	\$658.00

2024 Medical & Prescription Premiums – Retiree & Child(ren)

Plan Tier (price includes appropriate prescription coverage)	BluePPO & RX	BlueHMO & RX
Retiree & Child(ren) only		
Merit – Retiree is not Medicare eligible	\$1,514.00	\$1,476.00
Faculty, P&S, S &C – Retiree is not Medicare eligible	\$1,238.00	\$1,206.00
Merit – Retiree is Medicare eligible	\$1,011.00	\$983.00
Faculty, P&S, S &C – Retiree is Medicare eligible	\$889.00	\$864.00

2024 Medical & Prescription Premiums – Retiree & Family

Plan Tier (price includes appropriate prescription coverage)	BluePPO & RX	BlueHMO & RX
Family – Retiree, Spouse/Partner and child(ren)		
Merit - None are Medicare eligible	\$2,483.00	\$2,397.00
Faculty, P&S, S &C – None are Medicare eligible	\$2,030.00	\$1,959.00
Merit - One with Medicare & others without Medicare	\$1,738.00	\$1,662.00
Faculty, P&S, S &C – One with Medicare & others without Medicare	\$1,484.00	\$1,418.00
Merit - Two Medicare eligible & others without Medicare	\$1,235.00	\$1,169.00
Faculty, P&S, S &C – Two Medicare eligible & others without Medicare	\$1,135.00	\$1,076.00

After Retirement – Paying Premiums

- When continuing the ISU medical/prescription insurance, Wellmark sends the premium billing to the retiree.
 - **You have to stay with the ISU group prescription drug plan to stay in the group medical plan.**
- Delta Dental sends the premium billing to the retiree
- Automatic withdraw available to let Wellmark/Delta Dental pull the premium directly from your bank account.

ISU Plan as Medicare Secondary Plan

- Keep original Medicare (A & B). Medicare is required and must be the primary insurance for those eligible for Medicare when retired.
- The ISU Wellmark plans is secondary insurance
- Patient liability is a rare occurrence but can happen. If you have an amount to pay at a clinic or hospital, you may want to follow up on why.

- ISU Benefits Office will mail information to upcoming newly Medicare eligible members 3 months before Medicare eligibility.
- **If you become Medicare eligible early due to disability, End-Stage Renal Disease (ESRD), or ALS, you must notify the Benefits Office in order to update your benefits and enroll in our Medicare Part D prescription plan (Humana).**

Medicare Part B Premiums

- Each year, Part B premiums are based on income from 2 years earlier. 2022 income will determine your 2024 Medicare Part B premium
- Pay attention each year to gross income and possible capital gains.
- Required minimum distributions from retirement plans can trigger higher Medicare premiums a couple of years later.
- 2024 Medicare Part B Premiums
 - <https://www.medicare.gov/basics/get-started-with-medicare/medicare-basics/what-does-medicare-cost>

*Separate premium from the ISU Wellmark premium

2024 Medicare Part B Premiums

If your yearly adjusted income in 2022 was...			...then
File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	Each Person Pays
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70
Above \$103,000 up to \$129,000	Above \$206,000 up to \$258,000	Not applicable	\$244.60
Above \$129,000 up to 161,000	Above \$258,000 up to \$322,000	Not applicable	\$349.40
Above \$161,000 up to \$193,000	Above \$322,000 up to \$386,000	Not applicable	\$454.20
Above \$193,000 & less than \$500,000	Above \$386,000 & less than \$750,000	Above \$103,000 & less than \$397,000	\$559.00
\$500,000 or above	\$750,000 or above	\$397,000 or above	\$594.00

Options for those considering leaving the ISU group plan for other plans

- Contact SHIIP for assistance with Medicare options
 - Statewide: 1-800-351-4664 (TTY 1-800-735-2942)
 - Website: www.shiip.iowa.gov
 - Email: shiip@iid.iowa.gov
- Transfer to other group options (spouse's employer plan, a new employer's plan, Professional Associations, etc.) or Healthcare Marketplace

Prescription Coverage

- The ISU Wellmark Plan premiums includes the Express Scripts / Humana Part D Prescription Drug Plan (PDP)
- There is not a choice of prescription plans.
- Express Scripts is covered for pre-Medicare members
- The ISU Humana PDP is required for retirees/any family members that are Medicare eligible on the ISU Wellmark medical plan.
- The ISU Humana plan is a unique group Medicare Part D PDP

Express Scripts

Annual Out-of-Pocket Maximum	Single \$2,000 Family \$4,000
<p>30-day supply – retail pharmacy</p> <p>*If you're on a maintenance medication, you may qualify for Smart90 where you will be required to move to a 90-day supply at retail or mail order.</p>	<ul style="list-style-type: none"> • \$15 copay for generic • 30% coinsurance for preferred brand name (\$125 maximum copay/prescription) • 50% coinsurance for non-preferred brand name (\$250 maximum copay/prescription)
<p>90-day supply – retail pharmacy</p>	<ul style="list-style-type: none"> • \$0 copay for generic • 25% coinsurance for preferred brand name (\$300 maximum copay/prescription) • 33% coinsurance for non-preferred brand name (\$600 maximum copay/prescription)
<p>90-day supply – Express Scripts Home Delivery Pharmacy</p>	<ul style="list-style-type: none"> • \$0 copay for generic • 25% coinsurance for preferred brand name (\$300 maximum copay/prescription) • 33% coinsurance for non-preferred brand name (\$600 maximum copay/prescription)

Humana Part D Prescription Drug Plan (PDP)

- Custom Part D plan for ISU
- Effective when eligible for Medicare Part B
- Drugs purchased that are not covered by Medicare Part D do not count towards the Humana plan.
 - Such as drugs categorized as Medicare Part B: immunosuppressive drugs, durable medical equipment, certain vaccines, and certain cancer drugs.
 - Or drugs exempt from Medicare B & D: drugs used for cosmetic purposes, weight loss or gain and over the counter medications.

Medicare Part D Standard “Framework” for 2024

\$545 Deductible – Eliminated for a “buy up” to better coverage plans, like the ISU plan.

Stage 1 or Initial Coverage Limit:

This is where you begin each January. The stage begins at first purchase. \$0 until total drug cost reaches \$5,030.

Stage 2 or the Coverage Gap (donut hole):

Begins at \$5,030 and lasts until your total drug costs reaches \$8,000. In the Coverage Gap, ACA regulations reduce the cost of medication for those in the gap. No one pays more than 30% of adjusted cost.

Stage 3 or Catastrophic:

\$8,000 to end of the year. When the cost of true drug purchases reached \$8,000. For 2024, the cost toward the member in stage 3 has moved to \$0. For ISU plan participants, once your out-of-pocket reached \$2,500, Humana is paying 100% of your total drug costs.

Tiers According to Humana Formulary

- Tier 1: Generic or preferred generic.
- Tier 2: Preferred brand.
- Tier 3: Non-preferred drug.
- Tier 4: Specialty tier.

Humana Stage 1: Initial Coverage Limit (\$0 - \$5,030)

Tier	Retail Pharmacy: 30-day supply (90-day supply)	Mail Order: 90-day supply (CenterWell Pharmacy)
Tier 1:	\$10.00 (\$30.00)	\$0
Tier 2:	30% up to \$50.00 maximum out-of-pocket per prescription (30% up for \$150.00)	20% up to a \$100.00 maximum out-of-pocket per prescription
Tier 3:	50% up to \$50.00 maximum out-of-pocket per prescription (50% up for \$150.00)	33% up to a \$100.00 maximum out-of-pocket per prescription
Tier 4:	50% up to \$50.00 maximum out-of-pocket per prescription (N/A)	N/A – limited to a 30-day supply

Humana Stage 2: Coverage Gap (\$5,030 - \$8,000)

Tier	Retail Pharmacy: 30-day supply (90-day supply)	Mail Order: 90-day supply (CenterWell Pharmacy)
Tier 1:	\$10.00 (\$30.00)	\$0
Tier 2:	30% up to \$50.00 maximum out-of-pocket per prescription (30% up for \$150.00)	20% up to a \$100.00 maximum out-of-pocket per prescription
Tier 3:	30% (30%)	30%
Tier 4:	30% (N/A)	N/A

Humana Stage 3: Catastrophic (Over \$8,000)

Tier	Retail Pharmacy: 30-day supply (90-day supply)	Mail Order: 90-day supply (CenterWell Pharmacy)
All Tiers:	\$0.00	\$0.00

- The out-of-pocket maximum is **\$2,500** per member.
- If you hit your out-of-pocket maximum, Humana pays 100% of the total drug costs for the remainder of the year.

Humana Part D SmartSummary

- Humana's SmartSummary provides a comprehensive overview of your Part D benefits and prescription drug spending.
- You'll receive this statement after each month you've had a prescription claim processed.
 - Includes:
 - Numbers to watch – shows your total drug costs for the month and year-to-date.
 - Personalized messages – tips on saving money, information about changes in prescription copayments and how to plan ahead.
 - Prescription details

Medicare Part D & High Income

- Income-Related Monthly Adjustment Amount (IRMAA) is determined by Center for Medicare and Medicaid Services (CMS) and will be reported to you, if you must pay.
- The amount will be deducted from the Social Security Income (SSI) each month in addition to the premium you pay to Wellmark.
- If you decline the deduction for IRMAA, CMS will disenroll you from the ISU Humana Group PDP. This may create issues for regaining the coverage.
- 2024 Medicare Part D Premiums
 - <https://www.medicare.gov/basics/get-started-with-medicare/medicare-basics/what-does-medicare-cost>

*Separate premium from the ISU Wellmark premium

Medicare Part D & High Income

2024 Part D Income-Related Monthly Adjustment Amount (IRMAA)

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	Amount deducted from Social Security income <u>in addition</u> to the premium you pay to Wellmark
If your yearly adjusted income in 2022 was			
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$0
Above \$103,000 up to \$129,000	Above \$206,000 up to \$258,000	Not applicable	\$12.90
Above \$129,000 up to \$161,000	Above \$258,000 up to \$322,000	Not applicable	\$33.30
Above \$161,000 up to \$193,000	Above \$322,000 up to \$386,000	Not applicable	\$53.80
Above \$193,000 & less than \$500,000	Above \$386,000 & less than \$750,000	Above \$103,000 & less than \$397,000	\$74.20
\$500,000 or above	\$750,000 or above	\$397,000 or above	\$81.00

Medicare Part D & Low Income Subsidy

- Participants with low income may qualify for extra help from Medicare and the Part D cost may be reduced.
- Humana is informed by CMS and alerts ISU to adjust the Part D premium.
- ISU alerts Wellmark to reduce your premium for the subsidy amount reported to us by Humana.

ISU Retiree Association

Benefits of Membership:

- Representation with University
- Wellness & Health Education
- Memorial Day Ceremony
- 6 Programs a year & “Rock On” in Retirement (most offered as hybrid)
- 5 Newsletters
- Volunteering
- Social Activities
- No dues for ISU retirees & their spouses

Contact:

- alumni@iastate.edu
- 515-294-6525

Contact Us

**UHR Service Center &
Benefits Office**
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Benefits Consultant	Employees/Retirees Last Name Begins With:
Jill Pretzer	A – D
Dawn Shedarowich	E – K
Teree Hungerford	L – R
Sarah Ford	S – Z

<https://www.hr.iastate.edu/retiree-benefits>

***Appointments are encouraged**