



Carnegie Mellon University

Ready to Retire!

Today's Topics

- **Overview of Medicare**
 - Steve Petrungaro, HUB International
- **CMU Retiree Medical Offerings**
 - Christine Rutkowski, CMU Office of Human Resources — Benefits
- **CMU Retirement Savings Plans**
 - Christine Rutkowski, CMU Office of Human Resources — Benefits
 - Kellen Quackenbush CFP®, Wealth Management Advisor- TIAA

Zoom Attendees – Commutation via Chat Feature

- Please make sure that you are on 'Mute' to minimize background noise
- Feel free to enter a question in the chat feature
- If your question is more personalized, we will provide contact information for all presenters so that your specific situation can be addressed appropriately.

Overview of Medicare

Steve Petrungaro, HUB International



Risk & Insurance | Employee Benefits | Retirement & Private Wealth

Medicare Made Simple

Presented by:

Steve Petrungaro

Client Manager

HUB International

(814) 844-6628

Steve.Petrungaro@hubinternational.com



HUB Three Rivers

We are a non-governmental insurance agency

This event is only for educational purposes and no plan specific benefits or details will be shared

We are not affiliated or endorsed by the government or federal Medicare program

Information provided herein is accurate as of the date provided and may be subject to change

Last Updated: February 25th, 2025

Agenda

Welcome

What is Medicare?

Parts of Medicare, Eligibility
& Costs

Enrollment Process

Decisions, Decisions

Part D

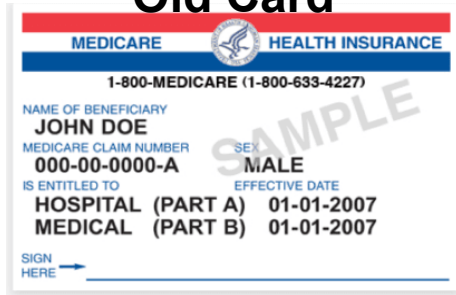
Medicare - HSA & COBRA

Questions

Medicare

- A federal government program
- Provides health care coverage for qualified individuals
- Administered by Centers for Medicare & Medicaid Services
- Enrollment is through Social Security Administration (SSA) or Railroad Retirement Board (RRB) railroad retirees

Old Card



The old Medicare card features a red and blue header with the Medicare logo. It includes the text "MEDICARE HEALTH INSURANCE" and "1-800-MEDICARE (1-800-633-4227)". The beneficiary's name is "JOHN DOE", and the Medicare claim number is "000-00-0000-A". The card also indicates the beneficiary is entitled to Hospital (Part A) and Medical (Part B) coverage, both effective from 01-01-2007. A "SIGN HERE" line is at the bottom.

MEDICARE HEALTH INSURANCE
1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JOHN DOE

MEDICARE CLAIM NUMBER
000-00-0000-A

SEX
MALE

IS ENTITLED TO
HOSPITAL (PART A) 01-01-2007
MEDICAL (PART B) 01-01-2007

SIGN HERE →



New Card



The new Medicare card has a blue header with the Medicare logo and the text "MEDICARE HEALTH INSURANCE". The beneficiary's name is "JOHN L SMITH", and the Medicare number is "1EG4-TE5-MK72". The card indicates the beneficiary is entitled to Hospital (Part A) and Medical (Part B) coverage, both starting on 03-01-2016.

MEDICARE HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

Medicare Number/Número de Medicare
1EG4-TE5-MK72

Entitled to/Con derecho a
HOSPITAL (PART A) 03-01-2016
MEDICAL (PART B) 03-01-2016

Coverage starts/Cobertura empieza

Parts of Medicare

- Part A – Hospital, Skilled Nursing, Hospice
- Part B – Doctors, Lab, Ambulance, DME
- Part A & B also referred as “Original Medicare”

- Not covered in A & B:
 - Routine Dental, Vision, Hearing, Foot Care
 - Long Term Care
 - Prescription Drugs

- Part C – Medicare Advantage
- Part D – Prescription Drug Plan (PDP)

Medicare Eligibility

- Age 65 – U.S. Citizen or permanent resident for at least 5 years
- Two years of SSDI - Social Security Disability
- Diagnosed with end-stage renal disease or kidney transplant
- Cards
 - Automatically if collecting Social Security
 - Apply online at [medicare.gov](https://www.medicare.gov), in-person, by phone

Medicare Costs for 2025

- Part A – No charge if you or your spouse paid into Medicare taxes for 40Q or 10 years
- Part B - \$185.00/month
 - Income Related Modified Adjusted Income (IRMAA) 2 years back; can appeal
 - Deducted from Social Security check if collecting SSI
 - Billed Quarterly through Social Security if not collecting SSI
- Part D – National Ave \$37/month – Dependent on prescriptions and Pharmacy
- Penalties
 - Part B - 10% of Part B premium for every 12 months not enrolled
 - D – 1% of national ave per month not enrolled

Medicare Part B & D Premium for 2025

Yearly Income in 2023			Part B	Part D IRMAA
Individual Tax Return	Joint Tax Return	File Married & Separate Tax Return	Cost	In addition to premium
\$106,000 or less	\$212,000 or less	\$106,000 or less	\$185.00	\$0.00
\$106,001 to \$133,000	\$212,001 to \$266,000	N/A	\$259.00	\$13.70
\$133,001 to \$167,000	\$266,001 to \$334,000	N/A	\$370.00	\$35.30
\$167,001 to \$200,000	\$334,001 to \$400,000	N/A	\$480.90	\$57.00
\$200,001 to \$499,999	\$400,001 to \$749,999	\$103,001 or <\$397,000	\$591.90	\$78.60
>\$500,000	>\$750,000	>\$397,000	\$628.90	\$85.80

Enrollment Process

➤ Initial Enrollment Period

- 3 months before, month of, 3 months after 65th Birthday

➤ Automatic – Collecting Social Security (3 months prior to 65)

➤ Application

- In person – Local Social Security Office
- Over the phone – 1-800-772-1213
- On-line at [medicare.gov](https://www.medicare.gov) (Recommended)

Delayed Enrollment

➤ Actively employed and covered by group plan – you or spouse's plan

➤ Can enroll without penalty at any time off group plan (8 months)

➤ Online (No Part A)

➤ Paper or Online application if Part B only (You and Employer)

Medicare Was Never Designed to Cover Everything

Medicare Supplements (MediGap)

- Plans are Standardized
- GI During Initial Open Enrollment
- Pays after Medicare pays its portion
- Portable
- Network is anyone that accepts Medicare
- More Provider Choices
- Available Nationally
- Foreign Travel Benefits Available

Options



Medicare Advantage

- Contracted with Medicare
- Medicare pays the Health Plan a Capitated Fee
- Can Be Changed Every Year
- HMO & PPO Models
- Specific Providers for In-Network Benefits
- Benefits and Premiums Can vary by County
- Only Emergency and Urgent care coverage available outside the service area

Part D 2025

- Prescription Drug Plan
- Included in most Medicare Advantage Plans
- Sold by insurance companies – formularies, pharmacies, copays differ
- Three Phases
 - Deductible - \$590 Max
 - Initial Coverage – copays/coinsurance up to \$2,000
 - Catastrophic – After \$2,000 – 0% coinsurance
 - Payment plan available
- Medicare.gov - Plan Finder

Attention Employers!!

**DO YOU HAVE EMPLOYEES WITH HEALTH SAVINGS ACCOUNTS?
ARE ANY EMPLOYEES MEDICARE AGE OR
APPROACHING MEDICARE ELIGIBILITY?**

What you don't know...

...can hurt you.



► **Did you know?**

Your employees could face harsh penalties if they are on Medicare and making contributions to their HSA Plan.

► **HSA plans are very popular and widespread.**

If a Medicare eligible employee is enrolled in Medicare, (even if only Part A) your clients need to fully understand the risk of penalties that they could face if they continue to contribute funds to their HSA.

HSA & Medicare

- *If you enroll in Medicare A and/or B, you can no longer contribute pre-tax dollars to your HSA.
- To contribute pre-tax dollars to your HSA, you cannot have any health insurance other than an HDHP (high deductible health plan)
- HSA contributions must stop at least 6 months prior to enrolling in Medicare.
- Employee can use the funds in the HSA for Medicare expenses

*www.MedicareInteractive.org

Medicare/COBRA Scenario 1

I am Medicare eligible and am now also eligible for COBRA

RESULT:

- Medicare is automatically PRIMARY
- Employee can select COBRA – but may want to explore options:
Supplement/Advantage/Part D

Medicare/COBRA Scenario 2

I have COBRA and then become eligible for Medicare.

RESULT:

- Medicare is automatically PRIMARY
- Employee must enroll into Medicare as soon as possible. However, they must enroll within 8 months of the beginning of COBRA to avoid delays and Medicare Penalties.

Questions, Conclusion and Next Steps

Thank you.

Steve Petrungaro

Client Manager

HUB International

(814) 844-6628

Steve.Petrungaro@hubinternational.com

CMU Retiree Medical Offerings

CMU Office of Human Resources — Benefits

What Happens to My Benefits When I Leave?

Health Plans and Healthcare Flexible Savings Accounts (HCFSA), Health Savings Accounts (HSA) and Limited Purpose Flexible Spending Accounts (LPFSA)

- Coverage ends last day of month in which employment ends
- Continue coverage under COBRA for up to 18 months
- HSA account allows for portability and use of account upon separation from CMU

Life Insurance Plans

- Coverage ends last day of month in which employment ends
- Opportunity to convert to individual policy with MetLife

Disability Plans

- Coverage ends last day of employment

Paid Time Off (PTO)

- Earned but unused PTO (up to annual entitlement) is paid out upon separation

Retiree Medical Eligibility

To participate, you must:

- Be eligible for full-time health benefits at time of retirement
- Be at least 60 years of age
- Have at least 5 years of service with the university

Eligible dependents include:

- Your spouse/registered domestic partner
- Your unmarried children up to their 26th birthday
- Your unmarried children of any age who, upon attainment of age 26, were covered under the particular benefit and were disabled

Pre-65 Retiree Medical

Coverage provided through COBRA

- Pre-65 retirees (and their eligible dependents) are offered retiree medical coverage through COBRA up until age 65
- Plan offerings are the same as active employee coverage
- Participants pay full COBRA premiums; no subsidy
- Information on COBRA coverage, including premiums, can be found in the Benefits Guide
- Annual open enrollment opportunity

Post-65 Retiree Medical

Option 1

Medicare Advantage Plans

- Enroll in one of three Medicare Advantage Plans sponsored by CMU
- HMO options only available to Pennsylvania-area retirees
- PPO option has nationwide coverage
- **NEW UPMC National Complimentary Plan**

OR

Option 2

Major Medical/Supplemental Rx

- Complimentary plan — still need to enroll on your own (and at your own expense) in a Medigap or Medicare Advantage plan
- Available in and outside Pennsylvania area
- \$0 premium with 15 or more years of service

Both Options Require Enrollment in Medicare Part A and B

Option 1 — Medicare Advantage Plans

- Three Medicare Advantage Plans available:
 - Aetna PPO
 - Highmark BC/BS Security Blue HMO
 - UPMC for Life HMO
- HMO networks only available in Pennsylvania; PPO option has a nationwide network
- HMOs must use in-network providers
- Includes prescription drug coverage
- No need to purchase additional coverage
- \$20 monthly subsidy per person with 15 or more years of service

Plan details can be found in Retiree Medical Workbook

Option 2 — Major Medical/Supplemental Rx

- Supplements the coverage for retirees who have enrolled in coverage outside the university
- Available in and outside Pennsylvania area
- Major Medical — administered by Highmark BC/BS
 - Covers 80% of eligible expenses
 - \$100,000 lifetime maximum
- Supplemental Rx — administered by CVS/Caremark
 - Covers 80% of eligible expenses after \$250 deductible
- \$0 premium with 15 or more years of service
- Monthly cost for less than 15 years of service

Must also enroll on your own in a Medigap or Medicare Advantage Plan

Part-Time Employment with the University

If you transition from full-time to part-time, and then subsequently retire ...

- You are NOT eligible for retiree medical

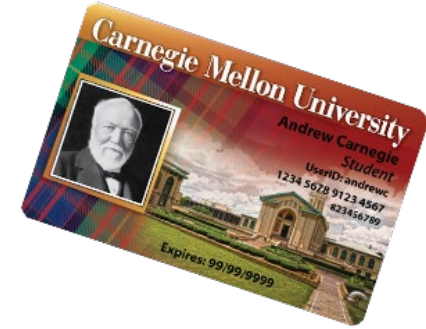
If you retire with eligibility for retiree medical, and are subsequently rehired ...

- At < 17.5 hours/week (non-benefits-eligible):
You **RETAIN** eligibility for retiree medical
- At ≥ 17.5 hours/week but less than 37.5 (full-time benefits-eligible):
You **LOSE** eligibility for retiree medical

Additional Benefits

Post Retirement Benefits — Retired Faculty/Staff ID Card

- Card provides access to:
 - athletic facilities and equipment
 - campus academic buildings
 - CMU shuttle and escort services
 - tickets for athletic events, concerts, films, and other activities
 - university libraries borrowing privileges
- Retired faculty/staff may also obtain Sponsored ID Cards for spouses or domestic partners who meet certain eligibility criteria and for their dependent children (ages 12 to 21). New Sponsored ID cards cost \$20, annual renewals cost \$5.



Information and Enrollment

- Visit Benefits Website
 - <https://www.cmu.edu/hr/benefits/retiree.html>
- Review Retiree Medical Workbook
- Contact Benefits Office
 - 412-268-2047
- Open Enrollment
 - Conducted annually in October
 - Changes effective January 1

2025 Benefits Guide for Retired Faculty and Staff Members



Carnegie Mellon University
Human Resources

www.cmu.edu/hr/benefits

**Carnegie
Mellon
University**

BREAK – 5 minutes

CMU Retirement Savings Plans

Christine Rutkowski, CMU Office of Human Resources — Benefits
Kellen Quackenbush CFP®, Wealth Management Advisor- TIAA

CMU Retirement Plans – Administered by TIAA

Carnegie Mellon University Faculty and Staff Retirement Plan (FSRP)

- 403(b) plan for US citizens and US permanent residents
- University and Employee contributions

Carnegie Mellon University 401(k) Plan (401(k) Plan)

- 401(k) for non-residents and non-US citizens
- University and Employee contributions

Things to Consider Before Retirement

Vesting

- University Contributions
 - Three years of service, 1,000 hours in each of three anniversary years (most full-time employees vest in 2.5 years)
 - Separating from CMU after the age of 65

Beneficiaries

- Review and update your beneficiaries
 - You can have up to six contracts depending on your length of employment with the university. You must indicate your beneficiary(ies) on each contract.

Things to Consider Before Retirement

Are You On Target?

- Faculty and staff can contribute up to 100% of their pay to the plan(s)
- Current IRS annual maximum is \$23,500
- **2025 IRS Contribution Limit for anyone age 50-59 and 64 or older \$31,000**
- **Special additional catch for anyone age 60-63 for 2025 - \$34,750**
- Are you contributing enough to replace your salary at retirement?
 - Review your current contribution in Workday or at TIAA
 - Increase your contribution if you can via the TIAA portal

Things to Consider Before Retirement

In-service distributions available prior to retirement

- **Employee Supplemental Contributions:**
 - Age 59.5
 - Loans
 - Hardship
- **University Contributions:**
 - Age 59.5 only with hardship reason
 - Age 59.5 Tenured Faculty on Phased Retirement

Things to Consider Before Retirement

	FSRP	401k
Tier 1 Target Date Funds	Vanguard Target Date Retirement Funds –	Vanguard Target Date Retirement Funds –
Tier 2 Core Mutual Funds	<ul style="list-style-type: none"> • Vanguard Institutional Index Institutional PLUS • Vanguard Mid Cap Index • Vanguard Small Cap Index • Vanguard Total Bond Market Index • Vanguard Total International Stock Index • Vanguard Emerging Markets Stock Index • Vanguard Inflation-Protected Securities PLUS • Vanguard Federal Money Market • Vanguard Real Estate Index <p>All funds are institutional share class</p>	<ul style="list-style-type: none"> • Vanguard Institutional Index Institutional PLUS • Vanguard Mid Cap Index • Vanguard Small Cap Index • Vanguard Total Bond Market Index • Vanguard Total International Stock Index • Vanguard Emerging Markets Stock Index • Vanguard Inflation-Protected Securities PLUS • Vanguard Federal Money Market • Vanguard Real Estate Index <p>All funds are institutional share class</p>
Tier 3 Fixed and Variable annuities	<ul style="list-style-type: none"> • CREF Social Choice Account • TIAA Traditional Annuity* • TIAA Real Estate Account 	
Tier 4	TIAA Self-directed Brokerage Window	TIAA Self-directed Brokerage Window

Things to Consider Before Retirement

Are You On Target?

- **TIAA online planning tools:**
 - Retirement Income Planner
 - Retirement Advisor
 - Planning Your Retirement
 - Set income goals, identify retirement income gap or surplus

Things to Consider Before Retirement

- Review your allocations annually, adjusting risk as you approach retirement
 - Online retirement advisor tools at TIAA
 - One-on-one counseling sessions with TIAA
 - Visit: <https://www.tiaa.org/schedulenow>
- Identify your expenses and income flow
 - Utilize online monthly budget worksheet
- Reduce or eliminate debt as you approach retirement date
- Determine when to start your Social Security payments
- Review your life insurance needs, your will, medical coverage expenses and estate goals

Distribution Options

60 Days to Retirement — Review Distribution Options

- If you have not done so already, meet with a TIAA consultant or call TIAA to discuss distribution options
- Use online Retirement Income Planner calculator to project different options

Options:

- Systematic Withdrawal (adjustable installment payments)
- Lifetime Annuity (joint life and single life options)
- Fixed Period Annuity
- Lump sum cash as needed
- Required Minimum Distributions (RMD)
- Rollover to IRA

Distributions — Taxes

University Contributions are contributed pre-tax

- Contributions and earnings are subject to ordinary federal income tax and state taxes (in most states)
- Automatic 20% federal withholding for most distribution options

Employee Contributions

- **Pre-tax:** contributions and earnings are subject to ordinary Federal Income Tax (state taxes vary by state, PA does not tax withdrawals)
 - Automatic 20% federal withholding for most distribution options
- **Roth:** contributions and earnings are not subject to federal income tax if a qualified distribution — made after a 5-taxable-year period of participation and is either:
 - made on or after the date you attain age 59½
 - made after your death, or
 - attributable to your being disabled

Distributions

20–30 Days Before Distributions Begin

Request paperwork from TIAA either by phone or online.

Note: Your termination (retirement) date may not be transmitted to TIAA yet, so you may need to call to get termination distribution forms.

Spousal Consent on most forms of distribution is required if you are married — this must be witnessed by a Notary Public.

Process:

- Complete and return paperwork to TIAA
- CMU Office of Human Resources receives notification of distribution request and confirms online or via secure email your termination (retirement) date and vesting and approves

Questions?