

Retirement Benefits Seminar

Considering Retirement?

Options for retiring by 1/1/13

Vs. retiring 2/1/13 or later

September 2012



Today's Agenda

- 2012 Retiree Medical Options - under age 65
 - if you retire on or before 1/1/13, current POS or Open Access medical plans apply
- 2013 Retiree Medical Options
 - If you retire on or after 2/1/13, new Choice Fund or OAP plans apply
- 2013 Contributory Pension Plan

What happens when you retire

Under age 65 Medical plans

- Under age 65 – remain in current plan (may change during annual Open Enrollment)
- At age 65, retiree's younger spouse may continue until age 65 with eligible minor dependents as long as retiree enrolls in a Supplemental Plan through Extend Health and in the ORNL Rx Plan
 - Minor dependents must leave the coverage when the last parent with coverage attains 65.
- Older spouse may continue coverage until retiree reaches age 65 (older spouse MUST sign up for Medicare A & B at age 65 and Medicare will become the primary coverage for the spouse)
- If retiree or spouse receives Social Security Disability, Medicare Part A and B becomes primary coverage.
- Retirees who move outside the coverage area:
 - enroll in the Indemnity Plan if a CIGNA network is not available in your new zip code (premiums are the same as the Open Access Plan)

What happens when you retire

Spouse & Dependent Coverage

- Retiree must be covered under our plan for spouse and/or dependents to have coverage
- Marriage
 - If you marry after retirement, new spouse cannot be added to any existing medical coverage.
- Surviving Spouse
 - Surviving spouse can continue his/her medical coverage
 - If surviving spouse remarries, new spouse cannot be added to existing coverage

Retiree Medical Plan Options

Under age 65	2012	2013 
Current Retirees	Current Cigna POS & Open Access Plans	
Current Salaried Employees who retire before January 1, 2013 (hourly 1/1/14)	Current Cigna POS & Open Access Plans	
Current Salaried Employees who retire on or after February 1, 2013 (hourly 2/1/14)		New Open Access Plus & Choice Fund Plans
Age 65 and older	July 1, 2012 	
Current and Future	Medicare Supplement Plan Exchange Program	
New Employees (no cost share)	April 1, 2012 	
New employees hired on or after April 1, 2012	Access to retiree medical plan coverage when retirement eligible with 10 years of company service, but no ORNL cost share	

2013 Retiree Premiums – Cigna POS & Open Access Plans

- Retiree premiums are “after-tax”
- Cost to retiree (if hired prior to 4/1/12):
 - Shared cost with 10 years of full-time company service
 - Full cost with less than 10 years of full-time company service

Retiree Monthly Premiums: Shared Cost 2013 (2012)

	Single	Dual	Family
Open Access	\$186.75 (\$172)	\$374.25 (\$345)	\$562.00 (\$518)
POS	\$156.25 (\$144)	\$311.50 (\$287)	\$470.75 (\$434)

2013 Medical Plans: Structure

	OAP Plan	Choice Fund
Annual deductible	\$0	Individual: \$1,500 All other coverage levels: \$3,000 (medical and Rx combined)
Maximum annual out-of-pocket cost	\$1,000 (medical only)	Individual: \$2,500 All other coverage levels: \$5,000 (medical and Rx combined)
Office visit copay	PCP: \$20 / Specialist: \$35	10% of total (after deductible)
Inpatient	\$250	10% of total (after deductible)
Emergency room	\$75	10% of total (after deductible)

Prescription Drugs – Open Access Plus

	Retail <i>(Up to a 30 day supply)</i>		Mail-order <i>(Up to a 90 day supply)</i>	
Generic drugs (Tier1) <i>(actual cost if less than copay)</i>	\$5 copay		\$12 copay	
	30% Coinsurance For Brand Drugs			
	Min	Max	Min	Max
Preferred Brand drugs (Tier 2)	\$20	\$100	\$50	\$200
Non-preferred Brand drugs (Tier 3)	\$40	\$200	\$100	\$400

Mail Order Brand (Tier 2) Coinsurance examples

Drug cost	30% coinsurance	Member pays
\$160	\$48	\$50 (minimum payment)
\$400	\$120	\$120 (30% of covered cost)
\$1,600	\$480	\$200 (maximum payment)

Coinsurance:
Employee's share
of covered cost

Prescription Drugs – Choice Fund

	Retail <i>(Up to a 30 day supply)</i>		Mail-order <i>(Up to a 90 day supply)</i>	
	Deductible is \$1,500 individual / \$3,000 all other coverage levels 20% coinsurance after deductible is met.			
	Min	Max	Min	Max
Generic drugs (Tier1) <i>(actual cost if less than min)</i>	\$10	\$75	\$20	\$150
Preferred Brand drugs (Tier 2) (preferred)	\$25	\$150	\$60	\$300
Non-Preferred Brand drugs (Tier 3)	\$40	\$250	\$100	\$500

Mail Order Brand (Tier 2) Coinsurance examples

Drug cost	20% coinsurance	Member pays
\$160	\$32	\$60 (minimum payment)
\$400	\$80	\$80 (20% of covered cost)
\$1,600	\$320	\$300 (maximum payment)

Coinsurance:
Employee's share
of covered cost

2013 Retiree Premiums – Cigna Open Access Plus & Choice Fund

2013 Retiree Monthly Premiums: Shared Cost

- **SALARIED: Retiring 2/1/13 OR after**
- Shared rates apply if retiree has 10 years full-time service

	Single	Dual	Family
Open Access Plus	\$190.63	\$342.50	\$494.38
Choice Fund	\$116.25	\$237.19	\$315.00

Dental Plan – Under Age 65

- May continue MetLife/Delta Dental coverage until age 65. Retiree must be covered in order to cover spouse and/or dependents.
- If the retiree's spouse reaches age 65 before the retiree, the spouse may remain in the MetLife/Delta Dental coverage until the retiree reaches age 65.
- If the retiree reaches age 65 prior to the spouse, the spouse may remain in MetLife/Delta Dental coverage until age 65 (and carry eligible minor dependents if applicable).
- Cost to retiree:
 - Shared cost with 10 years of full-time company service
 - Full cost with less than 10 years of full-time company service

2013 Dental Monthly Premiums: Shared Rates

- Shared rates apply if retiree has 10 years full-time service

	Single	Dual	Family
MetLife	\$15	\$30	\$44
Delta	\$12	\$24	\$36

The contributory pension plan

Current staff (as of March 31, 2012)

Pension benefits
(no change from current plan):

- Regular Formula: 1.4% multiplier
- Alternate Formula: 1.767% multiplier with Social Security integration
- Vested with 5 years of company service
- Early retirement subsidy: Full pension benefit at age 62 + 10 years of service, or when age + years of service = 85

Mandatory contributions to pension fund begin on 1/1/13
(hourly incumbents 10/1/13)

- 2% of earnings up to SS limit
- 4% of earnings above SS limit up to compensation limit

Contribution examples
for 2012 SS limit of \$110,100

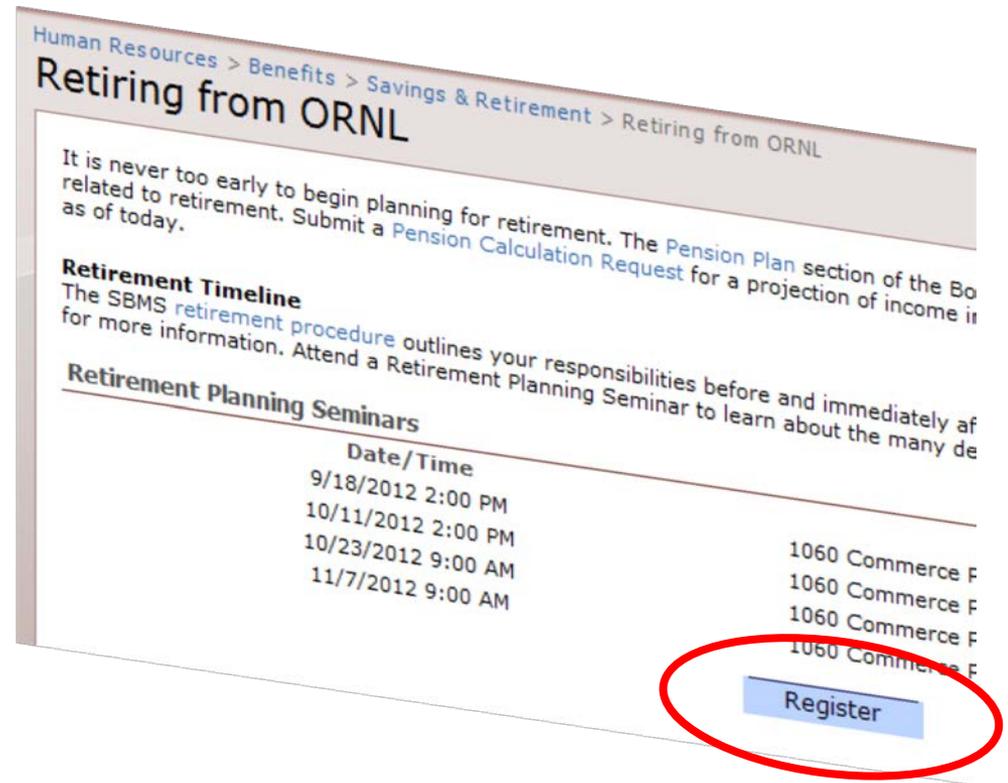
Straight-time earnings + variable pay	\$80,000	\$120,000
2% up to SS limit	\$1,600	\$2,202
4% above SS limit	\$0	\$396
Total contribution	\$1,600	\$2,598

To Learn More:

Register & attend a Retirement Planning Seminar

1060 Commerce Park

- October 11: 2:00 pm
- October 23: 9:00 am
- November 7: 9:00 am



Review medical plan materials and tools at

<http://benefits.ornl.gov/2012>

Questions?

2013 Medical Plans: Structure

	Open Access Plus	Choice Fund
Annual Deductible	\$0	Employee: \$1,500 All other coverage levels: \$3,000 (Medical & Rx combined)
Coinsurance (Payable after annual deductible has been met)	None	You pay 10% after deductible ORNL pays 90%
Annual Out-of-Pocket Maximum	\$1,000 per individual \$2,000 per family (medical only, copays do not apply)	Employee: \$2,500 All other coverage levels: \$5,000
Office Visit	PCP: \$20 copay Specialist: \$35 copay	You pay 10% after deductible ORNL pays 90%
Inpatient Hospital Services	\$250 copay per admission, then ORNLs pays 100%	You pay 10% after deductible ORNL pays 90%
Outpatient Surgery	ORNL pays 100%	You pay 10% after deductible ORNL pays 90%
Hospital Emergency Room	\$75 copay, then ORNL pays 100%	You pay 10% after deductible ORNLs pays 90%

2013 Medical Plans - Covered Benefits

Benefit coverage level is similar to previous plans

Some significant differences b/w plans*

	Open Access Plus	Choice Fund
Preventive Care & Screenings	ORNL pays 100%	ORNL pays 100%
Lab and X-ray (Outpatient or independent facility)	ORNL pays 100%	You pay 10% after deductible ORNL pays 90%
Maternity	You pay an initial office visit copay Then ORNL pays 100%	You pay 10% after deductible ORNL pays 90%
Chiropractic Care (25 visits per year)	PCP: \$20 copay Specialist: \$35 copay	You pay 10% after deductible ORNL pays 90%
Mental Health	Outpatient: \$35 copay per visit Inpatient: \$250 copay per admission, then ORNL pays 100%	You pay 10% after deductible ORNL pays 90%
Short-term Rehabilitation * (Speech, physical, occupational, etc. therapy)	PCP: \$20 copay Specialist: \$35 copay 20 day limit per calendar year, in- and out-of-network combined	You pay 10% after deductible ORNL pays 90% 180 day limit per calendar year, in- and out-of-network combined
Hearing Aids *	Not Covered	You pay 10% after deductible ORNL pays 90% (\$750 maximum every 36 months)
Infertility Treatment *	Not Covered	You pay 10% after deductible ORNL pays 90% (\$20,000 lifetime max.)