

Management Retiree Benefits Guidelines

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It is important that you be well-informed before making that very important life-changing decision to retire. This document describes the conditions that must be met to qualify as a NYPA Management Retiree. It summarizes your NYPA retiree benefits as well as the basic steps you need to complete to apply for your New York State and Local Retirement System pension, Social Security and Medicare benefits.

NYPA Management Retiree Qualifications

To qualify as a NYPA Management Retiree, all the following conditions must be met:

- 1) You must be a full-time NYPA Management employee. Provisional, part-time, or temporary employees are not eligible for retiree benefits
- 2) You must be at least age 55 (age requirement waived for otherwise eligible employees determined to be permanently disabled by NYPA's long-term disability carrier.)
- 3) You will need to meet one of the following minimum years of NYPA service to qualify for retiree benefits:
 - Employees hired before January 1, 2016, must have 10 years of NYPA service.
 - Employees hired on or after January 1, 2016, must have 15 years of NYPA service.
 - Employees rehired by NYPA or who directly transferred from New York State service must meet NYPA service requirements pursuant to Employee Policy 1.9 Transfer or Re-employment in Public Service.
 - Employees with a section 211 or 212 exemption must have 10 years of NYPA service if hired prior to January 1, 2016, or 15 years of NYPA service if hired on/after January 1, 2016.

Notification to NYPA

You must provide your supervisor, Human Resources and Benefits with at least two weeks' written notice of your intention to retire. Your notification must include your last day of work at NYPA. If you are retiring from **NYSLRS**, please provide your effective retirement date. (Please note: The effective retirement date with the NYSLRS is the day following your last day of work at NYPA, regardless of whether that day is a Saturday, Sunday, or holiday). Once notification is provided to NYPA, the Benefits Department or your local HR Representative will schedule a retiree benefits exit interview. Employee Relations will also schedule an exit interview with you prior to your last day of work.

Please note: You are required to report to work on your last day. Your last day of work cannot be a holiday, floating holiday, or vacation day.

NYPA Retiree Benefits - Cost and Reimbursements

Currently, NYPA offers you several benefits in retirement - the most important of which is retiree medical coverage and post-retirement life insurance. The medical coverage is designed to assist you and your dependents with the financial burden that could result from sickness or injury, while your post-retirement life insurance coverage helps cover some of your family's expenses when you pass away.

In addition to these two benefits, NYPA currently reimburses both you and your spouse/domestic partner (covered at time of your retirement) for your Medicare Part B premiums (base cost only) and continues your Employee Assistance Program benefit. Also, you are offered a few options for your unused sick days, including a cash-out of up to 100 days, and are paid for up to 40 unused vacation days.

The following chart outlines the retiree contribution to medical coverage:

	Management Employee Hired/Rehired Before 01/01/2016		Employee Hired/Rehired on or After 01/01/2016
	Employee Retires 01/01/2015 - 01/01/2019	Employee Retires after 1/1/2019	
Retirement Eligibility	10 Years of service	10 Years of service	15 Years of service
Retiree Contribution to Medical Coverage	No contribution to any medical plan	No contribution if enrolled in the PPO Plan or Medicare Advantage Plan. If enrolled in another plan, your contribution is 50 percent of the difference between the active employee contribution to the PPO Plan and the plan you enrolled in.	Retiree contribution is 50% of the active employee contribution

Medical Coverage

Retirees, spouses, and eligible dependent children will be eligible for coverage based on their individual Medicare eligibility. Therefore, each family member may be enrolled in a different NYPA retiree plan.

- **Under age 65 and not Medicare eligible**

As a NYPA Management Retiree, you will continue to be covered under the medical plan option that covered you as an active employee. Then, during the annual retiree open enrollment period, you may choose another option. In general, you may choose the NYPA PPO Plan, the NYPA Choice Plan or, in some geographic areas, a health maintenance organization (HMO) plan.

- **NYPA PPO Plan**

The NYPA PPO Plan provides the freedom to see any physician or health care professional, in or out of the network. You do not need to designate a primary physician or obtain a referral. Benefits are available for office visits and hospital care, as well as inpatient and outpatient surgery. You can select a participating provider from the following three networks: the Empire Plan network, the UHC Options PPO network or the United Behavioral Health network (mental health providers). Prescription drug expenses are provided by CVS. You are responsible for paying a copay for in-network physician visits and prescription drugs. For out-of-network services, benefits are covered at 80% after you have paid your deductible.

- **NYPA Choice Plan**

The NYPA Choice Plan provides the freedom to see any physician or health care professional from the network. You do not need to designate a primary physician or obtain a referral. Benefits are available for office visits and hospital care, as well as inpatient and outpatient surgery. You can select a participating provider

from the following three networks: the Empire Plan network, the UHC Choice network, or the United Behavioral Health network (mental health providers). Prescription drug expenses are provided by CVS. You are responsible for paying a copay for physician visits and prescription drugs. *There are **no** out-of-network benefits.*

- **HMO**

The Health Maintenance Organization (HMO) provides managed healthcare services that are fully covered except for copayments, coinsurance, and deductibles. Each HMO provides a specific package of benefits which include hospitalization and related coverage; medical/surgical care, and prescription drug coverage. Benefits, provider network, coverage rules and exclusions vary from one HMO to another. Most HMOs provide coverage to a specific geographic area.

- **Medicare Eligible**

This section applies to retirees and spouses over age 65, as well as any retiree, spouse or dependent children who are Medicare eligible due to disability. Medicare-eligible participants will be transitioned to the UnitedHealthcare Group Medicare Advantage PPO Plan. Medicare Advantage is the only plan available to Medicare-eligible participants. This is a custom group plan designed exclusively for NYPA Management Retirees. The Medicare Advantage Plan delivers all the benefits of Medicare Parts A and B, also known as Original Medicare. Plus, the plan offers additional benefits and features not available through original Medicare. This plan is not a supplement plan and does not pay secondary to Medicare. Participants must still sign-up for Medicare Parts A and B, but all claims are submitted directly to United Healthcare Medicare Advantage Plan for payment, not Medicare. SilverScripts Medicare Part D will become your Prescription Drug Plan (PDP). Participants must provide a copy of their Medicare ID card and must complete the Retiree Medicare Advantage and Medicare Part D Enrollment Form.

- **Qualifying Events/Open Enrollment**

Management Retirees cannot add a spouse or domestic partner to their medical coverage after retirement.

However, since retirement is a qualifying change of status event, you may change your health insurance coverage at retirement for the following two reasons only. If you are married and elected individual coverage, or waived coverage while you were an active employee, you may elect family coverage and cover your spouse or domestic partner and/or dependents, who are eligible for coverage at the time of your retirement. You must make your change to family coverage within 30 days of your retirement.

If you are enrolled in an HMO plan and move out of the HMO service area, you must notify the NYPA Benefits Department within 30 days of your relocation in order to change medical plans. If you fail to notify NYPA Benefits Department timely, you will need to wait until the next open enrollment period to make a plan change.

Each year NYPA will hold a Retiree Open Enrollment period. The only action a retiree may make during open enrollment is to switch plans for the retiree and eligible dependents to another eligible NYPA retiree plan or drop NYPA coverage completely. Retirees that previously waived NYPA retiree coverage may also enroll in NYPA retiree coverage at this time. Plan changes are not permitted outside of open enrollment unless you have a qualifying event and notify NYPA Benefits Department within 30 days (i.e., divorce; dependent no longer eligible; loss of other coverage; death).

If you die after retirement, the surviving spouse on record at the time of your retirement and/or eligible dependents will be eligible for continuation of medical coverage. Your surviving spouse will continue to be covered under the medical plan until they remarry. Your eligible dependent children may remain covered under the medical plan until the end of the month of their 26th birthday unless they are certified as disabled prior to your retirement

NYPA will extend domestic partner benefits to Management employees who retire provided the employee has been in an approved domestic partnership before retirement (with the same domestic partner). If this requirement is met, NYPA will extend retiree health insurance coverage to the employee's approved domestic partner at the time of the employee's retirement. Pursuant to IRS guidelines, the retiree will receive an annual IRS Misc. 1099 form to cover the "imputed or fair market value" of the health insurance benefits for the domestic partner. The retiree can end coverage for the domestic partner at any time, in writing. Once coverage for the domestic partner is canceled, the retiree cannot cover any future domestic partners.

Medicare Part B Reimbursement

You and your spouse/domestic partner are required to have Medicare Parts A and B in effect by the first day of the month in which each of you reaches age 65 or becomes Medicare eligible. There is no cost for Medicare Part A; however, there is a cost for Medicare Part B. Typically, Social Security deducts the Medicare Part B premium from your monthly Social Security check. If you are not receiving a Social Security check, you pay the Medicare Part B premium directly to Social Security.

Only retirees and spouses/domestic partners covered under a NYPA Medicare Advantage Plan will be eligible for reimbursement of the "base or standard cost" of the Medicare Part B premiums. Those that waive NYPA's retiree coverage are not eligible for this reimbursement. Some retirees are also required to pay Medicare's income-related monthly adjustment amount (IRMAA). This is a higher premium charged by Medicare B and Medicare D to individuals with higher incomes. NYPA does not reimburse any IRMAA premiums. You or your spouse/domestic partner are not eligible for this benefit from NYPA if you receive reimbursement from another source. (If you are partially reimbursed from another source, you may be eligible for partial reimbursement.) At the end of each year, NYPA will notify retirees of the Medicare reimbursement process. New Medicare-eligible participants will be required to provide documentation of the premiums for their first year. Documentation will be honored for a maximum of one year retroactive to your Medicare eligibility date. Medicare reimbursement checks are typically mailed to retirees by the end of March for the previous year. Please note that domestic partner reimbursement is taxable income.

If you die after your retirement, your surviving spouse will be eligible for continued reimbursement of Medicare Part B premiums. However, if your surviving spouse remarries or your surviving domestic partner marries or enters into another domestic partnership, NYPA health insurance coverage and reimbursement of Medicare Part B premiums will end.

Post-Retirement Life Insurance

When you retire, your life insurance will continue at no charge, but your life insurance amount will be reduced to 40% of your salary at the time of your retirement, rounded to the nearest \$1,000. There is a minimum benefit of \$20,000 and a maximum benefit of \$50,000.

You may convert the difference between your active and post-retirement life insurance amounts to an individual policy at your own cost. You must apply for this individual life insurance conversion within 31 days of the date your coverage ends which is the last day of the month in which you retire. Evidence of insurability is not required to convert your policy. For more details about your life insurance coverage, contact the HR Benefits Department or your local HR representative.

Take time to review and update your life insurance beneficiaries to ensure that your wishes are fulfilled.

Employee Assistance Program (EAP)

The EAP is a free, confidential referral and counseling program to help you and your family members cope with any personal problems. You may call a counselor at (800) 833-8707.

You and your family members can receive counseling for a wide range of personal problems including, but not limited to:

- Mental and emotional stress
- Family and marital problems
- Care of an elderly relative
- Drug and alcohol dependencies
- Legal or financial matters
- Dealing with disabilities

Corporate Counseling Associates (CCA) also has a website that provides work-life resources, links, self-help tools, and calculators. CCA Online contains hundreds of educational articles, useful tips, and Internet resources organized in an easy-to-use menu. The CCA website is www.myccaonline.com.

Unused Sick Days

Sick leave will be paid out to employees who qualify as a NYPA retiree (see EP 3.12 Management Time Away From Work). NYPA will automatically payout up to 100 days of unused accrued sick leave and apply up to 165 unused accrued sick days toward service credit with the Retirement System.

If you wish to cash out only a portion of your unused accrued sick leave (up to 100 days) and apply a greater number of sick days (up to 165 days) towards Retirement System service credit, you will need to complete a Sick Leave Cashout form.

Payment for unused sick leave at retirement is not included in the calculation of your Retirement System Final Average Salary. Cashing out unused sick leave is eligible for the Deferred Compensation Plan (457 Plan) contributions but is *not* eligible for Employee Savings Plan (401(k) Plan) contributions.

Unused Vacation Days

Upon retirement, you will receive payment for unused, accrued vacation, not to exceed 40 days. You will receive payment for the current year's vacation on a pro-rated basis (1/12 of yearly vacation days for each month of service). For more details about your vacation coverage, see Employee Policy 3.12 Management Time Away From Work.

Payment for unused vacation at retirement may be included in your retirement benefit calculation, depending on your tier and certain conditions. For more information, contact the Retirement System directly at (866) 805-0990. Cashing out unused vacation days is eligible for the Deferred Compensation Plan (457 Plan) contributions but is *not* eligible for Employee Savings Plan (401(k) Plan) contributions.

Employees' Savings Plan (401(k) Plan)

When you leave NYPA, you may keep the money invested in the Employees' Savings Plan, transfer ("roll over") your money to another qualified retirement plan, an individual retirement account (IRA) or withdraw your assets.

Keep your money invested in the plan

- You may leave your money in the Plan and elect to receive your funds at a later date provided your vested account balance is \$1,000 or more. You may delay distribution of your account until you reach age 72, or the year in which you actually retire, if later.
- If you choose to leave your money in the Plan, a required minimum distribution ("RMD") must begin no later than April 1 in the calendar year after you become age 72. Each of the benefit payment options outlined will still be available to you should you choose this deferral. However, if you defer payments to age 72, your total annual benefit payment must equal or exceed the federal RMD. An additional benefit payment will be sent to you in December of any year in which your total periodic payments do not meet or exceed your RMD.
- If you choose to leave your money in the Plan, you cannot make additional contributions or take out loans. You may continue to exchange money among the funds in your current account. Interest, dividends and other investment gains or losses, will continue to be credited or debited to your account.

Rollover your account to another qualified retirement plan or an IRA

- You may rollover all or part of the taxable portion of the distribution into another employer's qualified 401(k) plan, 403(b) plan, or 457 plan.
- You may rollover all or part of the taxable portion of the distribution into a Traditional IRA, including a T. Rowe Price IRA.
- The tax consequences, distribution options, investment options, and participation costs in other plans may differ from the NYPA Employees' Savings Plan. You are encouraged to examine the requirements and limitations of any plan to which you may contemplate rolling over your plan assets.

Available Distributions

- **Total Distribution** – You may elect to receive a single payment for the entire vested value of your account.
- **Partial Payment** – You may elect to receive a partial payment of your vested account balance and the rest of your balance will remain in the plan. There is no minimum and no limit to the number of withdrawals you may request.
- **Installment Payments** – You may elect to receive payments of your vested account balance over regular intervals. This option allows you to establish a regular payment schedule of benefits over a fixed number of years, but not to exceed your life expectancy. Your regular payment schedule may be monthly, quarterly, semi-annually, or annually.
- **Outstanding Loan Balance** – If you have an outstanding loan at retirement, you have 60 days from your retirement date to repay your loan. Loans not repaid within 60 days will be considered in default and subjected to federal and state tax pursuant to IRS and state tax rules). Loan payments should be made directly to T. Rowe Price.

For more details about the Plan, see the Benefits webpage, www.nypa.gov/benefits or call T. Rowe Price at (800) 922-9945.

Deferred Compensation Plan (457 Plan)

When you leave NYPA, you may keep the money invested in the Deferred Compensation Plan, transfer (“roll over”) your money to another qualified retirement plan or an individual retirement account (IRA) or withdraw your assets.

Keep your money invested in the plan

- You may leave your money in the Plan and elect to receive it at a later date if your vested account balance is \$5,000 or more. You may delay distribution of your account until you reach age 72, or the year in which you actually retire, if later.
- If you chose to leave your money in the plan, a required minimum distribution (“RMD”) must begin no later than April 1 in the calendar year after you become age 72. Each of the benefit payment options outlined will still be available to you should you choose this deferral. However, if you defer payments to age 72, your total annual benefit payment must equal or exceed the federal RMD. An additional benefit payment will be sent to you in December of any year in which your total periodic payments do not meet or exceed your RMD.
- If you choose to leave your money in the Plan, you cannot make additional contributions or take out loans. You may continue to exchange money among the funds in your current account. Interest, dividends, and other investment gains or losses, however, will continue to be credited or debited to your account.

Rollover your account to another qualified retirement plan or an IRA

- You may roll over all or part of the taxable portion of the distribution into another deferred compensation plan, a 401(k), 403(b) plan, or an Individual Retirement Account.
- You may roll over all or part of the taxable portion of the distribution into a Traditional IRA, including a T. Rowe Price IRA.
- The tax consequences, distribution options, investment options, and participation costs in other plans may differ from the NYPA Employees’ Savings Plan. You are encouraged to examine the requirements and limitations of any plan to which you may contemplate rolling over your plan assets.

Receive a distribution

You are eligible to receive a partial or total distribution of your account balance 45 days after your last day of employment with NYPA.

- **Total Distribution** – You may elect to receive a single payment for the entire vested value of your account.
- **Partial Payment** – You may elect to receive a partial payment of your vested account balance and the rest of your balance will remain in the plan. There is a \$100 minimum and a limit of 12 withdrawals per calendar year.
- **Installment Payments** – You may elect to receive payments of your vested account balance at regular intervals. Each installment payment must be a minimum of \$100. This option allows you to establish a regular payment schedule of benefits over a fixed number of years, not to exceed your life expectancy. Your regular payment schedule may be monthly, quarterly, semi-annually, or annually.
- **Outstanding Loan Balance** - If you have an outstanding loan at retirement, you have 90 days from your retirement date to repay your loan. Loans not repaid within 90 days will be considered in default

and subjected to federal and state tax pursuant to IRS and state tax rules). Loan payments should be made directly to T. Rowe Price.

For more details about the Plan, see the Benefits webpage, www.nypa.gov/benefits or call T. Rowe Price at (800) 922-9945.

Supplemental Benefits

Your coverage under the dental plan, vision plan, and Flexible Spending Account ends at the end of the month in which your employment with NYPA ends. Long-term disability and business travel life insurance ends on your last day of work. Coverage for any supplemental benefits plans in which you are enrolled ends at the end of the month in which you retire.

If you are enrolled in the following supplemental benefit plans –cancer protection, group legal, accident expense, or accidental death & dismemberment – you need to contact the individual providers regarding continuing coverage options.

Continuing Your Coverage (COBRA)

Under federal law, the Consolidated Omnibus Budget Reconciliation Act (COBRA) allows you to extend your dental, Flexible Spending Account (health care reimbursement account), and vision benefits at the full premium cost (the amount that NYPA pays) plus a 2% administrative fee for up to 18 months. In addition, NYPA extends COBRA coverage for dental and vision an additional 18 months for a total of 36 months. For more details about COBRA, go to the Benefits webpage at www.nypa.gov/benefits.

If you have dependent life insurance, you may convert to an individual policy by completing a *Conversion of Group Term Life Insurance* application.

All the above will be discussed during your Benefits exit interview.

Other Retirement Programs

This section is not a complete description of the New York State and Local Retirement System (NYSLRS) pension benefits, Voluntary Defined Contribution (VDC) benefits, Social Security or Medicare. For a complete description of your benefits and your responsibilities, you should contact NYSLRS, VDC, Social Security, and Medicare directly or visit their websites.

• **New York State and Local Retirement System Pension (NYSLRS)**

New York State and Local Retirement System (“Retirement System”) pension benefits are designed to help you and your dependents maintain financial stability after retirement or in the event of disability or death. Your pension, combined with Social Security benefits and your personal savings, serve to replace a portion of your active employment income.

Service Retirement Eligibility

Tier 1

- Age 55
- No minimum service required

Tiers 2, 3 & 4

- Have five or more years of credited member service
- Age 62 with full benefit
- Age 55 but less than 62 with a benefit reduction
- With 30 or more years of service credit, may retire as early as 55 with no reduction

Tier 5

- Have five or more years of credited member service
- Age 62 with full benefits
- Age 55 but less than 62 with a benefit reduction

Tier 6

- Have five or more years of credited member service
- Age 63 with full benefits
- Age 55 but less than 63 with a benefit reduction

Disability retirement benefits are also available if you qualify. Contact NYSLRS for additional information.

NYS Retirement System Loan

If you have an outstanding Retirement System loan when you retire, it will permanently reduce your benefit. In addition, regardless of your tier, a portion of the remaining balance of the loan at retirement may be reportable as ordinary income and subject to federal income tax. Contact the Retirement System to learn more about repayment options prior to your retirement.

Military Service Credit

If you were honorably discharged from service in the United States Army, Navy, Air Force, Marine Corps or Coast Guard, or as a commissioned officer in the United States Public Health Service, you may be eligible to receive credit for your military service. Veterans must have been honorably discharged, have at least five years of credited service in the Retirement System, have not received credit for this service in any other public retirement system in New York State, and apply for and purchase military service credit prior to retirement. Contact NYSLRS for additional information.

NYSLRS provides pre-retirement planning services, including:

- Individual member phone consultations.
- Online Benefit Projection Calculator to estimate what your pension will be when you retire.
- Plan booklets and publications that outline and explain your benefits.
- Member Annual Statements that explain the status of your membership.
- Formal benefit estimates for members within 18 months of retirement (see below).

If you are within 18 months of your first eligible date of retirement, you can request that the Retirement System calculate a General Estimate of your retirement benefits. A General Estimate provides information about your retirement benefits and the approximate amount you can expect to receive annually and monthly under each of the standard retirement options. You can receive this information by submitting a *Request for Estimate* form (RS6030). Your request must include an estimated date of retirement, the name and birth date of your intended pension beneficiary (if applicable), and a list of your entire public employment history, including military service. The form is available from the Retirement System website www.osc.state.ny.us/retire.

• How to Apply for Your Pension Benefits

If you decide to retire from NYSLRS, you must file a completed *Application for Service Retirement* (RS6037) with the Retirement System to receive your retirement benefit. You may file your retirement online if you have established an online retirement account with NYSLRS. **Your retirement application must be on file with the Retirement System at least 15 days, but not more than 90 days, before your retirement date.** The 15-day filing requirement is waived if you are over age 70 at retirement. For a form to be considered filed with the Retirement System, it must be received at the Retirement System's office in Albany or accepted by a Retirement

System Information Representative at a consultation office. If you mail the form to the Retirement System, it is suggested that you send it "Certified Mail – Return Receipt Requested."

The form is available from the Retirement System website, consultation offices, or by contacting the Retirement System at (866) 805-0990. The application should be sent to the Retirement System directly. Giving your form to Human Resources does not mean that you have filed with the Retirement System. The Retirement System will send you a confirmation letter approximately two to three weeks after it receives your application.

- **Voluntary Defined Contribution Plan (VDC)**

The VDC program is a defined contribution plan that lets you control your balance and investments by allowing you to direct your contributions to authorized investment providers. Your benefit at retirement will be based on how well you manage your funds.

Vesting: Vesting occurs after 366 days of active service. This period may be waived for employees coming to NYS public employment with active, employer-sponsored retirement annuity contracts from any of the currently Authorized Investment Providers. All contributions will become the property of, and all investments will be directed by the participant upon vesting.

Distributions: The VDC is designed to allow retirement at any age. Distributions from VDC contracts are permitted any time after separating from service after reaching the normal retirement age of 55. The VDC includes several flexible options designed to allow participants to plan their retirement income distribution according to their own individual needs and preferences. These include periodic and systemic cash withdrawals, guaranteed lifetime annuity payments, and a variety of blended options and lifetime annuity-dependent survivor payment levels.

For more information, contact the VDC at (866) 271-0960 or www.vdc.ny.gov

Social Security Benefits

Social Security benefits replace a percentage of your earnings when you retire. The amount you will receive as your Social Security benefit is based on three factors: your age at retirement, the number of years you were in the workforce, and your overall Social Security tax contribution. Your benefits are calculated based on your highest 35 years of earnings.

How old you need to be to receive the full retirement benefit is gradually increasing from age 65 to 67. The exact age you need to reach before being eligible for full retirement benefits depends on when you were born. Those born before 1938 reach full retirement at 65. Those born in 1960 and later reach full retirement at age 67. If you were born between 1938 and 1959, your full retirement age will be between 65 and 67.

You can receive a reduced Social Security benefit as early as age 62. The amount of the reduction depends on your age at the time you start receiving Social Security.

You can also delay receiving your benefits until after your full retirement age and receive a benefits credit increasing your monthly payment. The amount of the increase depends on how long you delay benefits.

You can continue to work and still receive Social Security benefits. If you are younger than your full retirement age, there are limits on how much you can earn without reducing your benefit amount. Once you reach retirement age, the earnings limit is dropped.

Retirement Estimator

Social Security has an online calculator at www.socialsecurity.gov/estimator that will provide immediate and personalized benefit estimates to help you plan for your retirement. The Retirement Estimator is tied to your Social Security earnings record and eliminates the need to manually key in years of earning information. Retirement estimates are just that, estimates.

How to Apply for Social Security Benefits

To apply for benefits, contact the Social Security Administration about three months before you want your benefits to begin. You can visit a local Social Security office in person. You can also apply by phone, at (800) 772-1213, or online at www.ssa.gov.

Medicare

Medicare is the federal health insurance program for people aged 65 and older, or for some younger people with disabilities, and for people with end-stage kidney disease. It is administered by the Centers for Medicare and Medicaid Services (CMS). However, personnel at your local Social Security office will help you apply for Medicare, complete forms, and answer your questions about the program.

As a retiree, when you become eligible for Medicare, you must apply for Medicare Parts A and B, but your retiree coverage will be through UnitedHealthcare Medicare Advantage PPO Plan and the SilverScripts PDP prescription drug plan. To avoid a late entry penalty, be sure to apply for Medicare Parts A and B upon eligibility, typically at age 65. You may apply up to 3 months in advance of your eligibility date or 65th birthday.

There are four parts to Medicare:

- **Medicare Part A** covers inpatient care in a hospital or skilled nursing facility, hospice care and home health care.
- **Medicare Part B** covers doctors' services, outpatient hospital services, durable medical equipment and some other services and supplies not covered by Part A. You pay for Medicare Part B premiums, but NYPA reimburses you for the "base or standard" cost of Medicare Part B, unless you receive reimbursement from another source. NYPA does not reimburse any IRMMA premiums. (For more details, see the Medicare Part B Reimbursement section below.)
- **Medicare Part C** (UnitedHealthcare Medicare Advantage PPO Plan).
- **Medicare Part D** helps pay for prescription drugs. NYPA provides prescription drug coverage to retirees and their eligible dependents through the NYPA health care plans. Retirees eligible for Medicare and enrolled in the United Healthcare Medicare Advantage PPO Plan will be enrolled in NYPA's Medicare Part D Prescription Drug Plan (PDP).

To enroll in NYPA's United Healthcare Medicare Advantage PPO Plan, you will need to complete a Retiree Medicare Advantage and Medicare Part D Enrollment Form. This covers you for medical and pharmacy. (Retirees not eligible for Medicare will remain enrolled in the same prescription plan as active employees.) If you do not wish to enroll in this plan, you will need to complete the same form and elect to waive the medical, pharmacy, and eligibility for Medicare Part B reimbursement. You can be enrolled in only one Medicare Advantage and prescription drug plan at a time. If you are enrolled in another Medicare Advantage plan or Medicare prescription drug plan you will be dropped from the NYPA UnitedHealthcare Medicare Advantage PPO Plan and the SilverScript Medicare Part D prescription drug plan.

Information and forms on this plan can be found in the Retiree section of the benefits webpage, www.nypa.gov/benefits

It is your responsibility to make sure that you and your spouse/domestic partner are covered under Medicare Parts A and B when you turn 65 or become Medicare-eligible. Any penalty imposed by Medicare for late enrollment will be your responsibility. (NYPA will not reimburse you for the penalty portion of your Medicare Part B premiums that are attributed to late enrollment.)

When to Apply for Medicare Benefits

Plan ahead to avoid a gap in your coverage – Sign up three months before turning 65.

If under 65 at retirement: After you retire, Medicare coverage must be in effect on the first day of the month in which you or your spouse/domestic partner turns 65. NYPA requires you to have Medicare Parts A and B in effect on the first day of the month in which you are eligible. If you do not apply when you're eligible, you may be subject to a permanent late entrant penalty.

If over 65 at retirement: When you retire, if you or your spouse/domestic partner are already age 65 or over, apply for Medicare Parts A and B three months before leaving employment. NYPA will provide you with a Medicare form that verifies you have been covered by a group plan since turning age 65 and are therefore not subject to a late enrollment penalty. Provide this form to Medicare when you apply.

How to Apply for Medicare

For Medicare Parts A and B, visit your local Social Security office or call Social Security at (800) 772-1213. Information about applying for Medicare is also available on the web at www.ssa.gov.

Disclaimer:

While the Authority intends to continue the benefits and programs described in this document, the Authority reserves the right to change or terminate any of these benefits, programs, or pieces of programs at any time. If there is a difference between the benefits and descriptions in this document, the plan documents and contracts will govern in every instance.