RIT remains committed to providing competitive, cost-effective, valued benefits to our faculty, staff and retirees. The following is a summary of upcoming benefit changes which we believe will continue to deliver outstanding service to our retiree population.

**Medicare Exchange Beginning in 2019**

For 2019, we are pleased to introduce a new way for Medicare-eligible retirees to access healthcare coverage that will provide retirees with more choice and allow them to better personalize their healthcare. Pre-Medicare retirees and their eligible family members will continue to have the pre-Medicare plan options RIT offers its employees.

This change will allow us to take advantage of a relatively recent marketplace innovation called a Medicare Exchange. The plans that are available in the Medicare Exchange are “individual plans” that are available to anyone in a geographic area; the plans RIT currently offers are categorized as “employer group plans.”

Offering a Medicare Exchange instead of the group plans RIT currently offers provides a number of advantages for retirees:

- **More choice and flexibility:** With the Exchange, a wide range of coverage opportunities will be available to better meet each individual’s medical and financial needs.
- **Health Reimbursement Arrangement (HRA):** RIT will fund an HRA that will be available to assist each Medicare-eligible retiree and spouse/partner pay for all or part of the costs of the premiums of the selected plan. If the selected plan has a low premium, this money can be used to offset qualifying out-of-pocket healthcare expenses. In addition, any unused HRA funds can be carried over year to year for future expenses.
- **Individual coverage:** Retirees and their spouses/partners may choose different plans from one another. This is particularly helpful if their healthcare needs are different because different plans have different out-of-pocket costs.
- **Expert advice:** The Exchange employs experienced, licensed, non-commissioned Medicare experts who provide individualized decision support to ensure each person makes an informed choice.
- **Year-round support:** The Exchange provides customer service and support advocates during the year to assist retirees with any coverage issues or concerns.

**Retiree Medical Accounts Will Be Replaced**

We will be making a change to how RIT supports those retirees who have been eligible for a Retiree Medical Account (RMA). Under the RMA structure, RIT has provided a fixed dollar amount and once it was used up, RIT’s financial commitment would end. This group is made up of the following individuals when they have met RIT’s retirement eligibility requirements:

- Employees hired on and after 1/1/2004; and
- Employees who were hired prior to 1/1/2004 who were under age 35 on 1/1/2008.

With the introduction of the Medicare Exchange, the RMA is no longer the best way to deliver the benefit, so it will be replaced.
Effective January 1, 2019, the cost sharing for the previously-classified RMA retirees will be in a similar fashion to the Benchmark retirees, with a slightly lower subsidy amount. Pre-Medicare retirees in this group will remain eligible for coverage in the employee plan, with 10% higher retiree contributions than Benchmark retirees. Medicare-eligible retirees in this group will have access to the Medicare Exchange with a slightly lower annual HRA subsidy than Benchmark retirees have.

**Changes in Premium Contributions for Pre-Medicare Retirees**

We will continue to provide the same healthcare options for our pre-Medicare retirees (and spouses/domestic partners) that our employees have. However, beginning January 1, 2020, we will be introducing higher premium contributions for pre-Medicare retirees, because our data shows that this group utilizes their healthcare benefits to a greater degree than employees.

In order to minimize the impact to pre-Medicare retirees, we will be phasing in the increase over five years. Contribution amounts will be increased by 20% over the employee contribution amounts each year until 2024. This phased-in increase will apply to current retirees as well as future retirees. As noted in the previous section, former RMA retirees who are pre-Medicare will have contributions that are 10% higher than the Benchmark retirees.

**Change in Retirement Eligibility for Certain Employees**

We are also making changes to the retirement eligibility rules for certain populations. This change should not have a significant impact for most people, based on recent retirement data. Most RIT faculty and staff do not retire before age 62. For example, between 2011 and 2017, the average age at retirement for faculty and staff combined was age 64; for faculty alone it was age 67; and for staff alone it was just under age 63.

Effective January 1, 2019, the eligibility requirements for retiree benefits will be revised for the following groups of employees *(6/18/2018 note: the following information has been updated)*:

- Employees hired on and after 1/1/2019, and
- Regular full-time employees under age 45 with less than 10 years of regular full-time service on 1/1/2019, and
- Regular part-time employees under age 45 with less than 15 qualifying part-time years of service on 1/1/2019.

Under the revised requirements, in order to be eligible for retirement from RIT, these employees will need to be:

- At least age 62, and
- Have at least 15 years of full-time service or 20 years of eligible part-time service.

**Modified Rules for Prior Service Credit Upon Rehire**

RIT’s existing rules for prior service credit have been extremely generous compared with the marketplace. We are making some adjustments that are more consistent with external practices.

Effective January 1, 2019, any former employee who is rehired will only be granted prior service credit if their prior period of regular service at RIT was longer than their break in service. For example, Employee A worked at RIT for 2 years, then left, was away from RIT for 15 years, then was rehired; no prior service credit will be granted to Employee A for the original two years of service.
The new rule will apply to the following service-based benefits: retiree healthcare, vacation, and tuition benefits. It will not apply to the 1-year waiting period for the RIT matching contribution to the RIT Retirement Savings Plan.

**Change in Benefits Duration in Certain Situations**
Here again, RIT’s current plans have been at the top end of the marketplace. We will continue to provide support; however, we are making the following adjustments to be more aligned with external practices.

Beginning January 1, 2019, there will be a change in the duration of RIT benefits for the following classifications of individuals:

- *Deaths occurring after December 31, 2018:* Surviving spouses and eligible children of deceased individuals who were not retirement-eligible who were covered by RIT’s healthcare coverage will be eligible for COBRA continuation, with the first 6 months subsidized so the cost is equal to the employee/LTD contribution amounts. Tuition Waiver and Tuition Exchange benefits will continue for four years (6/11/2018 note: this tuition-related sentence was inadvertently omitted in the original information). There will be no change for surviving spouses and eligible children of deceased individuals who were retired or retirement eligible; they will continue to be eligible for retiree benefits.

- *Long-Term Disability effective date after December 31, 2018:* Long-term disability (LTD) recipients will have most benefits continue for two years from the LTD effective date; Tuition Waiver and Tuition Exchange benefits will continue for four years. LTD recipients who are eligible for RIT retirement will be eligible for retiree benefits after the two (or four years) of benefits continuation.

- *Children reaching age 26 after December 31, 2018:* Benefits for handicapped children will end the last day of the month in which the child turns age 26, which is the same rule as for all covered children. They will be offered continuation of healthcare coverage under COBRA.

**Questions?**
If you have any questions, please contact your benefits representative in the Human Resources Department based on the first letter of your last name as follows:

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<thead>
<tr>
<th>YOUR LAST NAME</th>
<th>CONTACT</th>
<th>TELEPHONE</th>
<th>EMAIL ADDRESS</th>
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<td><a href="mailto:blipsn@rit.edu">blipsn@rit.edu</a></td>
</tr>
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NOTE: RIT reserves the right to modify or terminate all or any portion of the employee/retiree/LTD benefits package at any time. All references to retirees and spouses assumes the retiree had met the applicable retirement eligibility requirements.