



PennState

The Penn State Retirement Healthcare Savings Plan

Save today for a healthier tomorrow

As you get older, healthcare costs are likely to take up a larger portion of your budget, and Medicare may not be enough. Penn State established the Retirement Healthcare Savings Plan (RHSP) to help you prepare and pay for medical expenses after retirement.

This plan complements your retirement program, and offers tax advantages while you accumulate savings and after you retire:

- Tax-free employer contributions
- Tax-free investment earnings
- Tax-free reimbursement for qualified medical expenses during retirement

How it works

A tax-advantaged retirement healthcare account

Money is set aside now to help you pay your healthcare costs after retirement:

- Funded with tax-free employer contributions
- Automatic enrollment
- Contributions are allocated to an age-appropriate Nuveen Life Cycle Fund

A tax-free reimbursement benefit

After you retire, money in your account can be used for a variety of qualified medical expenses, such as:

- Health insurance premiums
- Copayments and deductibles
- Prescription drugs
- Other expenses as defined by the Internal Revenue Service

Penn State RHSP eligibility and contributions

Full-time active employees hired on or after January 1, 2010, are automatically enrolled in the RHSP by Penn State Employee Benefits. The University will contribute \$144 per month after the first full month following your employment date. (This amount may be adjusted periodically.) Unlike your mandatory retirement plan, you will not be required to make any contributions to the RHSP.

Plan features

- Easy online access to account and investment information
- Dedicated toll-free customer service center
- Healthcare payment card
- Ability to establish and manage recurring claims online
- No per transaction fees when claims are submitted
- Reimbursement for qualifying expenses of your spouse and other dependents



Questions? Call us at **877-554-1004**, weekdays, 8 a.m. to 10 p.m. (ET)

- Select option 1 to speak with a TIAA representative regarding your account balance, asset allocations or claims activation
- Select option 2 to speak with an Optum representative for questions related to claims processing, using your healthcare payment card or eligible expenses



Download the TIAA app or log in to the **tiaa.org** website:

- Check account balance
- View pending transactions
- Transfer funds

About the plan

Eligibility	Full-time active employees hired on or after January 1, 2010, are automatically enrolled by Penn State Employee Benefits—no forms are required.
Contribution schedule	Penn State contributes \$144 per month after the first full month following your employment date. (This amount may be adjusted periodically.)
Entitlement	Faculty and Staff: You are eligible to access your healthcare account when you are no longer actively employed at Penn State and have either (1) completed 25 years of continuous full-time service and are at least age 60, or (2) completed a minimum of 15 years of continuous full-time service and are at
Qualified healthcare expenses	• Qualified healthcare expenses, as defined by IRS section 213(d), include premiums on a health insurance policy, copays, deductibles, prescription drugs and other out-of-pocket related costs. • Hospital and surgical expenses, physical therapy, psychotherapy, dental care, weight control programs, eye exams and eyeglasses, special equipment. • Premiums for Medicare supplemental plans, long-term care insurance, and Medicare Parts B and D. Please refer to IRS Publication 502 for a complete list of expenses.
Benefits after death	After your death, your spouse and eligible dependents may continue to receive reimbursement for their qualified medical expenses. However, if there is no surviving spouse or eligible dependents, any unused benefits will be forfeited back to the Plan.
Investments	Initial contributions will be invested in a Nuveen Life Cycle Fund that has a date closest to the year you will turn age 65. Keep in mind that as with all mutual funds, the principal value is not guaranteed at that target retirement date or any other time. Once your account is established, you will have the opportunity to change your investment option(s) if you so choose. All RHSP claim reimbursement requests are processed from the available account balance held in your Nuveen Money Market Mutual Fund; therefore, before you can receive reimbursement, you must either have an accumulation in or transfer funds into your Nuveen Money Market Mutual Fund.

After you retire, the healthcare payment card, which works like a debit card, offers a convenient way to pay qualified medical expenses directly from your plan account.

INCOME SECURITY
+
HEALTHCARE
SECURITY
=
RETIREMENT
READINESS

We are committed to providing the resources you need to help prepare for the healthy retirement you deserve. If you have any questions or want more information regarding the retirement healthcare program, please call **877-554-1004** and choose option 1.

Q&A for Penn State Retirement Healthcare Savings Plan

Q: When will I be able to access my Penn State Retirement Healthcare Savings Account (RHSP)?

A: You will be eligible to access your RHSP once you retire from Penn State. Upon receipt of your retirement date from Penn State, the RHSP account will be updated to reflect an “entitled” status, meaning that you, as the account holder, along with your spouse and/or eligible dependents, will be entitled to receive benefits from the account.

Q: How do I know if my account has been updated to an “entitled” status?

A: Upon receipt of your retirement date, TIAA will send you a letter notifying you that you are now entitled to receive benefits from the account and instructing you to visit the TIAA website or to contact a representative to obtain a *Claims Activation* form. The *Claims Activation* form notifies TIAA that you are ready to begin using your RHSP account for reimbursements.

Q: What is Claims Activation?

A: Claims Activation is your notification to TIAA that you are ready to begin using your RHSP account—you are moving into “claims active” status. Retired employees will need to submit the completed *Claims Activation* form to TIAA. Subsequently, you will receive a package in the mail—typically within 7 to 10 days—with a healthcare payment card/debit card which can be used to pay for qualified medical expenses (QME), along with instructions on how to file claims for reimbursement of QMEs.

Q: What are QMEs? For what type of medical expenses can RHSP funds be used?

A: RHSP funds can be used for reimbursement of qualified medical expenses (QMEs) such as medical and insurance copays; qualified long-term care premiums; Medicare and insurance deductibles; prescription drugs; health insurance premiums; hospital and surgical expenses; COBRA bills; vision, hearing and dental costs; and other eligible expenses as defined by the Internal Revenue Service.

Q: What is Optum Financial?

A: Optum Financial is the claims administrator who processes RHSP reimbursement claims on behalf of TIAA. The Optum Financial website is integrated with the TIAA website so you only have to log in once to view your accumulation data and claims data.

Q: Can I get more than one healthcare payment card?

A: Yes, you can get more than one healthcare payment/debit card. Additional cards can be requested through the secure web portal at tiaa.org or by calling **877-554-1004** and selecting option 2 to speak with a representative.

Q: I attempted to use my card at the pharmacy today, but it was declined. What is the problem?

A: Your healthcare payment/debit card transaction was likely declined because there were insufficient funds in your Nuveen Money Market Mutual Fund to cover the expense. In order to use the healthcare payment card, or to be reimbursed for submitted expenses, you must have sufficient accumulation in the Nuveen Money Market Mutual Fund to cover the expenses. A card transaction can also be declined if it is not being used at merchant locations that are designated as healthcare merchants based on their Merchant Category Code (MCC).

Q: Why must I transfer money into the Nuveen Money Market Mutual Fund in order to be reimbursed?

A: All RHSP claim reimbursement requests are processed from the available account balance held in your Nuveen Money Market Mutual Fund; therefore, before you can receive reimbursement, you must either have an accumulation in or transfer funds into your Nuveen Money Market Mutual Fund. The Nuveen Money Market Mutual Fund provides relative stability to your available account balance to ensure sufficient funds are maintained to process your reimbursement.

Q: How do I move my funds into the Nuveen Money Market Mutual Fund?

A: You can move your funds into the Nuveen Money Market Mutual Fund by making an accumulation transfer on the tiaa.org secure website, or by calling **877-554-1004** and selecting option 1 to speak with a representative.

Q: I received a request to provide documentation for a healthcare payment card transaction at my local pharmacy. Why do I have to provide this information?

A: Although your healthcare payment card eliminates the need to file paper claims, the IRS requires that charges be verified so you will be asked to provide documentation. Always save your receipts so that your claims can be adjudicated.

Q: What happens if I do not submit my receipts to verify my purchases?

A: You will be notified by letter or email of the need to submit documentation to verify your purchases. If, however, you do not submit appropriate documentation within 45 days, your payment card will be suspended.

Q: I need assistance filing claims online. Who can help me?

A: For assistance with filing claims online, contact **877-554-1004** and select option 2 to speak with a representative.

Q: Are reimbursement payments sent via a check or directly deposited into my bank account?

A: Direct deposit to your bank account can be set up through Optum Financial's website, and is the quickest and most secure method to receive reimbursements. Checks can also be mailed to your address of record.

Q: What if I incur a medical expense outside of the United States?

A: Claims for medical expenses incurred outside of the United States are eligible for reimbursement provided that they are translated to English prior to submission and submitted in English. Payment can only be mailed to a U.S. address, or directly deposited into a U.S. bank account.

Q: Can I name a beneficiary for my RHSP?

A: No—there is no beneficiary designation for the RHSP. The RHSP is a health and welfare benefit, not a retirement benefit, so there is no lump-sum death benefit and no beneficiary named. If you die before using all of the funds in your account, the remaining funds may be used by your spouse or eligible dependents to cover his/her own QMEs.

Q: Who is considered a dependent?

A: The definition of dependent under the Plan includes the following:

- A natural child
- A step-child (provided the PSU employee and step-child parent are currently married)
- A child legally adopted
- A child you have a Qualified Medical Child Support Order (QMSCO) for
- A child for whom you have legal guardianship over
- Or physically or intellectually disabled children who are incapable of self-sustaining employment, regardless of age, provided they are covered prior to the maximum age otherwise applicable and have started the disability certification process with an appropriate benefit vendor prior to the end of the month that they turn age 26.

Q: What happens to my account balance if I don't have a surviving spouse to use the account after my death?

A: If you die with no surviving spouse or dependents, any unused funds in your account will be allocated to the plan forfeiture account. This will be used to pay fees and expenses relating to the administration of the plan and also in providing benefits to other eligible participants.

Q: Who pays the plan fees?

A: Penn State will pay the plan administration fees for active employees. Administration fees will be deducted quarterly from retiree accounts. The current fee is \$4.50 per quarter for entitled and not claims-active accounts and \$9.75 per quarter for claims-active accounts. Fees are subject to change.



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Interests in any retiree healthcare plan discussed herein are offered solely by the employer.

Teachers Insurance and Annuity Association of America (TIAA) will provide services to the plan and may issue plan communications on behalf of the plan sponsor, in its capacity as a plan recordkeeper.

Investing may not be suitable for everyone and before making any investments, you should carefully consider the investment objectives, risks, charges, and expenses of any mutual fund before investing. A prospectus and, if available, a summary prospectus containing this and other important information can be obtained by visiting the fund sponsor's website. Please read the prospectus carefully before investing.

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