

Early retirement window strategy and delivery

Healthcare for early retirees is complex and costly, but also a critical need for the success of an early retirement window

Group-sponsored coverage



Continue active coverage

- Provide access to current plans at either a subsidized or COBRA contribution rate
- Easy to understand
- May increase participation rate
- Determine period of subsidized coverage
- May need to consider implications such as stop-loss



Group sponsored retiree medical coverage

- Enhance current retiree medical program
- Create a new retiree group sponsored plan
- Understand accounting and liability implications

Account-based benefit



Offer a Health Reimbursement Account (HRA)

- Provide an annual or lump sum HRA
- Notional benefit, cash costs incurred when used by participant
- Pre-tax reimbursements



Offer a Retiree Medical Savings Account (RMSA)

- Option for non-profits such as higher education and unions
- Provide an annual or lump sum RMSA contribution
- Pre-tax pre-funded benefit

- Accounts can be used to purchase coverage and/or reimburse eligible healthcare expenses
- Ensures funds are being used towards eligible healthcare expenses
- Attractive if Medicare eligible or have access to spouse's plan
- Not as attractive to pre-65s unless COBRA can bridge to Medicare

Key considerations

Pre-65 versus Medicare

Group versus individual coverage

Ease of administration

Compliance and regulatory

Liability and accounting issues

Expertise, strategic leadership and comprehensive administration

Establish direction, timing and communications strategy for each population segment

We will work with you to ensure decisions and solutions are targeted to best meet objectives



Employee

Ease of understanding, plus ensuring benefit value



Employer cost/liability

Identify cost implications, including claims risks, subsidy levels and management needed to oversee



Administration

HRA, enrollment, eligibility, retiree billing, carrier interface, communications and contact center

What sets Mercer apart

Consulting + delivery

Strategic implementation process to align benefits administration delivery with savings and organizational objectives

Complete solution

Mercer's unique ability to serve all populations

100% in-house

Coordinated, lead and managed by the same team within Mercer

Benefits delivery

Mercer can administer all aspects of a retiree healthcare benefits program for early retirement window participants:

- Individual and group plan enrollment
- Contact center
- Communications
- Website technology
- HRA administration
- Retiree billing
- Carrier interface
- Dental, vision and retiree life insurance

Contact us

Mercer has a team of retiree administration experts ready to support your business initiatives

For more information, contact Mercer Retiree Solutions:

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