



**Healthcare is one of the largest expenses employers and employees face.**

**\$301,000**

Amount an average 65 year-old couple needs to cover their healthcare costs in retirement.<sup>1</sup>

## Total retirement planning includes healthcare

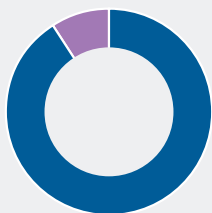
Rapidly rising healthcare costs represent a growing share of compensation and benefit costs for employers. At the same time, unfunded future benefit liabilities are creating financial risk.

For employees, paying for healthcare in retirement is a significant concern, causing uncertainty about their future financial security. This often leads to delayed retirement, creating workforce management issues for employers who face increased compensation costs, fewer advancement opportunities for younger employees and stalled workforce renewal.

The Emeriti Retirement Healthcare Savings Program (RHSP) combines a defined contribution healthcare savings plan with optional group healthcare insurance coverage in retirement to help employees address two factors vital to having the confidence they need to retire with confidence—income security and healthcare security. This solution complements your existing benefits offer—including retirement plans and health savings accounts—while offering a triple tax-advantaged way to prepare for medical costs in retirement: employer contributions, investment earnings and qualified reimbursements are all tax free.

**BUILT TO PERFORM.**

**CREATED TO SERVE.**



**91% of plan sponsors say that rising healthcare costs are a very significant concern for retirement security.<sup>2</sup>**



**Medicare is not enough, covering only about 64% of total healthcare costs in retirement.<sup>3</sup>**



**59% of workers are confident they will have enough money to take care of medical expenses during retirement.<sup>4</sup>**

### Meeting today's and tomorrow's challenges

Rapidly changing economics, shifting employee demographics and competing budget priorities are why many nonprofit institutions have chosen the RHSP.

The RHSP helps employees pursue healthcare security in retirement, while providing employers with an innovative way to manage total compensation and healthcare costs; make benefits packages more competitive; strengthen workforce strategies to attract, retain and refresh talent; and improve retirement confidence. For institutions with a legacy defined benefit retiree health plan, FASB and GASB liabilities may be reduced and eventually eliminated with the defined contribution RHSP.

### Maximize employer benefit dollars

- Fully fund accounts with predictable contributions
- Achieve triple tax-free savings
- Stretch benefit dollars by up to 33%<sup>5</sup>
- Potentially reduce unfunded defined benefit liabilities and related annual expenses

### Align to employee goals

- Increase employees' confidence to retire when they want
- Improve retirement incentive packages
- Attract and retain top talent with an innovative rewards strategy
- Convert existing retirees to lower-cost health plans
- Potentially reduce financial risk for retiree health benefits under FAS 106, GASB 75, and Other Post-Employment Benefit (OPEB) financial reporting and disclosure standards

**Triple  
Tax-Free  
Savings**



**Up to  
33%  
more value from  
your benefits spend<sup>5</sup>**



## Total retirement planning includes healthcare



**Income Security**



**Healthcare Security**



**Total Retirement Planning**

**1**

Tax-free employer **contributions**

**2**

Tax-free **investment** earnings

**3**

Tax-free **reimbursement** for qualified medical expenses in retirement



**To discuss how an RHSP can be an effective complement to your existing retirement offering**

Contact your TIAA relationship manager or call **303-607-2896**.

Learn more at [TIAA.org/retireehealth](https://TIAA.org/retireehealth).

### **A unique solution to retiree healthcare: Emeriti RHSP with optional group insurance coverage**

While HSAs require enrollment in a High Deductible Healthcare Plan and can be used for medical expenses before or after retirement, the RHSP allows employers to offer the entire workforce a healthcare savings option exclusively for retirement. Employers prefund, during an employee's active working years, a triple tax-free RHSP that includes an employee-directed investment account and a reimbursement benefit for qualified medical expenses in retirement. Employers have the option of adding access to national group retiree health insurance plans, underwritten by Aetna (HealthPartners in Minnesota).

#### **Features**

- Defined contribution healthcare reimbursement account [105(h) code plan]
- VEBA or governmental trust
- Open architecture investment platform
- Tax-free reimbursement for qualified medical expenses in retirement
- Optional group retiree health insurance (not subject to medical underwriting)
- Optional benefits for executives and targeted employees

## TIAA and Emeriti—Leaders in developing innovative solutions for financial well-being in retirement

The Emeriti Retirement Healthcare Savings Program (RHSP) is offered in collaboration with TIAA. TIAA and Emeriti Retirement Health are working together to address both health and financial well-being in retirement. Emeriti introduced the first defined contribution approach to retirement healthcare savings in 2005. Today, some of America's most prestigious colleges and universities participate in Emeriti's RHSP. TIAA has helped institutions and individuals pursue financial well-being for more than 100 years. Together, we're providing a comprehensive retirement savings program to help give employees the confidence they need to retire.



<sup>1</sup> EBRI Issue Brief, May 16, 2019. National average. Amount needed for Medigap Plan F premiums, Medicare Part B premiums and out-of-pocket (median) drug expenses. Does not include long-term care. A couple with a goal of having a 90% chance of having enough savings to cover healthcare expenses in retirement needs \$301,000.

<sup>2</sup> 2018 TIAA Plan Sponsor Retirement Survey.

<sup>3</sup> EBRI Issue Brief, May 16, 2019.

<sup>4</sup> 2019 Retirement Confidence Survey Summary Report, April 23, 2019, EBRI.

<sup>5</sup> Assumes a 25% combined federal plus state income tax.

The Emeriti Program is delivered in collaboration with TIAA, CBIZ RPS, Aetna Life Insurance Company, and HealthPartners.

Emeriti, TIAA, CBIZ RPS, Aetna Life Insurance Company, and HealthPartners are independent corporations and are not legally affiliated. The full name of Emeriti Retirement Health Solutions is The Emeriti Consortium for Retirement Health Solutions, an Illinois Nonprofit Corporation. Emeriti Retirement Health Solutions is not an insurance company, insurance broker, or insurance provider.

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Teachers Insurance and Annuity Association of America (TIAA) is Emeriti's accumulation recordkeeper, trust services provider, and investment manager. TIAA is based in New York and has more than one century of distinguished service to the nonprofit community for financial services supporting retirement income security.

CBIZ RPS is Emeriti's disbursement recordkeeper for Emeriti group insurance administration and Emeriti medical expense reimbursement processing. CBIZ RPS is a Philadelphia company with more than 40 years of experience in full-service benefits services, supporting employees and retirees in organizations nationwide.

Aetna Life Insurance Company is the primary health insurer for the Emeriti Program, providing fully insured medical insurance and health-related products. For more than 150 years, Aetna has been an innovator in the delivery of insurance solutions and is a nationwide provider of Medicare-approved Part D prescription drug services.

For Minnesota institutions and their Minnesota-resident retirees, HealthPartners provides participants with medical insurance and health-related products. HealthPartners is the largest consumer-governed nonprofit healthcare organization in the nation.

The TIAA group of companies cannot and does not provide tax or legal advice, and recommends that plan sponsors consult their own legal and tax advisors for such advice.

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.

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