



# How Retiree Insurance Works

## All Accenture Employees and Eligible Adopting Employers

(Excluding Accenture Flex LLC and N3 LLC)

Health care is one of the largest retirement expenses. It's important to understand your coverage options so you can make informed choices when you retire. Accenture offers coverage to retiring employees who meet the eligibility requirements allowing you to continue coverage for yourself and your dependents.

### Overview

At the time you retire, you have a one-time opportunity to continue coverage or defer enrollment in certain Accenture retiree insurance plans. To be eligible for retiree coverage, you must have 10 years of Accenture service and be at least age 55 (age 50 for Leaders) on the date you leave Accenture. If you did not have medical coverage when you were active, you can elect it when you retire. You can add a previously non-covered eligible dependent (with the exception of an incapacitated child) to medical, dental and vision coverage.

You can contact the Accenture Benefits Centers three months in advance of your retirement to enroll in retiree coverage. Please contact the Accenture Benefits Center at +1 877 332 2242 weekdays between 9:00 a.m. and 5:00 p.m. Central time for retiree insurance premiums.

You can enroll or make changes after your retirement date and should make elections as soon as possible to avoid a gap in coverage. **If you do not make a retiree election within 31 days from the date you retire, you will automatically be defaulted into retiree life and AD&D coverage and you will not be enrolled in medical, dental and/or vision coverage**, but you may be eligible for deferred enrollment.

You may also be eligible for coverage on a government healthcare exchange which may provide you more options at affordable rates. Check with [healthcare.gov](https://www.healthcare.gov) or your local state exchange for more information regarding the insurance alternatives.

Although you may be eligible for retiree medical, vision, and dental coverage, Accenture is legally required to send you information about continuing coverage under COBRA. If you are enrolling in retiree medical, vision and dental coverage, you can disregard the COBRA information. For information on plans not eligible for retiree insurance, please see the "How Termination Affects Your Benefits" available in the Knowledge Library on the [Live Well](#) site.

## Medical Coverage

You can retain coverage, elect a new medical option, and/or add or remove an eligible dependent. If you would like to defer your retiree medical plan enrollment, please see the Deferring Your Retiree Medical, Dental & Vision Plan Enrollment section for more information.

As a retiree, you can be enrolled in any of the Accenture PPO or High Deductible Health Plans or the Kaiser EPO Plan. However, only the PPO plans are available to those age 65 years or older. The Kaiser POS (Hawaii only) and Surest Copay PPO plans are not available to continue as retiree insurance.

If you would like to enroll in a High Deductible Health Plan (HDHP), you will have access to a Health Savings Account (HSA) through PayFlex, however there will be no Accenture contribution to the Health Savings Account.

If you or your covered spouse/domestic partner is eligible for Medicare, the eligible person must also enroll in Medicare Parts A and B. Because Medicare is considered primary coverage, the Accenture medical plan pays benefits after Medicare has paid its portion of the cost. If you don't enroll in Medicare, you will be responsible for Medicare's portion. Depending on your situation, you may want to decline Accenture coverage and buy a Medicare supplemental plan from an outside insurance company.

## Vision Coverage

You can enroll, retain coverage and/or add or remove an eligible dependent. If you would like to defer your retiree vision plan enrollment, please see Deferring Your Retiree Medical, Dental & Vision Plan Enrollment section for more information.

## Dental Coverage

You can enroll, retain coverage, elect a new dental option, and/or add or remove an eligible dependent. If you would like to defer your retiree dental plan enrollment, please see the Deferring Your Retiree Medical, Dental & Vision Plan Enrollment section for more information.

## Life Insurance

You can retain the full amount of your employer-provided/Basic Life Insurance coverage or reduce it in \$1,000 increments. Once coverage is decreased, however, it cannot be increased. You can also decline Life Insurance, but if you do, you will not be able to elect coverage for any reason in the future. Retiree Life Insurance ends on the January 1 following your 70 birthday. For Leaders, at age 62 and older, coverage automatically decreases on the January 1 following your birthday. Contact the Accenture Benefits Center to determine your coverage level.

## Accidental Death and Dismemberment (AD&D) Insurance

You can retain the full amount of your basic AD&D insurance coverage (Leaders can continue up to \$1.5 million). You can continue coverage during retirement until the last day of the month in which you reach age 65. You can also decline AD&D coverage completely, but if you do, you cannot rejoin the retiree AD&D plan in the future for any reason.

## Deferring Your Retiree Medical, Dental & Vision Plan Enrollment

At the time of your retirement, you may have other health plan coverage available to you or have other circumstances where you do not need to enroll in Accenture retiree coverage right away. Retirees can choose to wait to enroll in retiree medical, dental and vision coverage until any time prior to age 65 (or the date their eligible spouse/domestic partner reaches age 65, if later, as described below). This is a one-time election, which means that if you decline any of the coverages during your initial enrollment in the retiree medical, vision and/or dental coverage, the declined medical, dental or vision coverage can't be elected at a later date.

At the time of your initial enrollment, you will have a single opportunity to elect medical, dental and/or vision coverage for yourself and your existing eligible dependents. Any existing eligible dependent that you do not enroll in coverage at the time of your initial enrollment will not be eligible for coverage at a later time. If you have a new dependent child through birth or adoption after your initial enrollment, you may enroll that child in your elected coverage within 6 months of the birth/adoption.

If you plan to defer your retiree enrollment for medical, dental and vision, please consider the following:

- If you defer enrollment, you are deferring coverage for your entire family. Only eligible dependents at the time of Accenture retirement, or dependent children you have through birth or adoption after retirement, are eligible for enrollment with you at a later date. This means that if you marry or enter into a new domestic partnership after you leave your employer, that spouse/domestic partner is not eligible for retiree insurance.
- If you have a spouse or domestic partner at the time of enrollment, your spouse/domestic partner information must be on file with the Benefits Center at the time you leave, or else your spouse/domestic partner may not be able to enroll in coverage at a later date.
- If you have a spouse or domestic partner at the time of retirement and your spouse/domestic partner is younger than you, you may defer enrollment until your spouse/domestic partner reaches age 65, subject to the following:
  - You must enroll prior to the date your spouse/domestic partner reaches age 65.
  - If your spouse/domestic partner no longer meets the dependent eligibility requirements, due to divorce, legal separation, death or end of the domestic partner relationship, then your right to defer enrollment based on their age no longer exists and you must enroll prior to the date you reach age of 65.
  - If you are age 65 or over when your spouse/domestic partner becomes ineligible, you are no longer eligible to enroll yourself or any other eligible dependent in retiree coverage, even if your spouse/domestic partner was under the age of 65 at the time they became ineligible.

- If you die prior to enrolling, your spouse/domestic partner and eligible children will not qualify for survivor benefits and therefore will not be able to enroll in retiree coverage.
- If your dependent does not meet the dependent eligibility rules at the time of your deferred enrollment, that dependent is no longer eligible to enroll. For example, if your child is over the age of 26 at the time of enrollment, that child is not eligible for retiree enrollment even if they were eligible when you first left Accenture.
- If your child meets the definition of an incapacitated child, you may not elect retiree coverage for the child during initial enrollment if the child is age 26 or older, unless the child is covered under the plan when you retire, and you elect retiree coverage within 31 days of retirement. This means that if you defer enrollment in the retiree plan:
  - If your incapacitated child is age 26 or older when you retire, you will not be able to cover the child under the retiree plan when you initially enroll as they are ineligible; and
  - If your incapacitated child is under age 26 when you retire, the child must be enrolled before turning age 26, or they will lose eligibility for plan coverage.
- Retiree Life and AD&D cannot be deferred and must be either enrolled or declined at the time you leave Accenture.
- The right to defer retiree medical, dental and vision coverage does not affect your COBRA continuation rights. This means that you can enroll in medical, dental and/or vision through COBRA continuation, and defer your enrollment in retiree medical, dental and vision.
- Once you enroll in one of the retiree medical, dental and/or vision plans, you may no longer defer any retiree plan elections for you or your dependents. Once you decline a retiree coverage, you cannot elect the coverage in the future for any reason. Also:
  - If you decline medical, dental or vision coverage, your surviving spouse/domestic partner and dependents will not be eligible to continue that coverage through survivor benefits or COBRA when you die.
  - If you decline Accenture medical, dental and/or vision coverage for an eligible dependent, you will not be able to cover that person for any reason in the future.
- As noted above, you can enroll at any time prior to you (or your spouse/domestic partner, if applicable and later) reaching age 65; however, you will need to contact the Benefits Center to enroll. Coverage will be effective the first of the month following your enrollment. Elections made on the first day of the month will be effective the same day.
- You are responsible for making your enrollment elections and obtaining information about current plan benefits, which may change over time. Accenture will not send you or your dependents reminders or other communications regarding your eligibility for the retiree plans or changes that may occur to the benefits or terms of the plans. You can obtain current plan information by calling the Accenture Benefits Center.
- It is also your responsibility to ensure that your and your dependents' information (such as address and phone number) remain current with the Accenture Benefits Center. Outdated information may cause delays in reestablishing your account or your future enrollment.

## Your Eligible Dependents

When you enroll in medical, vision and/or dental coverage, you can also cover your eligible dependents. Typically, your eligible dependents are your spouse/domestic partner and children under the age of 26. If you plan to defer your retiree plan enrollment, please see the Deferring Your Retiree Medical, Dental & Vision Plan Enrollment section for additional considerations, many of which related to dependents. For full eligibility requirements see the Dependent Eligibility document in the Knowledge Library of the Live Well at Accenture site.

## Dependent Verification

Everyone who is covering dependents under an Accenture retiree medical, vision and/or dental plan must provide documentation verifying their dependents meet the eligibility requirements. If you add a new dependent to your plan at retirement, you will be notified by the Dependent Verification System that you have 45 days to provide proper documentation verifying your dependents. If you do not provide documentation within the 45-day verification period, your unverified dependents will be dropped from your coverage retroactively from their coverage effective date and will be ineligible for coverage under the retiree plans at a later date.

Additionally, you will be required to re-certify your spouse/domestic partner on the three-year anniversary of the last certification.

## Paying for Coverage

You will be billed for your coverage monthly, and your first bill will include instructions for signing up for payment via direct debit if you prefer.

## Imputed Income

Imputed income is the dollar value of certain benefits considered additional income by the IRS and taxed at your normal income tax rate; FICA, state and local taxes may also apply. Accenture is required to report imputed income to the IRS in the following cases:

- **Domestic Partner Coverage:** If you cover a domestic partner or the child of a domestic partner who is not an IRS tax dependent in medical, vision and/or dental coverage, you will be subject to imputed income tax for the plan costs related to covering these dependents.
- **Group Life Insurance Coverage over \$50,000:** The imputed income will vary based on your age and coverage level.
- **Retiree Medical Coverage (Leaders Only):** Accenture Leaders who enroll in the medical plan may be subject to additional imputed income per the IRS. This amount will vary based on eligible years of service, medical plan and covered dependents.

If you are subject to imputed income tax, you may receive a W-2 documenting the imputed income for each year. Please contact the Accenture Benefits Center if you want to determine your imputed income amount in advance.

# **Medicare Part D Prescription Drug Coverage**

## **(For Medicare eligible retirees and dependents)**

Medicare offers prescription drug coverage for Medicare eligible participants, called Medicare Part D. The open enrollment period for Medicare Part D plans is October to December. Although enrolling in Medicare Part D coverage is voluntary, people who enroll in a Part D plan at a later date could pay a higher premium.

If an employer offers prescription drug coverage that is as good as or better than the Medicare Part D requirements, the employer plan is considered a “creditable coverage” plan. People enrolled in an employer plan that provides “creditable coverage” can decline Medicare Part D coverage and will not pay a higher premium if they later decide to enroll in a Medicare Part D plan. Accenture Retiree Medical Plans are considered “creditable” coverage.

If you enroll in a Medicare Part D Plan and an Accenture Retiree Medical Plan, you will not have Accenture prescription drug coverage for the full calendar year even if you decline Medicare Part D coverage during the year. Accenture prescription drug coverage is only reinstated on the January 1 following the date you decline Medicare Part D coverage.

Every effort has been made to ensure the accuracy of this information. However, if there is any inconsistency between this information or any verbal representation and the applicable plan document, the terms of the applicable plan document will control. Information provided may not address every situation and is intended to summarize information regarding the benefits plans. Accenture is not able to give legal or tax advice. Accenture reserves the right, in its sole discretion, to amend, modify or terminate any of its benefit plans at any time.