Director's Message:
A Look at Open Enrollment for Plan Year 2021
by Paul Matson, ASRS Director

Dear Retirees:

This newsletter and the enclosed 2021 retiree Health Insurance Enrollment Guide have been designed to provide you with an overview of our health insurance plan offerings and additional benefits afforded to you as an ASRS retiree.

I especially encourage you to review this newsletter and the enclosed materials as health care and the options you have are such important decisions in these unprecedented times.

To assist you in your decision making, we will be holding a number of interactive webinars and teleconferences beginning October 29. They will feature ASRS staff and representatives from our medical and dental insurance carriers. In addition, we will have on-demand educational videos available for your review anytime along with much more information on our website at AzASRS.gov.

You are eligible to participate in the ASRS medical and/or dental insurance plans if you retired from the Arizona State Retirement System (ASRS), Public Safety Personnel Retirement System (PSPRS), Elected Officials’ Retirement Plan (EORP), Corrections Officer Retirement Plan (CORP), or the University Optional Retirement Plans (UORP).

Open enrollment will take place during the entire month of November. New coverages begin January 1, 2021.

Explained in detail in the Open Enrollment Guide are:

• New dental plan options, including plans from Cigna Dental and Delta Dental of Arizona.

• Medical insurance plans from UnitedHealthcare, including new lower rates for Medicare plans and new choices for non-Medicare coverage.

• Continuation of lowered medical premiums due to application of funds accumulated from the ASRS’ Retrospective Rate Agreement with UnitedHealthcare.

This is a passive open enrollment, which means that if you are pleased with your current coverages and do not wish to make any changes, then no action is required on your part. You will automatically be enrolled in your existing plans or in the closest aligned plan offered for 2021. This would include moving from SunLife Financial, our current dental insurance provider, to one of our new providers, Cigna Dental or Delta Dental of Arizona.

If you are not currently enrolled in an ASRS plan, wish to change the
2020 Open Enrollment
Benefits Overview

Dental Coverage: New Carriers for 2021

Beginning in 2021, we are offering plans from two new carriers: Cigna Dental and Delta Dental of Arizona. These new plans include enhanced benefits at lower monthly premiums.

If you are enrolled in a dental plan through the end of 2020, and take no action during the open enrollment period, you will automatically be enrolled in a new dental plan that the ASRS believes most closely aligns with your existing plan in order to avoid any lapse in coverage for 2021. Or, you may select a different plan during the open enrollment period. The default plan migration is shown below. For more information about the new plans, see “Dental Plans Comparison” on page 25 of your Enrollment Guide.

How 2020 dental plans will migrate to 2021 offerings:

<table>
<thead>
<tr>
<th>2020 Plan</th>
<th>New 2021 Plan</th>
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<tbody>
<tr>
<td>SunLife Freedom Advance (High Option)</td>
<td>Delta Dental High Plan Option</td>
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<tr>
<td>SunLife Freedom Basic (Low Option)</td>
<td>Delta Dental Low Plan Option</td>
</tr>
<tr>
<td>SunLife DHMO 220, Heritage Secure &amp; Prepaid</td>
<td>Cigna DHMO</td>
</tr>
</tbody>
</table>

Non-Medicare: UnitedHealthcare Group Plans

If you are satisfied with your current ASRS coverage and do not wish to make any changes, no action is necessary. Your present coverage will simply roll over to the new plan year, which begins January 1, 2021.

For 2021, we will continue to offer both Choice Premier and Choice Value plans, with premiums increasing in 2021. We are also introducing a new lower-premium plan option, Choice Economy, for in-state retirees.

Medicare: UnitedHealthcare Group Advantage Plans

If you are satisfied with your current ASRS coverage and do not wish to make any changes, no action is necessary. Your present coverage will simply roll over to the new plan year, which begins January 1, 2021.

For 2021, we will continue to offer both the Group Medicare Advantage HMO and Group Medicare Advantage PPO plans from UnitedHealthcare. The premiums have decreased and additional programs and services have been added including an online weight loss program and home-delivered meals immediately after an inpatient hospital or skilled nursing stay.

For 2021, Centers for Medicare and Medicaid Services (CMS) has modified prescription drug coverage thresholds and stage limits. Please review the Open Enrollment Guide for your plan’s relevant prescription drug features.
How to Access this Year's Open Enrollment Meetings

SOME OF OUR MOST POPULAR AND ANTICIPATED MEETINGS EACH YEAR ARE OUR OPEN ENROLLMENT MEETINGS. IN CONJUNCTION WITH THE HEALTH INSURANCE ENROLLMENT GUIDE, THESE MEETINGS OFFER AN OPPORTUNITY FOR RETIREES TO LEARN ABOUT THE HEALTH INSURANCE OFFERINGS FOR THE UPCOMING PLAN YEAR. 2020 HAS BEEN A HISTORIC YEAR AND THE ASRS HAS ADAPTED TO THE CHANGES THIS PANDEMIC HAS PRESENTED BY HOSTING MEETINGS IN THE SAFEST AND MOST CONVENIENT WAY POSSIBLE.

This year during the enrollment timeframe of November 1 through November 30, you will have three different virtual options to learn about the 2021 open enrollment:

1. Interactive Webinars

The first option is live online webinars. There will be eleven days of webinars with various presentation times, with different meetings for Medicare, non-Medicare, and dental that go over our plan offerings in detail. During these webinars, you will be able to ask questions via a chat box. Registration will not be required, but it is encouraged so you can get helpful reminders about your meeting in the days and hours leading up to it.

2. On-Demand Videos

The second meeting option is to view pre-recorded, on-demand educational videos. These videos will be available 24/7 at AzASRS.gov for you to view at your convenience. They are self-paced with segmented navigation to allow you to watch, and re-watch, any parts you desire.

3. Teleconferences

Finally, the third option is an audio-only teleconference. There will be three of these to choose from, in which you can ask general questions at the end of the presentation via an operator. This is an especially beneficial option for retirees lacking availability to or comfort with the internet, as it allows for audio-only communication.

Your health is important to us. We are excited to share the 2021 updates and changes with you as we strive to bring you excellent health insurance offerings at competitive prices with flexible options.

A SCHEDULE WITH THE DATES AND TIMES OF INTERACTIVE WEBINARS AND TELECONFERENCES IS AVAILABLE IN THIS NEWSLETTER ON PAGES FOUR AND FIVE.

Visit AzASRS.gov and log into your secure myASRS account to view & update your account information.

Director's Message, Continued

plan you are in, or would rather not be moved to the closest aligned plan where plans have changed, then you must complete the open enrollment process via the ASRS online health insurance application available through your secure myASRS account or submit a paper enrollment form if that is your preference. The online application allows you to view your current ASRS medical and dental elections, enroll in a new plan, make changes to your plans, and add or remove dependents.

I encourage you to learn more by visiting AzASRS.gov. Simply select the Retirees tab and click Healthcare. There you will find resources and links to videos explaining your plan options.

We recognize you may have additional choices for your medical and dental insurance needs and we encourage you to explore all your options, such as programs offered through a current employer, a former employer, a spouse’s plan or the public market.

Be sure to review the Health Insurance Enrollment Guide which contains contact information for the various ASRS plan providers.

Please stay safe and know that we are here to assist should you have questions.

Paul Matson
Director
Arizona State Retirement System
Due to safety concerns for our retirees and staff, there are no in-person meetings this year. We will have a variety of interactive webinars, videos, and phone conferences available throughout November.

**On-Demand Videos**
Videos will be available 24/7 at [AzASRS.gov](http://AzASRS.gov) for you to view at your convenience. They are self-paced with segmented navigation to allow you to watch, and re-watch, any part you desire. All aspects of open enrollment are covered, including medical and dental plan options.

**Interactive Webinars**
Visit the open enrollment section of [AzASRS.gov](http://AzASRS.gov) to access our open enrollment webinars. These live video presentations will be available on select dates and times throughout November. You will be able to ask questions in a chat box and get them answered in real-time. Registration via your secure myASRS account is highly encouraged so that you can get helpful reminders about your meeting in the days and hours leading up to it.

**Teleconferences**
Audio-only teleconferences in which you can ask general questions at the end of the presentation via an operator. This may be a good option for retirees without an internet connection.

**Coming Soon: 24/7 Education from UnitedHealthcare**
Explore your non-Medicare plan benefits virtually with the Virtual Education Center from UnitedHealthcare. Available November 1 at [UHCvirtualretiree.com/ASRSpre65](http://UHCvirtualretiree.com/ASRSpre65)
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Thursday, Oct 29, 2020*
9 AM - Medicare
11 AM - Dental

* Note: This meeting is prior to open enrollment, which starts Nov 1

Monday, Nov 2, 2020
9 AM - Medicare
11 AM - Dental

Wednesday, Nov 4, 2020
9 AM - Medicare
11 AM - Dental

Friday, Nov 6, 2020
9 AM - Medicare
11 AM - Dental

Monday, Nov 9, 2020
11 AM - Medicare
2 PM - Dental

Tuesday, Nov 10, 2020
11 AM - Medicare
2 PM - Dental

Monday, Nov 16, 2020
9 AM - Dental
11 AM - Medicare

Teleconferences
Audio-only teleconferences in which you can ask general questions at the end of the presentation via an operator. This may be a good option for retirees without an internet connection.

Thursday, Nov 5, 2020
9 AM - Medicare & Dental
Toll Free Dial-In: 844-767-5679
Access Code: 5840243

Thursday, Nov 12, 2020
1 PM - Medicare & Dental
Toll Free Dial-In: 844-291-6360
Access Code: 8379964

Tuesday, Nov 17, 2020
9 AM - Medicare & Dental
Toll Free Dial-In: 844-291-6360
Access Code: 8379964

Coming Soon: 24/7 Education from UnitedHealthcare
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Improving Your Health

- Adults with dental coverage are **50%** more likely to visit the dentist at least once a year.
- Adults who report good oral health are almost **2X** as likely to report good or better overall well-being.

Preventive Care is **100% Covered**
Routine cleanings, exams and bitewing X-rays are fully covered for Delta Dental members.

**Checkup Plus™**
Preventive and diagnostic services are not deducted from your annual maximum, giving you more money to use when you need it most.

- Over **1.2 million** Arizonans choose Delta Dental to protect their smiles.
- You can visit any of our **157,878** network dentists and specialists.

Did You Know

- You have two great Delta Dental plan options to choose from!
- Key highlights include:
  - No Missing Tooth Limitations
  - Implant Coverage

Stay strong and healthy with a dental plan from Delta Dental of Arizona, the state’s leading dental benefits provider. With the largest network of dentists, quick answers and personalized service, we make it easy to protect your smile and keep it healthy.

deltadentalaz.com/asrs

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1 This benefit is only available on the Delta Dental High Plan Option. Refer to the plan benefit summary at deltadentalaz.com/asrs or azasrs.gov for more information.


Arizona Dental Insurance Service, Inc. dba Delta Dental of Arizona. DDAZ-0432-rev0820
Cigna Dental Care® (DHMO)¹

It's not the dental plan you think you know.

It's better, it's simpler and more real. And that's because it's inspired by the real-life whole-person needs of the individuals who use it.

LARGEST NETWORK OF ITS KIND²
With 31,950 dentists in 40 states and growing, the Cigna Dental Care Access Plus network is the largest of its kind. It includes high-quality, value-based providers with positive patient reviews on myCigna.

MORE CHOICE AND SAVINGS
With no deductible or calendar year maximums, and premiums that are 40% lower than average DPPO costs, the Cigna Dental Care plan offers undeniable value.

EASIER TO SWITCH AND MANAGE
Members can now change network dentists anytime, with no calls or extra steps needed. Our online tools make it easy for members to compare and choose dentists, read patient reviews and view real costs based on their specific plan. Plus, added support is just a call away, 24/7.

MORE VALUE FOR YOUR BENEFIT DOLLAR
We're focused on helping members be at their best, body and mind. That means offering a rich set of benefits - from orthodontia for the whole family to clinical programs that help at-risk customers better manage medical conditions through dental care.

- Oral health is directly connected to overall health. It can boost (or limit) self-esteem, reduce stress and even impact employability.

When it comes to care, we've got you covered.
To learn more about the Cigna Dental Care Plan go to cigna.com/asrs.
To speak to customer service call 800.Cigna.24 (800.244.6224).

¹ The term DHMO (“Dental HMO”) is used to refer to product designs that may differ by state of residence of enrollee, including but not limited to, prepaid plans, managed care plans, and plans with open access features. The Cigna Dental Care plan is not available in all states. Actual costs and savings will vary.

² Projected unique Cigna Dental Care Access Plus locations for year-end 2019. 31,950 unique general dentists as of October 2019. NetMinder DHMO data as of September 2019, reflecting Cigna Dental Care (DHMO) - Access Plus. Network counts of unique locations. Product availability may vary by location and plan type and is subject to change. All group dental insurance policies and dental benefit plans contain exclusions and limitations. For costs and details of coverage, review your plan documents or contact a Cigna representative.
What is the Retrospective Rate Agreement (RRA)?

“RRA funds” are funds that have accumulated as a result of a contractual agreement between the ASRS and UnitedHealthcare which mandates that revenue in excess of medical costs and negotiated expenses be returned to the ASRS.

This plan year will be the third and final year of the three-year planned distribution of funds accumulated through the RRA. In total, over the three-year planned distribution of funds during plan years 2019, 2020 and 2021, ASRS retirees are projected to save more than $127 million in medical premiums.

For plan year 2022 and forward, an annual analysis will be completed to determine if future offsets can be made each plan year to reduce medical premiums.

For additional information about the RRA, please visit page 10 of your Enrollment Guide.

### 2020 Annual Notice to All ASRS Retirees

Periodic pension payments will be subject to federal income tax withholding if the taxable portion of the total annual payments equals or exceeds $25,140 ($2,095 per month) unless you elect not to have withholding apply. In the absence of an election, your withholding will automatically be calculated in the same manner as withholding from wages.

*If you do not wish to make an election or change a prior election, no action is necessary.*

If you wish to make, change or revoke an election, ASRS retirees may do so by logging in to their secure myASRS account at AzASRS.gov. You can also make or revoke an election by completing Form W-4-P, which is available at your local IRS office, library or on the IRS website at: [IRS.gov/pub/irs-pdf/fw4p.pdf](https://irs.gov/pub/irs-pdf/fw4p.pdf)

You may revoke an election at any time. Your withholding election will remain in effect until revoked. Any election not to have withholding apply is prospective only and any election made after a payment is not an election with respect to that payment.

If you elect not to have withholding applied to your periodic pension payments, or if you do not have enough federal income tax withheld from such payments, you may be responsible for payments of estimated tax. You may also incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.