



Aetna Retirees Association, Inc
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News

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ARA Estimates 2013 COLAs

Because the Consumer Price Index (CPI) data for September is not yet available as we go to press, the final cost-of-living adjustments (COLAs) for Aetna's pension plan (where applicable) and Social Security are not yet available. However, we at ARA are able to provide an estimate for each of these if an assumption is made about the CPI for September.

The simplest assumption is that the CPI does not change for the month of September. On that basis, we calculate the Aetna COLA for 2012 to be 1.5% and the Social Security COLA also to be 1.5%.

If there is a percentage increase from August in the CPI for September, the above 1.5% figure for Aetna's COLA would rise by the amount of that increase. The Social Security COLA would rise by 1/3 of that increase. If September's CPI decreases, of course, corresponding decreases would occur in the two 1.5% figures.

The question is often asked as why there is generally a difference between the two COLAs. Although we have written about this topic before, it is a somewhat esoteric subject and it does not hurt to go over it again.

While CPI data is highly questionable as a measure of actual inflation—especially for retirees—Social Security and Aetna both base their COLA calculations on statistics from the same Consumer Price Index table. Namely, they both use CPI-W, the US Bureau of Labor Statistics' "**Consumer Price Index for Urban Wage Earners and Clerical Workers**", with 1982-84 as the base.

However, while both use the same table, the data selected from CPI-W table--and the methodology utilized--are not the same, producing different COLA results:

Social Security:

The basic formula for the Social Security COLA is to divide the average of the CPIs for the months of July, August and September by the corresponding average for the prior year.

Aetna: The basic formula for the Aetna's COLA is to divide the CPI for the month of September (only) by the CPI for the prior-year September. In the case of the Aetna COLA, the resulting percentage change is limited by the 3% cap (in either direction).

However the COLA turns out for the Aetna pension plan this year, it is no exaggeration to note that, for those Aetna retirees who are fortunate enough to qualify for it, this benefit has proved over the years to be extremely valuable.

On the Website

What's new since the last newsletter

- An article on Aetna's acquiring Coventry Health Care (8/12)
- Addition of ARA's newest Board member, Michael Feehan (9/12)

www.aetnaretirees.com

Liaison Team Meeting with Aetna on 2013 Benefits

For several years, ARA's Liaison Team has been invited to meet with Aetna's Human Resource Benefits Department. We met with Aetna on September 25, 2012 to review 2013 benefits, and this write-up will serve as a summary of what was discussed. Full-blown information will be sent to you in a variety of publications: (a) the ***Aetna Retiree Connection*** in mid-October, (b) the Annual Notice of Change Letter in mid-October and (c) the annual enrollment kit material in late October. A complete timeline showing enrollment and communication dates is shown at the end of this piece.

With respect to plan 2013 designs, there will be virtually no changes to the Medical, Dental and most Rx plans compared to those available for 2012. There could be some very minimal federally-mandated modifications to a few of the plans available.

There will be some changes to the Rx Plus plan to take advantage of pharmaceutical company subsidies. These changes will be described completely in the communications coming from Aetna in the next month or so. In addition to the communications referenced above, there will be a special letter sent to those currently enrolled in an Rx Plus plan as well as phone call-in sessions for those enrolled in these plans to ask any additional questions they may have.

There will also be some very minor changes in the administration of certain plans. For those who have an HSA (Health Savings Account) or RRA (Retiree Reimbursement Account), there will be a change in the administrator to PayFlex which was acquired by Aetna last year. Complete information on this change will be included in Aetna's various mailings.

With respect to pricing of both the pre-Medicare and Medicare Medical plans, there will be very minor adjustments. The premiums will remain generally flat or see a slight reduction (more so on the Rx Plus plan). Both Medicare Indemnity plans (with Rx Plus or with Rx Standard) will receive a modest increase. The premiums for all Dental plans will be reduced slightly.

Premiums for all plans will be shown in the annual enrollment materials.

Enrollment for 2013 will be a passive enrollment meaning, unless you request a change in plan, you will automatically be enrolled in the same plan as you were in for 2012. However, even if you remain in the same plan, new ID Cards will be provided for all members.

Shown below is the 2013 Annual Enrollment & Communications Timeline.

<u>Communication/Event</u>	<u>Timing</u>
Fall <i>Aetna Retiree Connection</i> Newsletter	Mid October
Annual Notice of Change Letter	Mid October
Retiree Sessions on Rx Plus Changes	October 22
Annual Enrollment Kits Mailed	October 29
Retirement Service Center Begins Taking Questions	October 29
YBR Enrollment Page Available	November 5
Annual Enrollment Period Begins	November 5
Annual Enrollment Period Ends	November 16
Confirmation Statements Mailed	End of November
Annual Enrollment Survey (NEW for retirees)	End of November
ID Cards Mailed (all enrollees will receive new ID cards)	Mid December
PayFlex Communications on HSA and RRA	End of December

Check your mailboxes often, thoroughly read any material you receive and contact the Aetna Retirement Service Center with any questions before completing your enrollment.

AETNA GIVING CAMPAIGN

In the Aetna Retiree Connection received by retirees approximately August 23, there was an article about the Aetna Giving Campaign. This Campaign runs from September 10 to October 12. The amount you give to the causes of your choice is increased by Aetna's match. Instructions are spelled out in the article. Paper forms have been eliminated, so you must use the Giving Campaign website of www.cybergrants.com/aetna/aero. Please refer to the Aetna Retiree Connection for additional information.

In the event you have difficulty logging on to this site, you may call Customer Service at 1-888-254-4059.

Some of our board members have recently made matching gifts using this website. They found the website to be very user-friendly, so please don't be afraid to make matching donations using this site.

Welcome Mike Feehan to ARA's Board of Directors

The ARA is pleased to introduce a new Board Member, John M. (Mike) Feehan. Mike has extensive expertise, and he will be a valuable resource for ARA.

Mike began his Aetna career in 1968 in the Group Experience Rating Department and retired from the Underwriting Department (nee Group Experience Rating) of Aetna, Inc. (nee Group Division), at the end of 2011. At his retirement, he was working for the same company, in the same city, the same building, the same functional department, and the same job where he started 43 years before. When he retired, he even had the same telephone number he had in 1968.

Between point A and point B, Mike also worked in Marketing, Health Care Cost Management, Alternative Delivery Systems Administration, and National Accounts Medical Management. He also served as a Central Region Team Leader, and head of the Middle Market Customer Teams. Mike left Aetna in 1995 for Oxford Health plans and later moved on to Empire Blue Cross Blue Shield in New York City. After returning to Aetna in the New York office, he moved on to Willis Employee Benefits Consulting and ended up Chief of Life & Health Benefits worldwide at United Nations, where he remained until 2007. Upon returning from New York to Connecticut in 2007, he finished his career as an underwriter with Aetna.

Mike holds a master's degree in mathematics from Washington University in St. Louis. He resides in West Hartford with his bride of 40 years, Stella, whom he met at Aetna in 1968. Mike and Stella are the proud parents of three grown children plus two grandsons - who have them totally wrapped around their little fingers.

We welcome Mike and look forward to working with him for the benefit of all ARA members.

As you communicate with a retiree, retiree group or a colleague, we encourage you to provide them with information and the benefits of joining ARA. Please refer any prospective members to our website at www.aetnaretirees.com for additional information and an application form. Further, you may encourage prospective members to contact any Board Member for additional information. If, however, a retiree or colleague does not wish to become an active member and would still like to hear what we are doing, please have them state "communications only" on the application. We will send them our communications.

CONTACT ARA!

We welcome your comments, questions, ideas and letters to the editor. See mail and website addresses on page 1.

Marilyn Wilson, Editor