

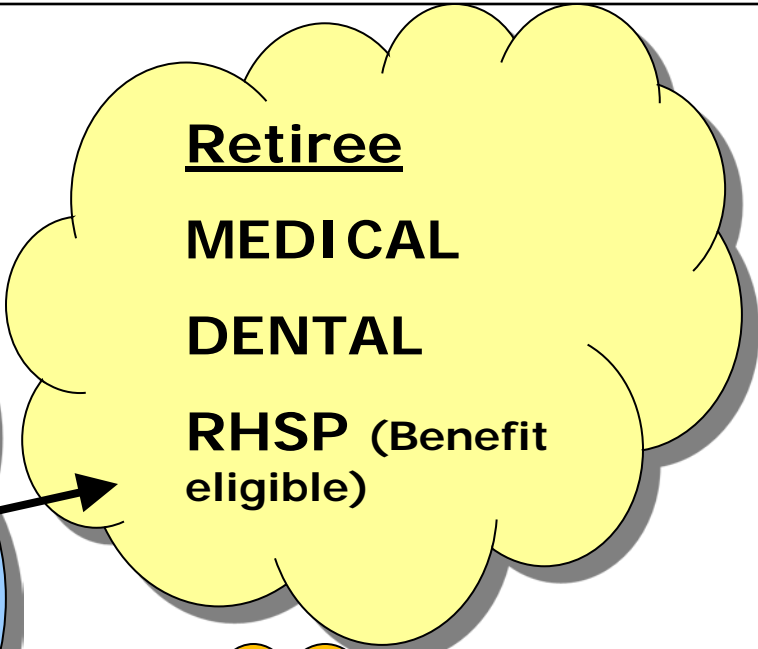
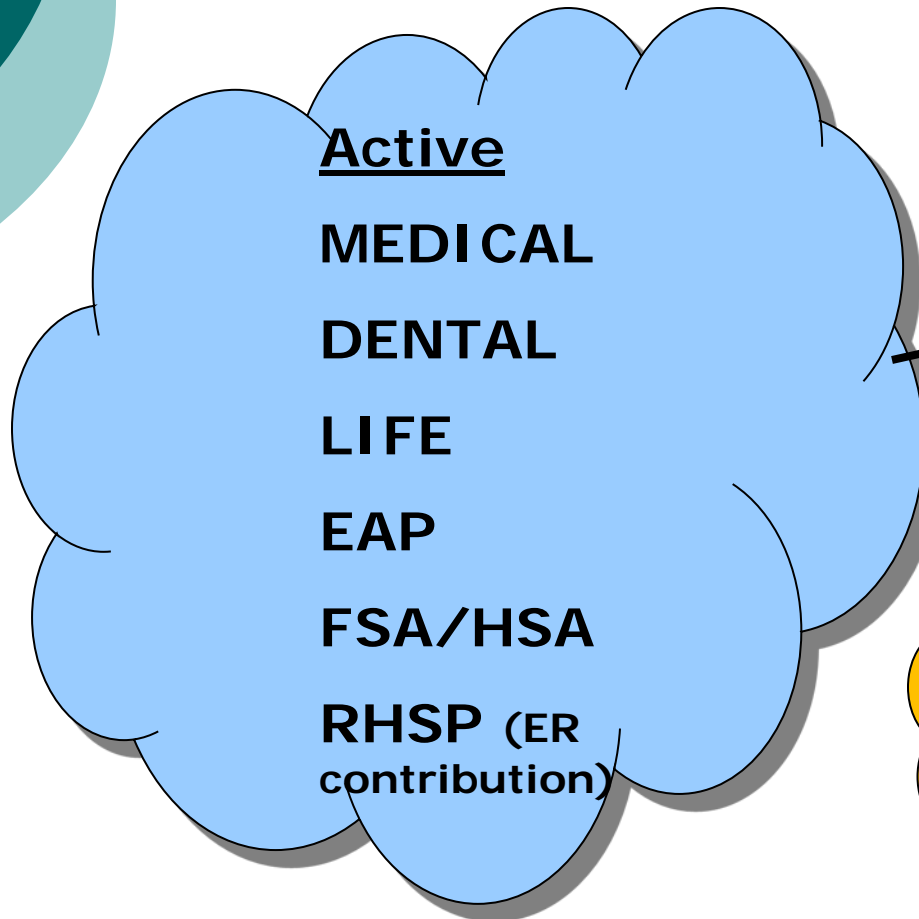


RETIREE ORIENTATION

EMPLOYEE BENEFITS OFFICE

RETIREE HEALTH BENEFITS

THE TRANSITION



RETIREE HEALTH BENEFITS

- ACTIVE BENEFITS CEASE AT THE END OF THE MONTH:
 - Medical
 - Dental
 - Life
 - EAP
 - FSA
 - HSA payroll deductions
 - Note: HSA funds are yours to take with you
 - RHSP contributions

National Health Care – No Change

RETIREE HEALTH BENEFITS

- MEDICAL, DENTAL, EAP
 - Ends the last day of the month during which you were actively employed
- COBRA
 - Automatically receive a notice
 - Provides the right to continue active coverage if not Medicare entitled
 - May need to elect COBRA if pension check is delayed – no medical without pension check

National Health Care – No Change



RETIREE HEALTH BENEFITS

○ LIFE INSURANCE

- Coverage ends when active employment ends
- There is no cash surrender value
- Conversion policy is available – contact Employee Benefits Office within 31 days

RETIREE HEALTH BENEFITS

- FLEXIBLE SPENDING ACCOUNT - MEDICAL REIMBURSEMENT ACCOUNT

- Will only reimburse claims incurred while Active unless COBRA applies
- May continue under COBRA through the end of the calendar year under certain circumstances
- No longer pre-tax if continued

National Health Care – No more over the counter drug reimbursement

RETIREE HEALTH BENEFITS

○ HEALTH SAVINGS ACCOUNT

- If still contributing, contributions cease through County payroll
- Your funds are available for qualified reimbursements until your account is exhausted
- Unlike RHSP, money can be withdrawn for non-medical uses but is taxable

National Health Care – Increased penalty for non medical reimbursements, no more over the counter drug reimbursement

RETIREE HEALTH BENEFITS

○ RETIREE HEALTH SAVINGS ACCOUNT (RHSP)

- Employer-sponsored health savings contributions (\$25/pay period) cease
- Account is now activated to pay claims
- No cash out available
- Used to reimburse medical expenses on a tax-free basis for you, your spouse and/or dependents (IRS compliance)

National Health Care – No more over the counter drug reimbursement

RETIREE HEALTH BENEFITS

○ RETIREE HEALTH SAVINGS ACCOUNT (RHSP)

- Account issues/questions contact ICMA-RC at (800) 669-7400
- Reimbursement claims administrator is Meritain Health at (888-587-9441)
- Administration fee of \$7.50 per quarter assessed at the end of each quarter



RETIREE HEALTH BENEFITS

- RETIREE MEDICAL & DENTAL ADMINISTRATIVE POLICY
 - County Board of Supervisors determines the policy annually for the following calendar year
 - The policy describes the terms and conditions for participation in the County medical and dental programs for retirees

RETIREE HEALTH BENEFITS

- RETIREE MEDICAL AND DENTAL
 - Only one benefit package available even if receiving more than one SCERS pension
 - Some limitations on what type of medical plan or carrier is available where you live, i.e. no more “live or work rule”
 - Open Enrollment and mid-year Qualifying Events (marriage, birth, divorce) still apply

National Health Care – No Change

RETIREE HEALTH BENEFITS

○ RETIREE MEDICAL-Non-Medicare

- Same plans as actives
 - HMOs and High Deductible plans
 - HSA deductions no longer available through the County
- Same dependent eligibility
- **Important:** Must actually live in the HMO service area (requires physical address on file) or only option is High Deductible PPO

*National Health Care – Dependent age increase to age 26 *(with some limits)*

RETIREE HEALTH BENEFITS

- RETIREE MEDICAL- Medicare Eligible
 - Must enroll in and maintain Medicare Parts A & B to keep County plans
 - DO NOT enroll in a separate non – County Medicare D plan or you will lose your County medical plan
 - Physical address required – Advantage plans are regulated by the Federal government (more restrictive) and may not be available in all HMO areas

National Health Care – No Change

RETIREE HEALTH BENEFITS

- RETIREE MEDICAL- Medicare Eligible
 - Two types, depending on carrier
 - Advantage – least expensive, assign Medicare benefit to HMO (extra enrollment form required)
 - Coordinated – more expensive, Medicare benefit may still be used outside of the plan
 - Able to change at Open Enrollment
- National Health Care – reductions in payments to Advantage plans, improved preventative programs*

RETIREE HEALTH BENEFITS

- RETIREE MEDICAL- Medicare Eligible
 - Medicare Part D – Prescription Drugs
 - Medicare Part D or comparable Creditable coverage is part of the County medical insurance
 - Do not enroll in any other separate non-County Medicare D program or you will lose your County medical plan

National Health Care – Gradual reduction in Rx “Donut Hole” for individual plans

RETIREE HEALTH BENEFITS

○ PREMIUM PAYMENT

- Paid in advance - Cost deducted from SCERS monthly benefit
- Three tier rates (Retiree, Retiree+1, Retiree+2 or more)
- Incomplete retirement paperwork that delays receiving a SCERS pension check will impact medical/dental coverage – consider COBRA

National Health Care – No Change

RETIREE HEALTH BENEFITS

○ RETIREE MEDICAL

- Initial Election – forms required within 30 days from the date of retirement
- Effective – 1st of the month following retirement date if forms received within 30 days and pension check within 90 days of retirement
- May need to elect COBRA if there is a delay in receiving a pension check – no retiree medical or dental coverage unless receiving a pension check

RETIREE HEALTH BENEFITS

○ RETIREE MEDICAL

- Waive – can re-enroll in County plan within 30 days of a qualified status change event or during open enrollment with proof of continuous comparable coverage for the past 12 months
- If you are under 65, apply for Medicare early (3 month window) and change health plans in advance to save money
- May delete dependents at any time

Nat'l Health Care – No Change

RETIREE HEALTH BENEFITS

○ RETIREE DENTAL

- Different than Active Plan:
 - Based on a fee schedule
 - Not as robust
- No dual coverage with the County retiree plan
- 2 year lock out if waived

RETIREE HEALTH BENEFITS

○ RETIREE DENTAL

- May cover a spouse/domestic partner and/or dependent children
- May add dependents within 30 days of a qualified status change event
- Must remain covered for 12 months

*National Health Care – Dependent age increase to age 26 *(with some limits).*



RETIREE HEALTH BENEFITS

- National Health Care
 - Gradual phase in of the various elements
 - Creation of state run “exchanges” to shop for individual coverage
 - Elimination of pre-existing conditions, annual and lifetime limits
 - Money to digitize information and expand research and clinical trials
 - Expansion of dependent coverage
 - “Cadillac tax” on “rich” plans



RETIREE HEALTH BENEFITS

- National Health Care
 - Increased taxes on medical and Rx industry, regulation of overhead, elimination of some deductions
 - Increase in low income subsidies and Medi-Cal coverage
 - Reduction in Medicare payments
 - Increase in Medicare Part D coverage
 - Reporting of benefit cost or value on W-2, 1040
 - Restrictions to FSA/HSA/HRA

RETIREE HEALTH BENEFITS

- Employee Benefits Office
 - 700 H Street, Room 6750
Sacramento, CA 95814
 - (916) 874-2020 (phone)
 - (916) 874-4621 (fax)
 - <http://www.hra.saccounty.net/employ/ben/content.htm>
 - Forms, applications, carrier links,
Summary of Benefits all available online.