



# RETIREE ORIENTATION

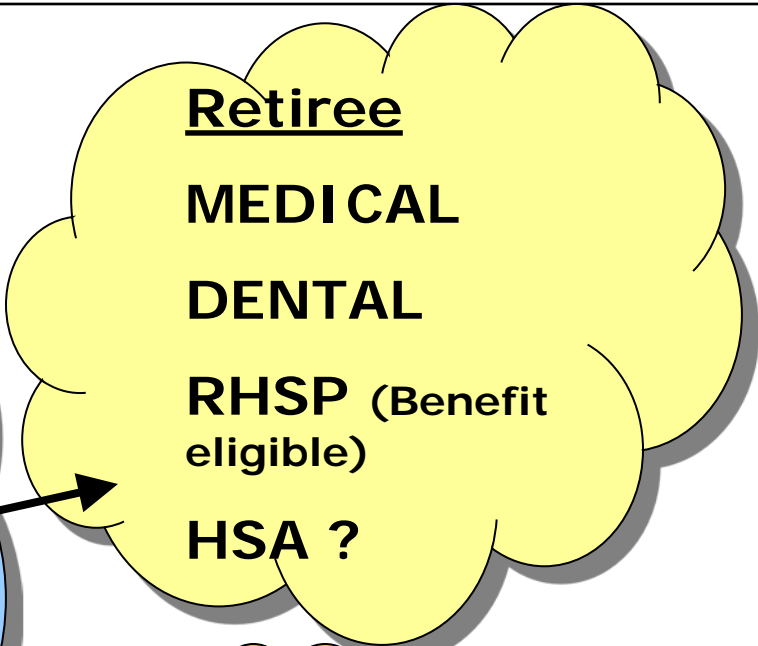
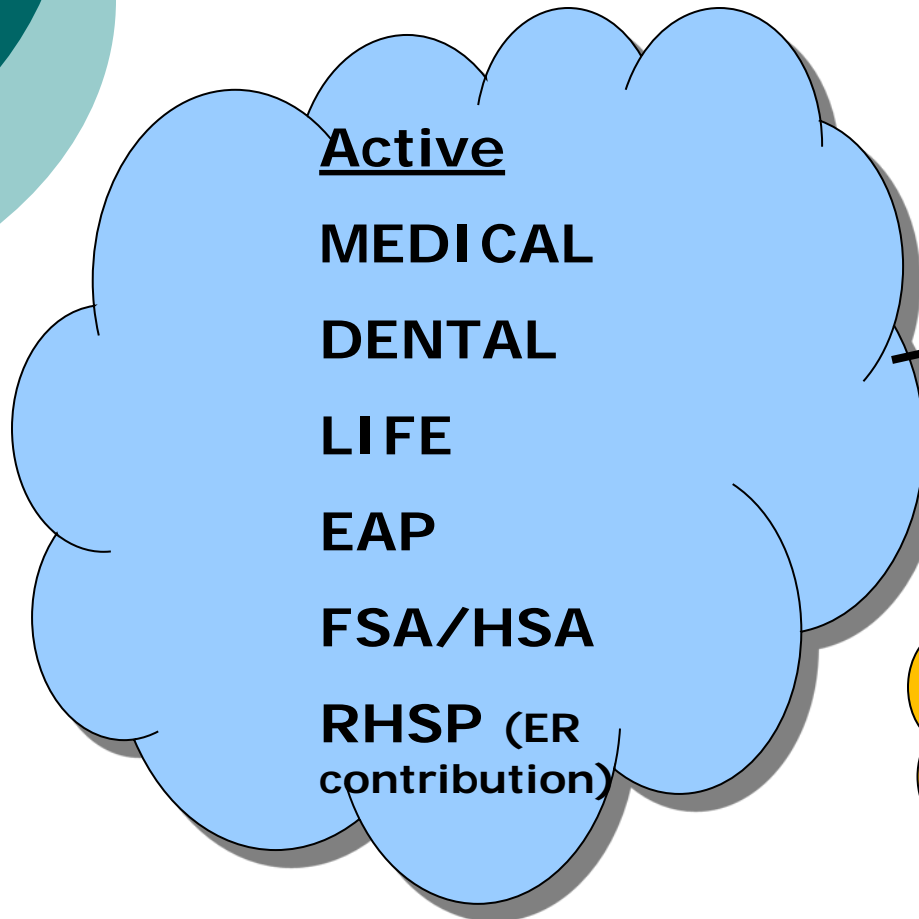
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EMPLOYEE BENEFITS OFFICE

# RETIREE HEALTH BENEFITS

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## THE TRANSITION



# RETIREE HEALTH BENEFITS

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## ○ THESE 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

*Affordable Care Act– No Change*

# RETIREE HEALTH BENEFITS

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- 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

*Affordable Care Act– No Change*



# RETIREE HEALTH BENEFITS

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## ○ 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

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- 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
- Affordable Care Act – No Change*



# RETIREE HEALTH BENEFITS

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## ○ HEALTH SAVINGS ACCOUNT

- If still contributing, contributions cease through County payroll
- Your account remains with you as a Retiree and funds are available for qualified reimbursements until your account is exhausted
- Unlike RHSP, money can be withdrawn for non-medical uses but is taxable (penalty under age 65)

# RETIREE HEALTH BENEFITS

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## ○ 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 for tax-free reimbursement of health expenses and some premiums for you, spouse and/or dependents (IRS compliance)

*Affordable Care Act– No Change*



# RETIREE HEALTH BENEFITS

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## ○ 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 \$5.00 per quarter assessed at the end of each quarter

# RETIREE HEALTH BENEFITS

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- 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

*Affordable Care Act– Exchanges now mean options for non-Medicare retirees*

# RETIREE HEALTH BENEFITS

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- 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

*Affordable Care Act—No Change – Options!*

# RETIREE HEALTH BENEFITS

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## ○ RETIREE MEDICAL/DENTAL

- Initial Election – forms required within 30 days from the date of retirement
- Effective – 1<sup>st</sup> 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

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## ○ 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

*Affordable Care Act– No Change*

# RETIREE HEALTH BENEFITS

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## ○ RETIREE MEDICAL/DENTAL

- Waive – can re-enroll in County plan within 30 days of a qualified status change event or during open enrollment with proof of continuous creditable 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
- Dental program may have restrictions

*Nat'l Health Care – No Change*

# RETIREE HEALTH BENEFITS

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- RETIREE MEDICAL-Non-Medicare
  - Same plans as actives
    - HMOs and High Deductible plans
  - Same dependent eligibility
  - **Important:** Must actually live in the HMO service area (requires physical address on file)

*Affordable Care Act– Exchanges mean options*

*Possible premium subsidies but not if still have RHSP funds!*

# RETIREE HEALTH BENEFITS

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- RETIREE MEDICAL-Other Accounts
  - Cannot contribute to HSA if RHSP still has funds
    - Must empty RHSP to restart HSA contributions on a post tax basis but need to have High Deductible coverage
    - Prioritize RHSP vs HSA
    - RHSP = reimbursements only for spouse and U26 dependents
    - HSA = reimbursements for spouse and U26 dependents AND cash outs AND inheritances



# RETIREE HEALTH BENEFITS

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- 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 – Medicare plans regulated by Federal government (more restrictive) and may not be available in all HMO areas

*Affordable Care Act– Not for Medicare*

# RETIREE HEALTH BENEFITS

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- RETIREE MEDICAL- Medicare Eligible
  - One or two Advantage options, depending on carrier
  - Advantage Plans: assign Medicare benefit including Part D to carrier
    - No Medicare outside plan other than emergency services
    - Different than “Supplemental”/“Gap” plans which fill in Medicare out of pocket expenses
  - Able to change at Open Enrollment

*National Health Care—reductions in payments to Advantage plans, improved prevent programs*

# RETIREE HEALTH BENEFITS

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- RETIREE MEDICAL- Medicare Eligible Rx
  - Medicare Part D – Prescription Drugs
    - Medicare Part D is included with County Medicare insurance
    - Different cost structure in catastrophic stage
    - Do not enroll in any other separate non-County Part D program or you will lose your County medical plan

*Affordable Care Act– Gradual reduction in Rx “Donut Hole” for individual plans*

# RETIREE HEALTH BENEFITS

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## ○ RETIREE DENTAL

- Different than Active Plan:
  - Different vendor
  - Not as robust
- No dual coverage with the County retiree plan
- Separate rules govern participation if waiving or staying in: lock in or lock out – check Open Enrollment material

*Affordable Care Act– No change*



# RETIREE HEALTH BENEFITS

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## ○ RETIREE DENTAL

- May cover a spouse/domestic partner and/or dependent children
- May add new dependents within 30 days of a qualified status change event



# RETIREE HEALTH BENEFITS

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- National Health Care
  - Exchanges now mean options for coverage to non-Medicare individuals
  - Elimination of pre-existing conditions, annual and lifetime limits
  - Multiple different coverage level options and plans
  - Plans vary by region so may not have the same plans available if you relocate



# RETIREE HEALTH BENEFITS

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- National Health Care
  - Possible premium tax subsidies for purchasing on the exchanges
  - Premium subsidies indexed to income
  - Increase in Medi-Cal coverage for very low income individuals
  - Many Medicare coverage options are already available privately or through Medicare exchanges

# RETIREE HEALTH BENEFITS

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- National Health Care
  - Increased taxes/fees on medical & Rx industry, regulation of overhead
  - Money to digitize information and expand research and clinical trials
  - Reduction in Medicare payments
  - Increase in Medicare Part D coverage
  - “Cadillac tax” on “rich” plans
  - More information online at:  
<http://www.coveredca.com/>



# RETIREE HEALTH BENEFITS

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- Employee Benefits Office
  - 700 H Street, Room 4667  
Sacramento, CA 95814
  - (916) 874-2020 (phone)
  - (916) 874-4621 (fax)
  - <http://www.personnel.saccounty.net/Benefits/Pages/default.aspx>
  - Forms, applications, carrier links,  
Summary of Benefits all available online.