



## **CONTINUATION OF:**

- **Retiree Health Insurance**
- **Retiree Life Insurance**

**Revised July 2011**

# **RETIREE HEALTH INSURANCE**

## **Eligibility to Continue Coverage Requirements:**

1. A retiring employee must qualify for early, normal, late or disability retirement as defined by T.M.R.S. **AND** have at least five (5) years of continuous full time Plano service.
2. Retirees and/or eligible dependents on Social Security disability and thereby eligible for Medicare Parts A and B are not eligible for the United Health Care plan. A retiree under age 65 but over age 50, disabled with Medicare Parts A and B would no longer be eligible for the United Health Care Plan but would be eligible for the designated Medicare Supplement plan.

## **Enrollment:**

1. Retiring employee has 31 days from their effective retirement date to:
  - Make a decision regarding continuation of coverage;
  - Complete and submit applicable form(s);
  - Make premium payments.
2. Continuation of coverage includes all coverage (medical, dental, vision) in place at the time of retirement. Changes to coverage may only occur during the open enrollment period.
3. A retiree with coverage elsewhere may elect to continue partial coverage (i.e. only dental, only vision) if the plan they are enrolling in does not offer a particular coverage.

## **Dependent Coverage:**

1. Eligible dependent(s) not on the health plan at the time the employee retires can only be added:
  - During annual open enrollment; or
  - If there is a qualifying event as defined by the Internal Revenue Service. Examples of a qualifying event are: marriage, birth, divorce, loss of job, etc. A certificate of creditable coverage is required.
2. Proof of dependent eligibility must be provided.

## **Primary and Secondary Coverage:**

Health insurance coverage from other sources will be primary with City of Plano coverage having secondary payer responsibility.

## **Service Credits:**

1. Retiring employees who meet the retirement eligibility requirements and have at least ten (10) years of continuous full time employment are eligible for service credits equal to \$11 for each full year of service (i.e. 12 years X \$11 = \$132) with a maximum of thirty (30) years (\$330).
  
2. Service credits apply to the cost of premiums for the retiree **only**. Any excess credits cannot be used for dependent coverage.
  - Non Medicare eligible retirees: service credits apply only to medical and dental premiums.
  
  - Medicare eligible retirees: service credits apply only to Medicare medical and prescription drug premiums offered through the City of Plano.
  
3. Retirees approved for Retirement Security Plan (RSP) Total and Permanent Disability Retirement will receive a 50% reduction in the cost of the retiree's applicable premium. Any service credit amount is applied after the 50% reduction.

## **Service Credit Chart:**

10 years = \$110	17 years = \$187	24 years = \$264
11 years = \$121	18 years = \$198	25 years = \$275
12 years = \$132	19 years = \$209	26 years = \$286
13 years = \$143	20 years = \$220	27 years = \$297
14 years = \$154	21 years = \$231	28 years = \$308
15 years = \$165	22 years = \$242	29 years = \$319
16 years = \$176	23 years = \$253	30 years = \$330

## **Premium Payments**

1. Retiree is responsible for full premium minus service credits.
2. Payments are due the first of each month.
3. Retirees (non-Medicare) who have been approved for Total and Permanent disability through RSP are eligible for a 50% reduction in their medical and dental premium(s) in addition to any applicable service credits.
4. Retirees (Medicare) who have been approved for Total and Permanent disability through RSP are eligible for a 50% reduction in their medical and prescription drug premiums in addition to any applicable service credits.
5. Premiums may be set up to be directly deducted from the retiree's checking account by completing the necessary form and submitting it to the City of Plano accounting department.
6. Public Safety retirees (police and fire) have the option for their premiums to be automatically deducted from their TMRS or 457 ICMA-RC Deferred Compensation monthly checks. The TMRS enrollment form can be obtained from their website [www.tMrs.org](http://www.tMrs.org). Contact the ICMA-RC representative for enrollment information

## **Late Fees and Penalties:**

**Effective March 1, 2008, payments received after the 5<sup>th</sup> of each month will result in a late penalty as follows:**

- 1<sup>st</sup> late payment in a calendar year  
Will result in a \$25 fee. The monthly premium and \$25 late fee must be paid by the 15<sup>th</sup> of the month for which the premium is owed. Failure to meet this deadline will result in loss of insurance coverage. Once coverage is lost, it cannot be reinstated.
- 2<sup>nd</sup> late payment in a calendar year:  
Will result in a \$50 fee. The monthly premium and \$50 late fee must be paid by the 15<sup>th</sup> of the month for which the premium is owed. Failure to meet this deadline will result in loss of insurance coverage. Once coverage is lost, it cannot be reinstated.

- 3<sup>rd</sup> late payment in a calendar year:  
Will result in the loss of 50% of the retiree's service credits. Once service credits are lost, they will not be reinstated. Failure to submit the late payment by the 15<sup>th</sup> of the month for which it is due will result in loss of insurance coverage. Once coverage is lost, it cannot be reinstated.
- 4<sup>th</sup> late payment in a calendar year:  
Will result in the loss of **ALL** service credits. Once service credits are lost, they will not be reinstated. Failure to submit the late payment by the 15<sup>th</sup> of the month for which it is due will result in loss of insurance coverage. Once coverage is lost, it cannot be reinstated.
- 5<sup>th</sup> late payment in a calendar year:  
Will result in the loss of retiree health insurance. Once coverage is lost it cannot be reinstated.
- A total and permanent disability retiree and/or dependent of a Medicare eligible retiree, having no service credits, will lose health insurance coverage effective the 1<sup>st</sup> of the month for which payment was due when they have more than 2 late payments in a calendar year. Once coverage is cancelled, it cannot be reinstated.

**Nonpayment of any portion of dependent's premium will result in loss of coverage for both the retiree and their dependent(s). Once coverage is lost for non-payment, it cannot be reinstated.**

### **Annual Open Enrollment**

1. Each year, typically in the September/October timeframe open enrollment information will be provided electronically via e-mail to non-Medicare eligible retirees and also posted on the Retirement Center site.
2. Plan changes for non-Medicare retirees can only occur during open enrollment for coverage effective the following January 1st.

### **Working After Retirement and Re-Enrollment**

1. Retirees who return to full-time employment **must** enroll in that employer's health plan if one is offered, waive City of Plano coverage and re-enroll as outlined in #3 below.

2. Retirees with other medical coverage (i.e. through spouse, military, etc) may waive City of Plano coverage and are eligible to re-enroll as outlined in #3 below.
3. Retirees who have waived coverage may re-enroll once they experience loss of coverage as long as the following requirements are met:
  - Complete and submit a benefits change form **re-enrolling within 31 days** of loss of coverage.
  - Provide a “Certificate of Creditable Coverage” document from the prior employer. Coverage gap in excess of 63 days will result in the pre-existing condition limitation.
  - Make required premium payments by the payment due date.

### **Medicare Eligibility:**

1. Retirees and their eligible dependent(s) upon becoming Medicare eligible (either through age or disability) **MUST** cancel City of Plano coverage. Enrollment in one of the Medicare Supplement or the Medicare Advantage plans will be offered.
2. Retirees under age 65 but age 50 or older, approved for Social Security Disability and approved for Medicare Parts A and B are not eligible for the United Health Care plan(s). A supplement plan is made available.
3. Plan changes for Medicare retirees will be in accordance with Medicare open enrollment period. Any additions, deletions and/or changes must be communicated to the vendor directly by the retiree.

## **RETIREE LIFE INSURANCE**

Employees who retire on or after October 1, 1994, under the early, normal, late or disability provisions, with at least ten (10) years of continuous full-time employment with the City of Plano are eligible for:

- Life insurance equal to 1 times annual salary, maximum of \$20,000, at no cost to the retiree;
- Conversion option (information provided at retiree out-processing).

Retirees who qualify for Total and Permanent Disability Retirement under the Retirement Security Plan (RSP) may be eligible for additional life insurance under the “waiver of premium” provision.

Z: retiree data/criteria document/revised July 2011