

Personnel – General

D. Benefits

4033 Group Medical Insurance for Retirees

For Classified Personnel Hired After July 1, 1984

For Confidential/Supervisory Personnel Hired After October 1, 1984

For Management/Faculty Hired After April 1, 1986

1. A "retired" employee shall be defined as one who has retired from District service and who is eligible for, or is receiving a retirement allowance from the State Teachers' Retirement System or the Public Employees' Retirement System.

2. Effective January 1, 1998 all eligible employees shall be able to participate in District group medical retirement benefits under the conditions stated, subject to the following understanding:
 - a. When an eligible employee notifies the District of his/her intent to retire, the District will provide the employee with information relating to retirement benefits. At the time of retirement, the retiree must be enrolled in a District group medical insurance plan, and be eligible under any special requirements which are part of that plan.

 - b. The District recognizes that carriers, plans, and coverages available to retirees may change in the future. Retirees will be allowed to continue enrollment in District plans that are available to active employees at any time in future years, subject to any restrictions imposed as stated in 2a. It is understood that if in some future year, any of the current carriers are changed, the District does not have an obligation to replicate the coverage provided by a lost carrier. Additionally, it is understood that the District's obligation does not include maintenance of a particular coverage that was available when the retiree left the District.

3. The coverage limits for eligible retirees under the age of sixty-five are follows:
 - a. District premium payment limits are based upon paid medical coverage provided to active employees. The District contribution to the payment of

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health benefits for an active employee is limited to an amount equivalent to the cost of the most expensive Health Maintenance Organization (HMO) plan(s) available to active employees during any particular year.

- b. The District contribution toward group medical coverage for the retiree and spouse, until the effected retiree or spouse reaches age sixty-five or otherwise becomes eligible for Medicare coverage, shall be limited to a percentage of the maximum health benefits premium as cited in 3a. This percentage is determined from the table shown below. This table, based upon years of service in the District and age at retirement, shows the percentage of the premium to be paid by the retiree. Beginning July 1, 2002 the retiree’s co-payment shall continue at this percentage level until the retiree reaches age sixty (60) or age of retirement, whichever is later, at which time the premium cost to employee shall freeze and remain at that maximum amount and not be increased. Any required co-payments must be made in advance to the District in order for coverage to continue.

**Schedule of Percentage Co-payments
Based on Active Employee-Paid Level of Medical Premium**

		Years of Service																				
		10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Age At Retire- ment	55	X	X	X	X	X	75	70	65	60	55	50	45	40	35	30	25	20	15	10	5	0
	56	X	X	X	X	75	70	65	60	55	50	45	40	35	30	25	20	15	10	5	0	0
	57	X	X	X	75	70	65	60	55	50	45	40	35	30	25	20	15	10	5	0	0	0
	58	X	X	75	70	65	60	55	50	45	40	35	30	25	20	15	10	5	0	0	0	0
	59	X	75	70	65	60	55	50	45	40	35	30	25	20	15	10	5	0	0	0	0	0
	60	75	70	65	60	55	50	45	40	35	30	25	20	15	10	5	0	0	0	0	0	0
	61	70	65	60	55	50	45	40	35	30	25	20	15	10	5	0	0	0	0	0	0	0
	62	65	60	55	50	45	40	35	30	25	20	15	10	5	0	0	0	0	0	0	0	0
	63	60	55	50	45	40	35	30	25	20	15	10	5	0	0	0	0	0	0	0	0	0
	64	55	50	45	40	35	30	25	20	15	10	5	0	0	0	0	0	0	0	0	0	0
	65	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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The table is based on the following rule:

If age plus years of service ≥ 85 , then there is no co-payment. Each decrease of one year in either age or years of service, increases co-payment by 5%.

Squares that show an X mean that the retiree does not qualify for retirement medical coverage. (See paragraph c below.)

Example: An employee retires at age 60 with 23 years of service. The co-payment is ten-percent (10%) of the covered cost of medical benefits. (See 3. for limits in coverage). This co-payment continues until age 65. At age 65, the retiree must enroll in Medicare Parts A and B. The District pays for Medicare Part B, and a District-approved Medicare Risk HMO plan.

- c. It is further understood that all retirees must meet the same conditions for continuous service before retirement in order to qualify for District group medical benefits, namely, that the employee has rendered full-time service to the District at the age of retirement, including the five (5) years immediately preceding retirement, as follows:

<u>Full-time Service</u>	<u>Minimum Age at Retirement</u>
15 years	55 years
14 years	56 years
13 years	57 years
12 years	58 years
11 years	59 years
10 years	60 years

The employee is responsible for any costs associated with deductible or co-payments.

- d. District-approved leave of absence to a maximum of one (1) school year within the past five (5) years shall be computed as fulfilling one (1) year of full-time required service.

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4. The medical coverage for eligible retirees upon reaching age sixty-five is understood that Medicare regulations under Federal Law may change over time, and that these regulations take precedence over this agreement in case of conflicting language.

A retiree must enroll in Medicare Parts A and B during his or her initial Enrollment period as specified by the Social Security Administration. If the retiree and /or his/her spouse are ineligible, he/she must show proof of the ineligibility. The District shall pay for Medicare Part B and a District-approved Medicare Risk HMO plan. The District's payment will be limited to the highest Medicare Risk HMO. If the retiree wants the Medicare Supplement (PPO), the retiree must pay the difference.

If a retiree fails to enroll in Medicare Parts A and B during the Medicare Initial Enrollment Period, as specified above, he or she must cover all penalties, financial and otherwise for this delay.

Furthermore, upon reaching age sixty-five (65), the spouse of a retiree must also enroll in Medicare Parts A and B during his or her initial enrollment period as specified by the Social Security Administration, if the spouse wishes to continue group coverage under a District-sponsored group plan.

If the spouse of a retiree fails to enroll in Medicare Parts A and B during his/her Medicare Initial Enrollment Period, as specified above, he or she must cover all penalties, financial and otherwise, for this delay.

If the retiree or spouse enrolls in Medicare and the other is not yet eligible for Medicare, then the one who is not eligible can continue group coverage at the rates charged the retiree under 3b until the spouse reaches age 65 or otherwise becomes eligible for Medicare coverage.

5. Benefits will continue during the life of the retiree. Upon the death of the retiree, the retiree's spouse may continue group coverage at his/her own expense and with advance payments as determined by the District, subject to the following:

Upon reaching age sixty-five (65), the spouse of a deceased retiree must

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also enroll in Medicare Parts A and B during his or her initial enrollment period as specified by the Social Security Administration, if the spouse wishes to continue group coverage under a District-sponsored group plan at his/her own expense.

If the spouse of a deceased retiree fails to enroll in Medicare Parts A and B during his/her Medicare Initial Enrollment Period, as specified above, he or she must cover all penalties, financial and otherwise, for this delay.

6. When two District employees who are married retire, the District will pay the cost of only one medical insurance plan, to continue during their lifetimes. Should one or both employees be required to make a co-payment, this co-payment shall be the lesser of the two. If one is deceased, then the spouse can continue the District insurance plan based on his/her own earned rights for insurance.
7. The retired employee may pay the additional premium(s) necessary to provide coverage for eligible dependents other than the spouse.
8. Medical insurance plans can be changed from one company to another by the retiree once each year during the annual opening enrollment period established by the District. Changes between health carriers for retirees will be subject to the policies in effect at that time by the carriers providing medical coverage.
9. Retirees who waive their rights to insurance benefits are ineligible for future reenrollment for benefits.
10. It is the retiree's responsibility to notify the District of family status changes which may affect insurance coverage. Failure to notify the District of such changes shall cause the retiree to be responsible for the cost of the insurance coverage for any period of time from the change thereafter.