

# Insurance After Retirement

## What You Should Know (*All Employees except Teachers*)

The information below, while lengthy, should be read by any employee who carries insurance with the district and who is about to retire. In all examples, we have assumed a June retirement date.

### Retirees

- Retirees are eligible to continue the insurance coverage that they had on their last day as an active employee, with the exception of Long Term Disability. Long Term Disability can not be carried into retirement.
- Upon termination of employment of benefit eligible employees, medical, dental and life coverage continues to the end of the month in which termination occurs. Disability and Flex coverage terminates on the last working day. Upon termination of employment, full-time and part-time Employees shall have such rights of conversion or continuation of coverage as provided by law or the insurance contract(s).
- 121 Benefits (121) will mail insurance continuation (COBRA) information and the COBRA election form to the retiree's home address.
- Retirees must make an election to continue coverage by completing the COBRA election form. Insurance coverage continuation is not automatic. Employee election is required even for those employees whose bargaining units provide District-paid benefits after retirement.
- Retirees will receive monthly COBRA payment coupons for insurances that they have elected to carry into retirement.
- Retirees are eligible to continue elected insurance coverage for 18 months, or until Medicare eligible, whichever is longer.
- Elected COBRA insurance coverage can be dropped at any time by mailing a letter to 121, stating which insurance(s) you wish to drop.
- Each insurance type (health, dental, life) requires a separate election or waiver. For example, an employee may wish to continue health insurance but not dental coverage, this is permissible.

### Health Insurance

- Retirees, who had **family health** insurance as an active employee, may elect to continue family health insurance into retirement.
  - If the retiree elects and continues family coverage until Medicare eligible, then their younger spouse may stay on the District's plan (single policy) until they too are Medicare eligible.
  - The retiree is responsible for removing a spouse from coverage once that spouse is Medicare Eligible. If the spouse becomes Medicare Eligible before the employee, the employee may stay on the District's plan (single policy) until the retiree is Medicare Eligible.
- Retirees, who had **family health** insurance as an active employee, may choose to elect single health insurance coverage instead of family coverage.
  - Retirees who elect to continue single coverage into retirement may add previously eligible dependents during an open enrollment period that occurs within the first 18 months after retirement. However, that dependent will have coverage only for the remaining months of that 18-month period.
    - For example, an employee with family insurance coverage retires and has coverage through June 30, 2019 and elects single continuation coverage beginning July 1, 2019. During the next open enrollment period the retiree adds her spouse beginning on January 1, 2020. That spouse would have coverage only through December 31, 2020, which is 18 months from the employee's retirement date.
  - Newly acquired dependents (for example; newly married) may be added within 30 days of that event. A newly acquired dependent, which has been added to the retiree's insurance coverage, will have the same protection as if the retiree elected family coverage at the time of retirement.
- Retirees, who had **family health** insurance as an active employee, may elect to waive health insurance. A retiree who initially waives health insurance coverage, but retains dental insurance, may add health insurance during an open enrollment period that occurs within the first 18 months after

retirement. However, that retiree will have health insurance only for the remaining months of that 18 month period.

- For example, an employee retires and has coverage through June 30, 2019 and waives health insurance but elects dental insurance to begin on July 1, 2019. During the next open enrollment period the retiree enrolls in health insurance beginning on January 1, 2020. The retiree would have health insurance coverage only through December 31, 2020 which is 18 months from the employee's retirement date (they may retain the dental coverage until they are Medicare eligible because it was elected following their retirement date).
- Retirees who waive both **family health** insurance and dental insurance after retirement can not re-elect coverage at a later date.
- Retirees, who had **single health** insurance as an active employee, may elect to continue single health insurance into retirement.
- Retirees who elect to continue **single health** insurance coverage into retirement may add previously eligible dependents during an open enrollment period that occurs within the first 18 months after retirement. However, that dependent will have coverage only for the remaining months of that 18 month period.
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  - For example, an employee retires and has coverage through June 30, 2019 and waives health insurance but elects dental insurance to begin on July 1, 2019. During the next open enrollment period the retiree enrolls in health insurance beginning on January 1, 2020. The retiree would have health insurance coverage only through December 31, 2020 which is 18 months from the employee's retirement date (they may retain the dental coverage until they are Medicare eligible because it was elected following their retirement date).
- Retirees who waive both **single health** insurance and dental insurance after retirement can not re-elect coverage at a later date.

## Dental Insurance

- Retirees, who had **family dental** insurance as an active employee, may elect to continue family dental insurance into retirement.
  - If the retiree elects and continues family dental insurance coverage until Medicare eligible then their younger spouse may stay on the District's plan (single policy) until they too are Medicare eligible.
  - The retiree is responsible for removing a spouse from coverage once that spouse is Medicare Eligible. If the spouse becomes Medicare Eligible before the employee, the employee may stay on the District's plan (single policy) until they are Medicare Eligible.
- Retirees, who had **family dental** insurance as an active employee, may choose to elect single dental insurance instead of family coverage.
  - Retirees who elect to continue single dental coverage into retirement may add previously eligible dependents during an open enrollment period that occurs within the first 18 months after retirement. However, that dependent will have coverage only for the remaining months of that 18 month period.
    - For example, an employee with family insurance coverage retires and has coverage through June 30, 2019 and elects single continuation coverage beginning July 1, 2019. During the next open enrollment period the retiree adds her spouse beginning on

January 1, 2020. That spouse would have coverage only through December 31, 2020 which is 18 months from the employee's retirement date.

- Newly acquired dependents (for example; newly married) may be added at the time of the event. Newly acquired, and added dependents, have the same protection as if the retiree elected family coverage at the time of retirement.
- Retirees, who had **family dental** insurance as an active employee, may elect to waive dental insurance. A Retiree who initially waives dental insurance coverage, but retains health insurance, may add dental insurance during an open enrollment period that occurs within the first 18 months after retirement. However, that retiree will have dental insurance only for the remaining months of that 18 month period.
  - For example, an employee retires and has coverage through June 30, 2019 and waives dental insurance but elects health insurance to begin on July 1, 2019. During the next open enrollment period the retiree enrolls in dental insurance beginning on January 1, 2020. The retiree would have dental insurance coverage only through December 31, 2020 which is 18 months from the employee's retirement date (they may retain the health insurance coverage until they are Medicare eligible because it was elected following their retirement date).
- Retirees who waive both **family dental** insurance and health insurance after retirement can not re-elect coverage at a later date.
- Retirees, who had **single dental** insurance as an active employee, may elect to continue single dental insurance into retirement and can carry this coverage until they are Medicare eligible.
- Retirees who elect to continue **single dental** insurance coverage into retirement may add previously eligible dependents during an open enrollment period that occurs within the first 18 months after retirement. However, that dependent will have coverage only for the remaining months of that 18 month period.
  - For example, an employee with family insurance coverage retires and has coverage through June 30, 2019 and elects single continuation coverage beginning July 1, 2019. During the next open enrollment period the retiree adds her spouse beginning on January 1, 2020. That spouse would have coverage only through December 31, 2020 which is 18 months from the employee's retirement date.
  - Newly acquired dependents (for example, newly married) may be added within 30 days of that event. Newly acquired, and added dependents, have the same protection as if the retiree elected family coverage at the time of retirement.
- Retirees, who had **single dental** insurance as an active employee, may elect to waive dental insurance. A Retiree who initially waives dental insurance coverage, but retains health insurance, may add dental insurance during an open enrollment period that occurs within the first 18 months after retirement. However, that retiree will have dental insurance only for the remaining months of that 18 month period.
  - For example, an employee retires and has coverage though June 30, 2019 and waives dental insurance but elects health insurance to begin on July 1, 2019. During the next open enrollment period the retiree enrolls in dental insurance beginning on January 1, 2020. The retiree would have dental insurance coverage only through December 31, 2020 which is 18 months from the employee's retirement date (they may retain the health insurance coverage until they are Medicare eligible because it was elected following their retirement date).
- Retirees who waive both **single dental** insurance and health insurance after retirement can not re-elect coverage at a later date.

### **Basic Life Insurance**

- Retirees, who had **basic life** insurance as an active employee, may elect to continue that coverage into retirement.
- The full value of the **basic life** insurance can be continued for 18 months, at the end of 18 months the value of the benefit is reduced to half the original amount. The retiree may convert the reduced half value to an individual policy direct with the insurance company. Information regarding conversion will be mailed to the retiree's home prior to the end of the 18 month period.
- The retiree will continue to be billed for the remaining half of the basic life insurance via their COBRA monthly billing. The remaining half value can be carried until the Retiree is Medicare Eligible, at which time the retiree may convert the remaining half value to an individual policy direct with the insurance company. Information regarding conversion will be mailed to the retiree's home.
- Retirees, who had **basic life** insurance as an active employee, may elect to waive basic life insurance. Once waived, coverage can not be re-elected at a later date.

### **Supplemental Life Insurance**

- Retirees, who had **supplemental life** insurance as an active employee, may elect to continue that coverage into retirement, but only if they have also elected to continue Basic Life insurance.
- The full value of the **supplemental life** insurance can be continued for 18 months, at the end of 18 months the value of the benefit is reduced to half the original amount. The retiree may convert the reduced half value to an individual policy direct with the insurance company. Information regarding conversion will be mailed to the retiree's home prior to the end of the 18 month period.
- The retiree will continue to be billed for the remaining half of the supplemental life insurance via their COBRA monthly billing. The remaining half value can be carried until the retiree is Medicare Eligible, at which time the retiree may convert the remaining half value to an individual policy direct with the insurance company. Information regarding conversion will be mailed to the retiree's home.
- Retirees, who had **supplemental life** insurance as an active employee, may elect to waive supplemental life insurance. Once waived, coverage can not be re-elected at a later date.

### **Dependent Life Insurance**

- Retirees, who had **dependent life** insurance as an active employee, may elect to continue that coverage into retirement, but only if they have also elected to continue Basic Life insurance.
- **Dependent life** insurance can be continued for 18 months. The retiree may convert **dependent life** into an individual policy direct with the insurance company. Information regarding conversion will be mailed to the retiree's home.
- Retirees, who had **dependent life** insurance as an active employee, may elect to waive dependent life insurance. Once waived, coverage can not be re-elected at a later date.