



south carolina
peba
state health plan | retirement systems

Serving those who serve South Carolina

2016 Preretirement Insurance Education

South Carolina Public
Employee Benefit Authority

Important information



This overview is not meant to be a comprehensive description of the benefits offered by the South Carolina Public Employee Benefit Authority (PEBA). Have your *Insurance Benefits Guide* handy as you view this presentation.

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Teacher and employee retention incentive (TERI) participants and working retirees

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TERI participants



- Remains covered as active employee until last day of permanent, full-time employment
- Must apply for retiree coverage within 31 days of leaving employment

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Eligibility



Returning to full-time, benefits-eligible position

- If less than a 15 calendar-day break in employment, no action required -- active coverage continues
- If break in employment is 15 calendar days or more or you work part-time, active coverage ends -- enroll as retiree to avoid break in coverage

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Eligibility for employees

Hired before May 2, 2008

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All participants



Last five years:

- Regardless of how or when an employee qualifies for retirement, to qualify for the group insurance program, his last five years must be served consecutively in a full-time, permanent position with an employer participating in the state insurance program

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SCRS and State ORP participants



Retirement eligibility	PEBA insurance-earned ¹ service credit	Employer pays ²	Retiree pays ²
28 years of established service OR age 60+ OR approved for disability	10+ years	100% employer share (funded)	100% retiree share (funded)
	5+ years	No contribution (non-funded)	100% employer share PLUS 100% retiree share (non-funded)

¹Last five years of service must be full-time, permanent and consecutive. Periods of non-qualified service, federal service, military service and out-of-state public service purchased in the retirement systems, as well as sick leave and service with employers that do not participate in the state insurance program do not count toward earned service. State ORP participants cannot purchase time.
²Local subdivisions determine their premiums.

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55/25 year rule SCRS participants



Retirement eligibility	PEBA insurance-earned ¹ service credit	Until age 60 or until employee would have had 28 years retiree pays ²	At age 60 or when employee would have had 28 years retiree pays ²
25 years established service and age 55+	10+ years	100% employer share 100% retiree share (non-funded)	100% retiree share (funded)
	5+ years	100% employer share 100% retiree share (non-funded)	100% employer share 100% retiree share (non-funded)

¹Last five years of service must be full-time, permanent and consecutive. Periods of non-qualified service, federal service, military service and out-of-state public service purchased in the retirement systems as well as sick leave and service with employers that do not participate in the state insurance program, do not count toward earned service. State ORP participants cannot purchase time.
²Local subdivisions determine their premiums.

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All participants

20-year rule:

- Left employment before eligible to retire
- Have at least 20 years of earned service¹ credit with an employer participating in the state insurance program
- May enroll in funded retiree coverage at age 60 for SCRS; 55 for PORS

¹Last five years of service must be full-time, permanent and consecutive. Periods of non-qualified service, federal service, military service and out-of-state public service purchased in the retirement systems, as well as sick leave and service with employers that do not participate in the state insurance programs, do not count toward earned service.

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PORS participants

Retirement eligibility	PEBA insurance-earned ¹ service credit	Employer pays ²	Retiree pays ²
25 years established service OR age 55+ OR approved for Disability	10+ years	100% employer share (funded)	100% retiree share (funded)
	5+ years	No contribution (non-funded)	100% employer share PLUS 100% retiree share (non-funded)

¹Last five years of service must be full-time, permanent and consecutive. Periods of non-qualified service, federal service, military service and out-of-state public service purchased in the retirement systems, as well as sick leave and service with employers that do not participate in the state insurance program, do not count toward earned service.
²Local subdivisions determine their premiums.

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Eligibility for employees

Hired on or after May 2, 2008,
but before July 1, 2012

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Retirement



- Established by Section 1-11-730(B) of the S.C. Code of Laws:
 - Applies to new employees hired on or after May 2, 2008, with no previous service in a benefits-eligible position with a state-insurance participating employer

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All participants



Last five years:

- Regardless of how or when employees qualify for retirement, the last five years must be served consecutively in full-time, permanent position with an employer participating in the state insurance program

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All participants



Retirement eligibility	PEBA insurance-earned ¹ service credit	Employer pays ²	Retiree pays ²
28 years established service for SCRS/ORP (25 for PORS) OR age 60+ (55+ for PORS) OR approved for Disability	25 years	100% employer share (funded)	100% retiree share (funded)
	15 years	50% employer share (partially funded)	50% employer share PLUS 100% retiree share (partially funded)
	5 years	no contribution (non-funded)	100% employer share PLUS 100% retiree share (non-funded)

¹Last five years of service must be full-time, permanent and consecutive. Periods of non-qualified service, federal service, military service and out-of-state public service purchased in the retirement systems as well as sick leave and service with employers that do not participate in the state insurance program do not count toward earned service.
²Local subdivisions determine their premiums.

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Eligibility for employees

Hired on or after July 1, 2012

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Retirement



Established by Act No. 278:

- Applies to new employees hired on or after July 1, 2012, with no previous service in a benefits-eligible position with a state-insurance participating employer

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All participants



Last five years

- Regardless of how or when employees qualify for retirement, the last five years must be served consecutively in full-time, permanent position with an employer participating in the state insurance program

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Retiree enrollment 

- Within 31 days of retirement, you must complete:
 - Retiree Notice of Election (RNOE) form
 - Employment Verification Record
- Forms are available from your benefits office, PEBA or online at www.eip.sc.gov

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Eligible dependents 

- Spouse*
 - Either current or former spouse (if court-ordered to cover)
 - Cannot cover spouse if the spouse is eligible for coverage as an employee or state-funded retiree

**Documentation required at time of enrollment for all dependents.*

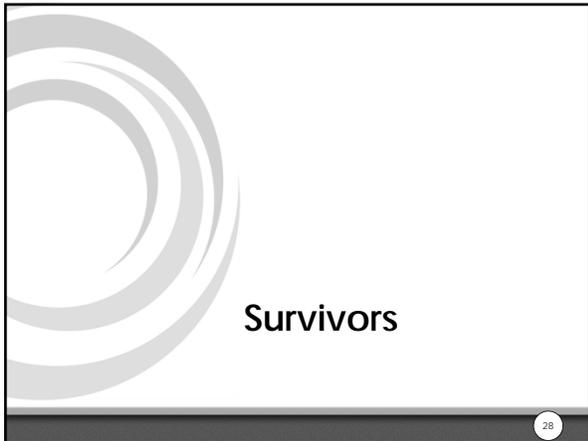
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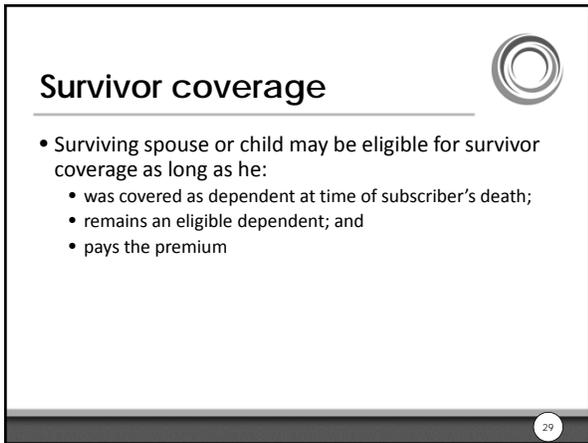
Eligible dependents 

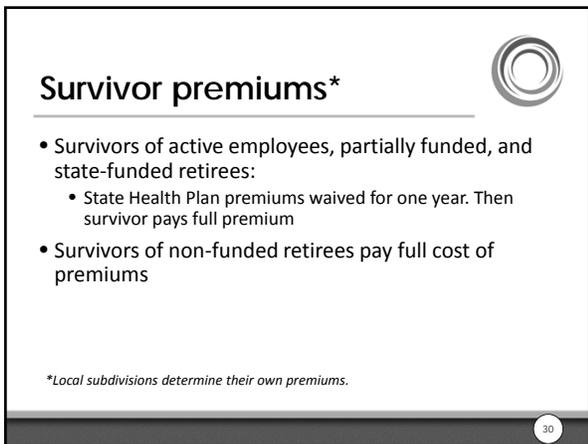
- Child*
 - natural, adopted, foster or step child
 - child placed for adoption
 - child for whom subscriber has legal custody or is court ordered to provide insurance
- A child who is under age 26 and employed with a participating employer may:
 - enroll as an active employee, or
 - enroll as dependent child
- beyond age 26 if incapacitated

**Documentation required at time of enrollment for all dependents.*

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Enrollment Period

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October enrollment period

- Enroll in, cancel or switch health plans
- Enroll in or drop State Vision plan
- Add or drop dependents from health and vision
- In odd-numbered years, you may also:
 - Enroll in or drop State Dental and/or Dental Plus
 - Add or drop dependents from State Dental and/or Dental Plus
 - To enroll in Dental Plus, you must enroll in the State Dental Plan and cover the same family members under both plans

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Insurance available in retirement

Health

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Health insurance choices

- Standard Plan
- Savings Plan¹
- GEA TRICARE Supplement¹
- Medicare Supplemental Plan²

¹If a retiree is eligible for and enrolled in Medicare, he cannot contribute to a Health Savings Account, which is typically associated with the Savings Plan. Medicare eligible retirees/dependents are not eligible for the TRICARE Supplement.
²Only available to Medicare-eligible retirees/dependents.

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Medicare-eligible retirees

- Medicare becomes primary in retirement
- Retiree may change health plans within 31 days of Medicare eligibility

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Turning 65 in retirement

PEBA will:

- Notify retiree three months before 65th birthday
- Automatically change Standard Plan and Savings Plan subscribers to Medicare Supplemental Plan

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Turning 65 in retirement



- Enrolled in Standard Plan may keep Standard Plan
- Enrolled in TRICARE Supplement Plan may cancel or switch health coverage. TRICARE becomes TRICARE for Life, a Medicare supplement
- Should enroll in Medicare Part A and Part B

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Enrolling in Medicare



- Medicare enrollment period begins three months before an individual's 65th birthday
- Receiving Social Security:
 - Retiree notified by Social Security and enrolled automatically
- Not receiving Social Security:
 - Retiree must contact Social Security to enroll

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Medicare-eligible retirees



Before age 65:

- Must notify PEBA and provide copy of Medicare card
- Can change health plans within 31 days of Medicare eligibility



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2016 Medicare benefits Parts A and B

Hospital benefits (A)	Medical benefits (B)
<ul style="list-style-type: none"> \$ deductible per benefit period No monthly premium if enough work credits established 	<ul style="list-style-type: none"> \$ annual deductible \$104.90 (average monthly premium as determined by Medicare) Plan pays 80 percent of approved charges

No Medicare or Medicare Supplemental Plan coverage outside U.S. and U.S. territories

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Medicare-eligible retirees

Medicare Supplemental Plan

<ul style="list-style-type: none"> Pays Medicare Part A deductible (\$) Pays Medicare Part B deductible (\$) Pays Medicare coinsurance, up to 100 percent of Medicare-approved charges Includes prescription drug benefit Offers no coverage outside the U.S. Claims for non-Medicare subscribers are processed under the Standard Plan 	<p>Example:</p> <table> <tr> <td>\$7,500</td> <td>Hospital Bill</td> </tr> <tr> <td><u>-1,260</u></td> <td>Medicare Part A deductible</td> </tr> <tr> <td>\$6,240</td> <td>Medicare pays</td> </tr> <tr> <td>\$1,260</td> <td>Balance bill for subscriber</td> </tr> <tr> <td>\$1,260</td> <td>Medicare Supplemental Plan pays Part A deductible</td> </tr> <tr> <td>\$ 0</td> <td>Retiree pays nothing</td> </tr> </table>	\$7,500	Hospital Bill	<u>-1,260</u>	Medicare Part A deductible	\$6,240	Medicare pays	\$1,260	Balance bill for subscriber	\$1,260	Medicare Supplemental Plan pays Part A deductible	\$ 0	Retiree pays nothing
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\$1,260	Medicare Supplemental Plan pays Part A deductible												
\$ 0	Retiree pays nothing												

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Medicare-eligible retirees

SHP Standard Plan with Medicare

- Offers worldwide coverage
- Includes prescription drug benefit
- Uses "carve-out" method- you pay SHP deductible and coinsurance or the balance of the bill, whichever is less

Example of carve-out method

SHP Allowed	Medicare Primary	SHP with Carve-Out
\$7,500 Hospital bill	\$7,500 Hospital bill	\$ 5,644 SHP without Medicare
- 445 SHP deductible	- Medicare Deductible	-6,240 Medicare pays
\$7,055 SHP liability	\$6,240 Medicare Pays	0 SHP pays
X 80% SHP coinsurance	<i>SHP pays nothing because Medicare paid more than SHP would have paid in the absence of Medicare.</i>	\$1,260 Retiree pays
\$5,644 SHP without Medicare		

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Medicare Part D drug program



- Most subscribers covered by PEBA should remain enrolled in Express Scripts Medicare, a Part D plan sponsored by PEBA
- Subscribers lose prescription benefits through PEBA if they enroll in a separate Part D program
- For more information, see the *Insurance Benefits Guide* or contact Express Scripts, the SHP pharmacy benefits manager

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SHP prescription drug benefits



Medicare Supplemental and Standard plans

Participating pharmacy
31-day supply:

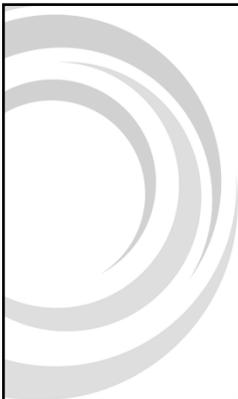
- \$ 9 Tier 1-generic
- \$38 Tier 2-brand
- \$63 Tier 3-non-preferred brand

Mail-order pharmacy
90-day supply:

- \$ 22 Tier 1-generic
- \$ 95 Tier 2-brand
- \$158 Tier 3-non-preferred brand

Copayment maximum \$2,500 per person, then plan pays 100 percent until end of calendar year.

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Insurance available in retirement

Dental

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State dental and Dental Plus

- Enroll within 31 days of retirement or special eligibility situation
- Enroll during open enrollment in odd-numbered years
- Once enrolled, must remain enrolled until next odd-numbered year open enrollment period or within 31 days of a special eligibility situation

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Insurance available in retirement
Vision

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State vision plan

- Enroll within 31 days of retirement or special eligibility situation
- May enroll in or drop yearly during open enrollment

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Insurance available in retirement

Life insurance

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Basic life insurance



- \$3,000 basic life:
 - Must have been enrolled in a health plan offered through PEBA or at time of retirement
 - Can convert within 31 days of retirement date
 - Submit conversion form to Securian
 - Pay premiums to Securian

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Optional Life insurance



- Can convert or continue existing coverage
 - Within 31 days of retirement
 - In \$10,000 increments
- Premiums quoted and billed by Securian

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Dependent Life insurance

- Can convert within 31 days of retirement
 - submit conversion form
- Premiums:
 - based on dependents age
 - paid to Securian

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Insurance available in retirement

Disability insurance

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Basic Long Term Disability

- Available only to active employees enrolled in the State Health Plan
- Ends at retirement
- Cannot be converted to individual policy

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Supplemental Long Term Disability

- Available only to active employees
- Ends at retirement

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Insurance available in retirement

MoneyPlus

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MoneyPlus

- Not available in retirement
- Retirees not eligible for Medicare may continue HSA contributions, but not through MoneyPlus

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Preretirement Education

Recap

- Health, dental and vision
- Optional Life (continue or convert)
- \$3,000 Basic Life (convert)
- Dependent Life (convert)

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MyBenefits

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MyBenefits

- Available 24/7 to all subscribers with Internet access
- Review benefits statement
- Change contact information
- Make changes during October enrollment periods

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MyBenefits

- To use MyBenefits you will need your:
 - Benefits Identification Number (BIN)
 - Social Security number (SSN)
 - date of birth (DOB)



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Your benefits office in retirement

- State agency, school district and higher education retirees:
 - PEBA will become your benefits administrator, and premiums may be deducted from your retirement check
- Local subdivision retirees:
 - Your former employer will remain your benefits administrator, and premiums will be paid to your former employer



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Reminders

- You are responsible for your benefits.
- Enrollment is not automatic.
- Enroll within 31 days of retirement, when TERI ends, or approved for disability.



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Contact Information



- By phone:
 - 803.737.6800
 - 888.260.9430 (toll free)
- Online:
 - www.eip.sc.gov
- In person:
 - 202 Arbor Lake Drive, Columbia, SC 29223

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Disclaimer



This presentation does not constitute a comprehensive or binding representation regarding the employee benefits offered by the South Carolina Public Employee Benefit Authority (PEBA). The terms and conditions of the retirement and insurance benefit plans offered by PEBA are set out in the applicable statutes and plan documents and are subject to change. Please contact PEBA for the most current information. The language used in this presentation does not create any contractual rights or entitlements for any person.

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