

south carolina  
**peba**  
state health plan | retirement systems

Serving those who serve South Carolina

## 2017 Preretirement Insurance Education

South Carolina Public  
Employee Benefit Authority

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### Important information



This overview is not meant to serve as a comprehensive description of the benefits offered by the South Carolina Public Employee Benefit Authority.

For detailed information, refer to the *Insurance Benefits Guide*, available at [www.peba.sc.gov](http://www.peba.sc.gov).

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### TERI participants and working retirees

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## Retirement Systems legislation



- In accordance with laws, effective January 2, 2013, a retired member who has been retired for at least 30 consecutive calendar days may be rehired and return to employment covered by the system
- Exceptions include
  - Participation in the Teacher and Employee Retention Incentive (TERI) program
    - 30 days on TERI is required
  - Elected officials
- Retirement benefits are suspended for retired members in violation of the 30 day break in service requirement

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## TERI participants



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

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## Working retirees



- 30 day break in service required if returning to work for a PEBA covered employer
  - 30 days on TERI satisfies this requirement
- If eligible for Medicare, enroll in active group coverage
- If not eligible for Medicare, may elect to remain on retiree coverage
  - Complete the Active Group Benefits Refusal form

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## Eligibility for employees

Hired before May 2, 2008

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## All participants

- 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 <sup>1</sup> service credit	Employer pays <sup>2</sup>	Retiree pays <sup>2</sup>
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)

<sup>1</sup>Last 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 credit for unused sick leave at retirement 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.

<sup>2</sup>Local subdivisions determine the division of their premiums.

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## 55/25 year rule SCRS participants



Retirement eligibility	PEBA insurance-earned <sup>1</sup> service credit	Until age 60 or until employee would have had 28 years retiree pays <sup>2</sup>	At age 60 or when employee would have had 28 years retiree pays <sup>2</sup>
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)

<sup>1</sup>Last 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 credit for unused sick leave at retirement 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.  
<sup>2</sup>Local subdivisions determine the division of their premiums.

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## All participants



- Left employment before eligible to retire
- Have at least 20 years of earned service<sup>1</sup> credit established with an employer participating in the state insurance program
- May enroll in funded retiree coverage at age 60 (SCRS) or age 55 (PORS)

<sup>1</sup>Last 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 credit for unused sick leave at retirement 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 <sup>1</sup> service credit	Employer pays <sup>2</sup>	Retiree pays <sup>2</sup>
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)

<sup>1</sup>Last 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 credit for unused sick leave at retirement and service with employers that do not participate in the state insurance program, do not count toward earned service.  
<sup>2</sup>Local subdivisions determine the division of 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



- 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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## All participants



Retirement eligibility	PEBA insurance-earned <sup>1</sup> service credit	Employer pays <sup>2</sup>	Retiree pays <sup>2</sup>
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)

<sup>1</sup>Last 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 credit for unused sick leave at retirement and service with employers that do not participate in the state insurance program, do not count toward earned service.  
<sup>2</sup>Local subdivisions determine the division of their premiums.

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## 55/25 year rule SCRS participants



PEBA insurance-earned <sup>1</sup> Service Credit	Until age 60 or until employee would have 28 years - retiree pays <sup>2</sup>	At age 60 or when employee would have 28 years - retiree pays
25 years	100% employer share 100% retiree share (non-funded)	100% retiree share (funded)
15 but fewer than 25 years	100% employer share 100% retiree share (non-funded)	50% employer share PLUS 100% retiree share (partially funded)
5 but fewer than 15 years	100% employer share 100% retiree share (non-funded)	100% employer share 100% retiree share (non-funded)

<sup>1</sup>Last 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 credit for unused sick leave at retirement and service with employers that do not participate in the state insurance program, do not count toward earned service. State ORP Participants not eligible to participate in the 55/25 rule.  
<sup>2</sup>Local subdivisions determine the division of their premiums.

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## All participants



- 20-year rule
  - Left employment before eligible to retire
  - Have at least 20 years of earned<sup>1</sup> service credit established with employer participating in the state insurance program
  - May enroll in retiree coverage at age 60 (SCRS) or age 55 (PORS)

<sup>1</sup>Last 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 credit for unused sick leave at retirement and service with employers that do not participate in the state insurance program, do not count toward earned service.

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## 20-year rule



PEBA insurance-earned <sup>1</sup> service credit	When eligible to retire Retiree pays <sup>2</sup>
20 but fewer than 25 years	50% employer share PLUS 100% retiree share (partially funded)
25 years	100% retiree share (funded)

<sup>1</sup>Last 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 credit for unused sick leave at retirement and service with employers that do not participate in the state insurance program, do not count toward earned service.

<sup>2</sup>Local subdivisions determine the division of 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 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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## All participants

Retirement eligibility	PEBA insurance-earned <sup>1</sup> service credit	Employer pays <sup>2</sup>	Retiree pays <sup>2</sup>
Rule of 90 for SCRS 28 years established service for ORP (27 for PORS) OR age 60+ (55 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)

<sup>1</sup>Last 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 credit for unused sick leave at retirement and service with employers that do not participate in the state insurance program, do not count toward earned service.  
<sup>2</sup>Local subdivisions determine the division of their premiums.

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## 20-year rule

PEBA insurance-earned <sup>1</sup> service credit	When eligible to retire Retiree pays <sup>2</sup>
20 but fewer than 25 years	50% employer share PLUS 100% retiree share (partially funded)
25 years	100% retiree share (funded)

<sup>1</sup>Last 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 credit for unused sick leave at retirement and service with employers that do not participate in the state insurance program, do not count toward earned service.  
<sup>2</sup>Local subdivisions determine the division of their premiums.

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Retiree enrollment and eligible dependents

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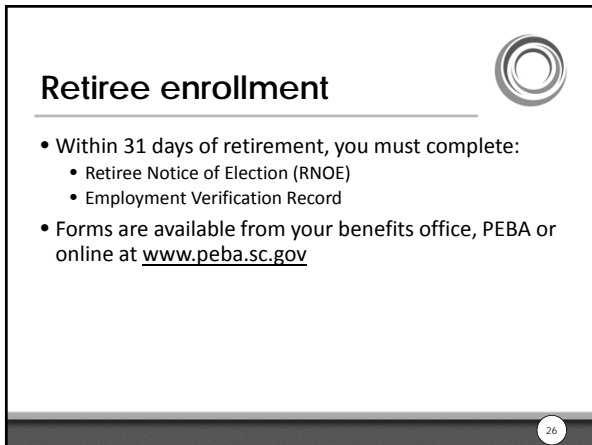
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**Retiree enrollment**

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

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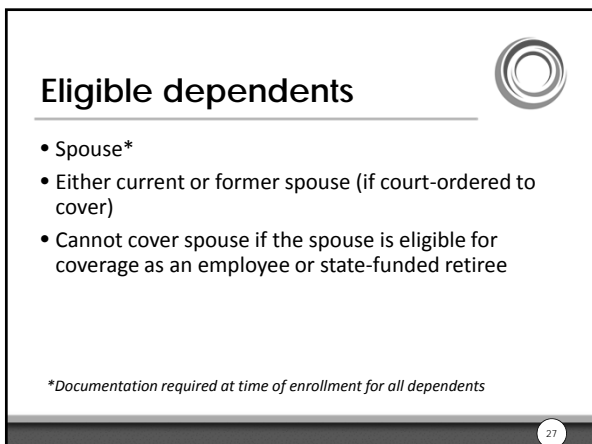
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**Eligible dependents**

- 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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## Survivors

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## Coverage

- Surviving spouse or child may be eligible for survivor coverage as long as he:
  - was covered as dependent at time of subscriber's death;
  - remains an eligible dependent; and
  - pays the premium

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**Premiums\***

- Survivors of active employees, partially funded, and state-funded retirees:
  - State Health Plan premiums waived for one year
  - Then survivor pays full premium
- Survivors of non-funded retirees pay full cost of premiums

\*Local subdivisions determine the division of their own premiums


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**Annual October open enrollment**




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**October enrollment**

- 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 Plan and/or Dental Plus
  - Add or drop dependents from State Dental Plan 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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## Health plans

For retired members

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## Health plan options

- Standard Plan
- Savings Plan<sup>1</sup>
- GEA TRICARE Supplement<sup>1</sup>
- Medicare Supplemental Plan<sup>2</sup>

<sup>1</sup>If 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  
<sup>2</sup>Only 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 the retiree three months before 65 birthday
- PEBA will automatically change Standard Plan and Savings Plan subscribers to Medicare Supplemental Plan

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### Turning 65 in retirement

- If enrolled in Standard Plan, may keep Standard Plan
- If 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 65 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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## 2017 Medicare benefits Parts A and B



Hospital benefits (A)	Medical benefits (B)
<ul style="list-style-type: none"> <li>• \$1,316 deductible per benefit period</li> <li>• No monthly premium if enough work credits established</li> </ul>	<ul style="list-style-type: none"> <li>• \$183 annual deductible</li> <li>• \$134 (average monthly premium for those who enroll in Part B in 2017 as determined by Medicare)</li> <li>• Plan pays 80 percent of approved charges</li> </ul>

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"> <li>• Pays Medicare Part A deductible (\$1,316)</li> <li>• Pays Medicare Part B deductible (\$183)</li> <li>• Pays Medicare coinsurance, up to 100 percent of Medicare-approved charges</li> <li>• Includes prescription drug benefit</li> <li>• Offers no coverage outside the U.S.</li> <li>• Claims for non-Medicare subscribers are processed under the Standard Plan</li> </ul>	<p><b>Example:</b></p> <table border="0"> <tr> <td>\$ 7,500</td> <td>Hospital bill</td> </tr> <tr> <td>-1,316</td> <td>Medicare Part A deductible</td> </tr> <tr> <td>\$ 6,184</td> <td>Medicare pays</td> </tr> <tr> <td>1,316</td> <td>Balance bill for subscriber</td> </tr> <tr> <td>1,316</td> <td>Medicare Supplemental Plan pays Part A deductible</td> </tr> <tr> <td>\$ 0</td> <td><b>Retiree pays nothing</b></td> </tr> </table>	\$ 7,500	Hospital bill	-1,316	Medicare Part A deductible	\$ 6,184	Medicare pays	1,316	Balance bill for subscriber	1,316	Medicare Supplemental Plan pays Part A deductible	\$ 0	<b>Retiree pays nothing</b>
\$ 7,500	Hospital bill												
-1,316	Medicare Part A deductible												
\$ 6,184	Medicare pays												
1,316	Balance bill for subscriber												
1,316	Medicare Supplemental Plan pays Part A deductible												
\$ 0	<b>Retiree pays nothing</b>												

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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	- 1,316 Medicare deductible	
\$ 7,055 SHP liability	\$ 6,184 Medicare Pays	- 6,184 Medicare pays
x 80% SHP coinsurance		0 SHP pays
\$ 5,644 SHP without Medicare	<i>SHP pays nothing because Medicare paid more than SHP would have paid in the absence of Medicare</i>	\$ 1,316 Retiree pays

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## Medicare Part D drug program



- Most subscribers covered by PEBA should remain enrolled in Express Scripts Medicare, the SHP's Medicare Part D drug program
- Subscribers may only have one Part D plan, therefore members will 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 Inc., the SHP pharmacy benefits manager

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## SHP prescription drug benefits



### Medicare Supplemental and Standard plans

Participating pharmacy	Mail-order pharmacy
31-day supply:	90-day supply:
• \$ 9 Tier 1-generic	• \$ 22 Tier 1-generic
• \$ 38 Tier 2-brand	• \$ 95 Tier 2-brand
• \$ 63 Tier 3-non-preferred 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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**Dental**  
For retired members

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**State Dental Plan 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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**State Vision Plan**  
For retired members

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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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**Life insurance**  
For retired members

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**\$3,000 basic life insurance**

- Must have been enrolled in a health plan offered through PEBA or at time of retirement
- Can convert within 31 days of retirement date
  - Retiree should contact Securian for conversion brochure at 866.486.5298
  - 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
  - Retiree should contact Securian at 866.486.5298 for conversion and continuation brochure
- Premiums quoted and billed by Securian



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## Dependent life insurance

- Can convert within 31 days of retirement
  - Submit *PEBA Coverage Verification of Notice of Group Life Insurance*
- Premiums are based on dependent's age and paid directly to Securian



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## Disability insurance

For retired members

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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 (SLTD)

- Available only to active employees
- Ends at retirement

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### MoneyPlus

For retired members

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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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## 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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## Benefits review

For retired members

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## Benefit options

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



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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
- Complete and submit
  - *Retiree Notice of Election*
  - *Employment Verification Record*
- Enroll within 31 days of retirement, when TERI ends, or when approved for disability

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## Contact Information



- By phone:
  - 803.737.6800
  - 888.260.9430 (toll free)
- Online:
  - [www.peba.sc.gov](http://www.peba.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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