

peba academy  south carolina
state health plan | retirement systems

Retirement, Disability and Death

2019

Important information

This presentation contains an abbreviated description of insurance benefits provided by or through PEBA. The plan of benefits documents and benefits contracts contain complete descriptions of the health and dental plans and all other insurance benefits. Their terms and conditions govern all health benefits offered by or through PEBA.

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Important information

- This overview is not meant to serve as a comprehensive description of the insurance benefits offered by PEBA.
- More information can be found in the following:
 - *Benefits Administrator Manual*; and
 - *Insurance Benefits Guide*.

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Retirement

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Retiree insurance eligibility 

- Eligibility for retiree group insurance is not the same as eligibility for retirement.
- Determining retiree insurance eligibility is complicated and only PEBA can make that determination.
- It is very important that employees contact PEBA before making final arrangements for retirement.
- Retiree Insurance Eligibility, Funding flyers.

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Retiree insurance eligibility 

- 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; and
 - With an employer participating in the state insurance program.

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Earned service



- Earned service credit is:
 - Time earned and established in one of the defined benefit pension plans PEBA administers;
 - Time worked while participating in the State Optional Retirement Program (State ORP); or
 - Time worked for an employer that participates in the State Health Plan, but not in a PEBA-administered retirement plan.

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Retiree insurance funding



- Retirees of state agencies, state institutions of higher education, public school districts, or other employers that participate in the S.C. Retirement Health Insurance Trust Fund may be eligible to receive state-funding toward their premiums if they meet certain requirements.
 - Contact PEBA for more information.
- Changing jobs could affect an employee's eligibility for funding.

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Charter schools



- If the charter school does not participate in a PEBA-administered retirement plan and the employee meets the eligibility requirements for retiree group insurance, employer funding, if any, is at the discretion of the charter school.

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State ORP participants



- For State ORP participants and members whose employer does not participate in a PEBA-administered retirement plan, eligibility is determined as if the participant were a member of the South Carolina Retirement System.

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Retiree insurance

Health plans



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Health plan options – not Medicare eligible



- State Health Plan Standard Plan.
- State Health Plan Savings Plan.
 - No pretax contributions to a Health Savings Account (HSA).
- TRICARE Supplement Plan.
 - For eligible members of the military community.

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Health plan options – Medicare eligible



- State Health Plan Standard Plan.
- Medicare Supplemental Plan.
- Retirees may change health plans within 31 days of Medicare eligibility.
- See the *Insurance Coverage for the Medicare-eligible Member* for detailed information.

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Turning 65 in retirement



- If enrolled in State Health Plan Standard or Savings Plan as a retiree before becoming Medicare-eligible, PEBA will:
 - Notify retirees three months before 65th birthday; and
 - Automatically enroll retirees in Medicare Supplemental Plan.
- Medicare becomes primary in retirement.
- Retirees should enroll in Medicare Part A and Part B.

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Turning 65 in retirement



- If enrolled in Standard Plan, may keep Standard Plan or change to the Medicare Supplemental Plan.
- If enrolled in Savings Plan, may change to Medicare Supplemental Plan or Standard Plan.
- If enrolled in TRICARE Supplement Plan, may cancel health coverage or drop the Medicare eligible dependents when they gain TRICARE for Life.

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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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2019 Medicare benefits Parts A and B



Hospital benefits (A)	Medical benefits (B)
<ul style="list-style-type: none"> • \$1,364 deductible per benefit period • No monthly premium if enough work credits established 	<ul style="list-style-type: none"> • \$185 annual deductible • \$135.50 (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 (\$1,364) • Pays Medicare Part B deductible (\$185) • 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 border="0"> <tr> <td>\$ 7,500</td> <td>Hospital bill</td> </tr> <tr> <td>-1,364</td> <td>Medicare Part A deductible</td> </tr> <tr> <td>\$ 6,136</td> <td>Medicare pays</td> </tr> <tr> <td>1,364</td> <td>Remaining balance for subscriber</td> </tr> <tr> <td>1,364</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	-1,364	Medicare Part A deductible	\$ 6,136	Medicare pays	1,364	Remaining balance for subscriber	1,364	Medicare Supplemental Plan pays Part A deductible	\$ 0	Retiree pays nothing
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1,364	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	\$ 5,608: SHP without Medicare
- 490: SHP deductible	- 1,364: Medicare deductible	
\$ 7,010: SHP liability	\$ 6,136: Medicare Pays	- 6,136: Medicare pays
x 80%: SHP coinsurance		0: SHP pays
\$ 5,608: SHP without Medicare	<i>SHP pays nothing because Medicare paid more than SHP would have paid in the absence of Medicare</i>	\$ 1,364: Retiree pays

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Medicare Part D drug program



- Most subscribers covered by PEBA should remain enrolled in Express Scripts Medicare, the State Health Plan'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](#)
 - Contact Express Scripts at 855.612.3128
 - Visit www.Express-Scripts.com

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State Health Plan prescription drug benefits



- Participating pharmacy:
 - 31-day supply:
 - \$ 9 Tier 1-generic
 - \$ 42 Tier 2-brand
 - \$ 70 Tier 3-non-preferred brand
- Mail-order pharmacy
 - 90-day supply:
 - \$ 22 Tier 1-generic
 - \$ 105 Tier 2-brand
 - \$ 175 Tier 3-non-preferred brand

Copayment maximum \$3,000 per person, then plan pays 100 percent until end of calendar year.

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Returning to work



- If hired in a benefits-eligible position, retiree should enroll in PEBA active insurance coverage.¹
 - Cannot be enrolled in PEBA retiree insurance.
 - May refuse all PEBA health insurance coverage and keep Medicare only.

¹Federal law prohibits financial incentives for Medicare-eligible retirees to keep Medicare primary when eligible for active coverage.

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Retiree insurance

Other available benefits

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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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Vision



- Vision Care Discount Program offers discounted vision care services.
 - No premiums to pay or claims to file.
- State Vision Plan is an optional program.
 - Enroll within 31 days of retirement or special eligibility situation or yearly during open enrollment.

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Basic life insurance



- Ends at retirement.
- Can convert within 31 days of retirement.
 - Must have been enrolled in a health plan at time of retirement.
- MetLife will mail a conversion packet to retiree.
- Premiums quoted and billed by MetLife.
 - Contracted with MassMutual for converting coverage.

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Optional life insurance



- Can convert within 31 days of retirement.
- Can continue within 31 days of retirement.
 - Continue coverage in \$10,000 increments.
- MetLife will mail a conversion/continuation packet to retiree.
- Premiums quoted and billed by MetLife.
 - Contracted with MassMutual for converting coverage.

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Dependent life insurance



- Ends at retirement.
- Can convert within 31 days of retirement.
- MetLife will mail a conversion packet to retiree.
- Premiums quoted and billed by MetLife.
 - Contracted with MassMutual for converting coverage.

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Retiree insurance enrollment



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Enrollment



- Insurance does not automatically continue at retirement.
- 90 days before a planned retirement date, members should complete and submit to PEBA:
 - *Retiree Notice of Election*; and
 - *Employment Verification Record*.
- Retiree insurance packet available online at www.peba.sc.gov/assets/retireepacket.pdf.

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Premiums and billing



Retirees of:	Health, dental and vision premiums:
State agencies, school districts and higher education institutions	Deducted from PEBA monthly annuity payments ¹ or through bank draft
Optional employers	Paid to optional employers

¹If total premiums are more than amount of check, PEBA will bill the retiree for the full amount.

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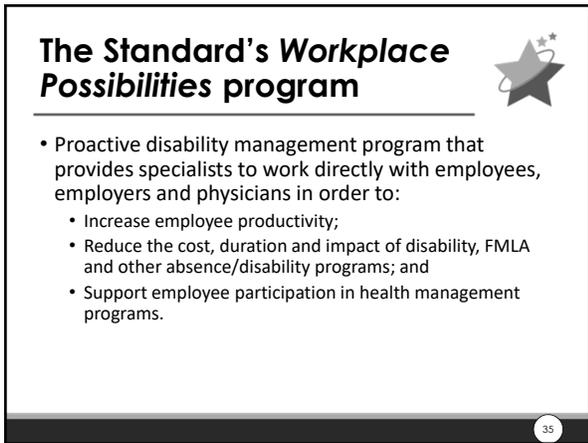
Premiums and billing

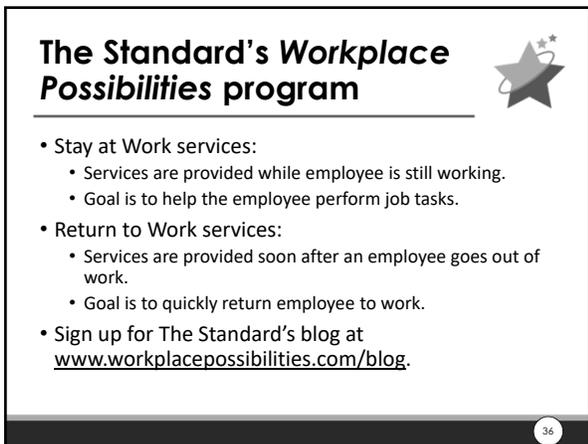


- Depending on when retirement paperwork is finalized, more than one month's premium may be deducted from first annuity payment.
- If premiums are due before retirement paperwork is finalized, PEBA sends a bill until the annuity payment is processed.
- Premiums are due by the 10th of each month.
- PEBA will cancel coverage if payment not received.

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Terminology



- Own occupation is a person who is unable to perform his own occupation as it is performed in the national economy.
- Any occupation is a person who is unable to perform any occupation.
- See plan certificates for more information: www.standard.com/mybenefits/southcarolina.

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Disability



- File before employee leaves covered employment.
- Submit Application for Disability Retirement to PEBA, if applicable.
 - SCRS members must be approved for disability benefits from the Social Security Administration.
- Submit LTD Benefits Claim Form packet to The Standard.

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BLTD and SLTD application process



- Complete the LTD Benefits Claim Form packet.
 - Employee, benefits administrator and physician must complete their portions and return to The Standard.
- If approved, The Standard will notify employee, benefits administrator and PEBA.
- PEBA will process the SLTD premium waiver.
- See the Disability subscribers chapter in the Benefits Administrator Manual for details.

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Life insurance



- Accelerated benefits option available to active employees and their covered dependents.
 - Terminally ill with life expectancy of no more than 12 months.
 - Employee may request up to 80 percent of his life insurance prior to death.
 - Remaining balance paid to beneficiary upon death.
- Complete MetLife's *Accelerated Benefit Claim* form.

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Workers' compensation



- Employee responsible for paying his share of insurance premiums.
- Employee should continue contributing to state retirement systems to establish service credit toward retiree insurance eligibility.

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If approved for disability retirement



- Submit Active Termination Form to PEBA or terminate coverage in EBS.
- Send employee COBRA notification, available at www.peba.sc.gov/iforms.html.
- Provide employee with retiree insurance forms.

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Terminating employment



- Submit Active Termination Form to PEBA or terminate coverage in EBS.
- Send employee COBRA notification, available at www.peba.sc.gov/iforms.html.
- MetLife will mail a conversion packet to employee.

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Disability reminders



- Submit Application for Disability Retirement to PEBA within 90 days of employment ending.
- Submit application for disability benefits to The Standard within 90 days after the end of the benefit waiting period.

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Death



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How to administer death benefits



- Complete *Active Termination Form*.
 - Termination date is day after death for all coverage, except Optional Life.
 - Optional Life should be terminated day of death.
- To continue coverage, a *Survivor Notice of Election* form must be completed within 31 days of date of death.

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Life insurance



- Complete and submit MetLife's *Life Claim* form or call MetLife at 800.638.6420.
- MetLife will contact the beneficiary.
- See the *Life Insurance* chapter of the *Insurance Benefits Guide* for more information.

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Life insurance



- MetLife will pay Accidental Death and Dismemberment benefits.
 - Benefit amount based on percentage of the amount of life insurance coverage elected.
 - Percentage determined by type of loss.
- Dependent Life coverage ends on the subscriber's day of death.

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Supplemental long term disability (SLTD)



- If member dies while SLTD benefits are payable, The Standard will pay a lump-sum benefit to eligible survivor.
- Benefit equal to three months of SLTD benefit, not reduced by deductible income.
 - Not available if benefits and claim have reached maximum.
 - Not available if approved for or receiving lifetime security benefit.

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Additional services



- MetLife offers to all members:
 - Funeral assistance, planning and discount services.
 - Beneficiary claim assistance.
 - Estate resolution services.
- MetLife offers to employees with Basic life insurance:
 - Grief counseling.
- MetLife offers to employees with Optional life insurance:
 - Will preparation service.

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Survivors

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Eligible survivor



- 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.
- For information regarding eligibility and funding for survivors of employees killed in the line of duty, view General Information chapter in the *Insurance Benefits Guide* and contact PEBA.

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Survivor coverage



- Coverage ends when:
 - Surviving spouse remarries or fails to pay premium.
 - Surviving child is no longer eligible as a dependent or fails to pay premium.

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Enrollment



- PEBA enrolls survivors of active employees and retirees of:
 - State agencies;
 - Higher education institutions; and
 - Public school districts.
- Optional employers enroll survivors of their active employees and retirees.

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Premiums



- Survivors of active employees, partially funded and state-funded retirees:
 - State Health Plan premiums waived for one year.
 - After the waiver, survivor pays the full premium.
- Survivors of non-funded retirees pay full cost of premiums from date of retiree's death.
- Survivors pay full cost of dental and vision premiums from date of retiree's death.
- Retirees of optional employers should contact employer.

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Important reminders

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Retirement, disability and death summary



- Only PEBA can determine retiree insurance eligibility.
- Insurance benefit options in retirement.
- Retiree insurance enrollment.
- Disability.
- Death.
- Survivors.

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Get social with PEBA

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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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