


Retirement, Disability and Death

2018


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.
- For more information, refer to the following publications:
 - Benefits Administrator Manual; and
 - Insurance Benefits Guide.

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Effective January 1, 2018 


- To streamline operations between insurance and retirement, the time for members to make changes during a special eligibility situation will change from 31 days to 30 days
- MetLife is the new life insurance vendor

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Retirement

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Retirement 

- Service, age and disability are the basis for retiree insurance eligibility.
- PEBA determines whether a member is eligible for retiree insurance benefits, considering the eligibility requirements.

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Eligibility for employees

Hired prior to 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; and
 - 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 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.
²Local subdivisions determine the division of 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 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.
²Local subdivisions determine the division of their premiums.

All participants



- 20-year rule:
 - Left employment before eligible to retire.
 - Have at least 20 years of earned¹ service credit established with employer participating in the state insurance program.
 - May enroll in retiree coverage at age 60 (SCRS) or age 55 (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 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.

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 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.
²Local subdivisions determine the division of their premiums.

Municipal and county council members



- Must have served on council for at least 12 years.
- Must be eligible to participate in one of the retirement systems administered by PEBA.
- Eligible only if employer allows insurance coverage for this class of former employees.
- Eligible only for non-funded retiree insurance 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; and
 - 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 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.
²Local subdivisions determine the division of their premiums.

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55/25 year rule SCRS participants



PEBA insurance-earned ¹ Service Credit	Until age 60 or until employee would have 28 years - retiree pays ²	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)

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 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 are not eligible to participate in the 55/25 rule.
²Local 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 earned¹ service credit established with employer participating in the state insurance program.
 - May enroll in retiree coverage at age 60 (SCRS) or age 55 (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 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.

20-year rule



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

²Local subdivisions determine the division of their premiums.

Eligibility for employees

Hired on or after July 1, 2012

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



- 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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All participants



Retirement eligibility	PEBA insurance-earned ¹ service credit	Employer pays ²	Retiree pays ²
Rule of 90 for SCRS and State ORP (27 years established service 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)

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 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.
²Local subdivisions determine the division of their premiums.

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Insurance benefits in retirement

Health plans

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Health plan options




Non-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
- Medicare becomes primary in retirement
- See the *Insurance Coverage for the Medicare-eligible Member* for detailed information

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Turning 65 in retirement 


- If enrolled in SHP Standard or Savings Plan as a retiree before becoming Medicare-eligible, PEBA will:
 - Notify retirees three months before 65 birthday; and
 - Automatically enroll retirees in Medicare Supplemental Plan.
- Retirees should enroll in Medicare Part A and Part B.
- Retirees may change health plans within 31 days of Medicare eligibility.

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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 30 days of Medicare eligibility.



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2018 Medicare benefits Parts A and B

Hospital benefits (A)	Medical benefits (B)
<ul style="list-style-type: none"> • \$1,340 deductible per benefit period • No monthly premium if enough work credits established 	<ul style="list-style-type: none"> • \$183 annual deductible • \$134 (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 (\$1,340) • Pays Medicare Part B deductible (\$183) • 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>-1,340</td> <td>Medicare Part A deductible</td> </tr> <tr> <td>\$ 6,160</td> <td>Medicare pays</td> </tr> <tr> <td>1,340</td> <td>Remaining balance for subscriber</td> </tr> <tr> <td>1,340</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	-1,340	Medicare Part A deductible	\$ 6,160	Medicare pays	1,340	Remaining balance for subscriber	1,340	Medicare Supplemental Plan pays Part A deductible	\$ 0	Retiree pays nothing
\$ 7,500	Hospital bill												
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\$ 6,160	Medicare pays												
1,340	Remaining balance for subscriber												
1,340	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	- 1,340 Medicare deductible	
\$ 7,055 SHP liability	\$ 6,160 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>	\$ 1,340 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](#)
 - Contact Express Scripts at 855.612.3128
 - Visit www.Express-Scripts.com

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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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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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Insurance benefits in retirement
Other benefits

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State Dental Plan and Dental Plus 

- Enroll within 30 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 30 days of a special eligibility situation.

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State Vision Plan


- Enroll within 30 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 30 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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Long term disability

- Basic long term disability ends at retirement.
- Supplemental long term disability ends at retirement.
- Neither can be continued or converted.

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MoneyPlus

- MoneyPlus features are not available in retirement.
- Retirees may continue Medical Spending Account on after-tax basis through COBRA.
- Retirees not eligible for Medicare may continue Health Savings Account contributions, but not through MoneyPlus.

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Retiree insurance enrollment

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Retiree insurance 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 Packet* available online at www.peba.sc.gov/assets/retireepacket.pdf.

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Retiree insurance 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
Local subdivisions	Paid to local subdivisions

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

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Retiree insurance 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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Disability

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The Standard's *Workplace Possibilities* program



- Proactive disability management program that provides specialists to work directly with employees, employers and physicians in order to:
 - Increase employee productivity;
 - Reduce the cost, duration and impact of disability, FMLA and other absence/disability programs; and
 - Support employee participation in health management programs.

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The Standard's *Workplace Possibilities* program



- Stay at Work services
 - Services are provided while employee is still working.
 - Goal is to help the employee perform job tasks.
- Return to Work services
 - Services are provided soon after an employee goes out of work.
 - Goal is to quickly return employee to work.
- Sign up for The Standard's blog at www.workplacepossibilities.com/blog.

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The Standard's 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.
- www.standard.com/mybenefits/southcarolina - See plan certificates for more information.

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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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Disability

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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Disability

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 30 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.

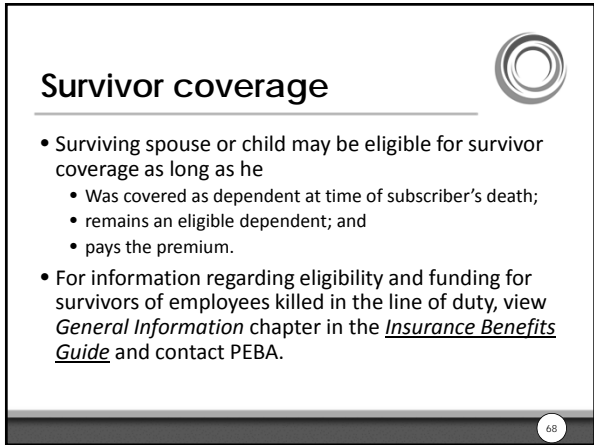
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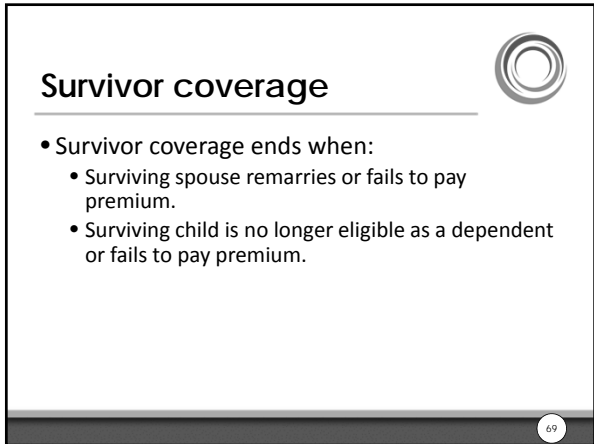
Additional services

- 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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Survivor enrollment



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

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Survivor 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 local subdivisions should contact employer.

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Retirement, disability and death summary



- Retiree insurance eligibility requirements
- Insurance benefit options in retirement
- Retiree insurance enrollment
- Disability
- Death
- Survivors

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 www.scpeba.podbean.com

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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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