



Retiree insurance eligibility, funding

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 you contact PEBA before making final arrangements for retirement.

As an active employee, your employer pays part of the cost of your health and dental insurance. When you retire, several factors determine if you pay all or part of your insurance premiums. These factors include your years of earned service credit, the type of agency from which you retired, and the date you were hired into an insurance-eligible position. The following charts illustrate the funding guidelines for retiree group insurance.

Employees hired into an insurance-eligible position before May 2, 2008

Retirees of state agencies, higher education institutions and public school districts¹

Retirement status	Earned service credit with an employer participating in the State Health Plan ²	Responsibility for paying for premiums
Left employment after reaching retirement eligibility	Five years, but less than 10 years	You pay the full premium (employee and employer share).
	10 or more years	You pay the employee share of the premium only.
Left employment before reaching retirement eligibility	Less than 20 years	Not eligible for retiree insurance coverage.
	20 or more years	You pay the employee share of the premium only at retirement.

Retirees of local subdivisions¹

Retirement status	Earned service credit with an employer participating in the State Health Plan ²	Responsibility for paying for premiums
Left employment after reaching retirement eligibility	At least five years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.
Left employment before reaching retirement eligibility	Less than 20 years	Not eligible for retiree insurance coverage.
	20 or more years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.

Employees hired into an insurance-eligible position on or after May 2, 2008

Retirees of state agencies, higher education institutions and public school districts¹

Retirement status	Earned service credit with an employer participating in the State Health Plan ²	Responsibility for paying for premiums
Left employment after reaching retirement eligibility	Five years, but less than 15 years	You pay the full premium (employee and employer share).
	15 years, but less than 25 years	You pay the employee share of the premium and 50 percent of the employer share of the premium.
	25 or more years	You pay the employee share of the premium only.
Left employment before reaching retirement eligibility	Less than 20 years	Not eligible for retiree insurance coverage.
	20 years, but less than 25 years	You pay the employee share of the premium and 50 percent of the employer share of the premium.
	25 or more years	You pay the employee share of the premium only at retirement.

Retirees of local subdivisions¹

Retirement status	Earned service credit with an employer participating in the State Health Plan ²	Responsibility for paying for premiums
Left employment after reaching retirement eligibility	At least five years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.
Left employment before reaching retirement eligibility	Less than 20 years	Not eligible for retiree insurance coverage.
	At least 20 years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.

¹Your last employer prior to retirement must be a state agency, state institution of higher education, public school district or local subdivision. Your last five years of employment must have been served consecutively in a full-time, permanent position with an employer that participates in the State Health Plan.

²Earned service credit is time earned and established in one of the defined benefit pension plans PEBA administers; time worked while participating in the State ORP; or time worked for an employer that participates in the State Health Plan, but not the retirement plans PEBA administers. Earned service credit does not include any purchased service credit not considered earned service in the retirement plans.