

Retiree Insurance Eligibility: It's Complicated!

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. No one wants to have employees find out at the end of their career that although they are eligible to retire, they are not eligible for retiree insurance.

Look out for red flags

To help prevent this, watch out for the following red flags. These are some of the top reasons that employees are not eligible for retiree insurance. Remember, only PEBA can make this determination.

- The employee has a break in his last five years of service.
- The employee left the system and took a refund of his contributions. When he returned to employment, he never purchased any previous time that he needed to be eligible for retiree insurance.
- An employee retires from employment and is not eligible for retiree insurance. He returns to work. Although he is on active insurance coverage, because he is retired, he is not earning any service credit. He will still be ineligible for retiree insurance when he leaves employment.
- An optional employer, such as a county government or municipality, leaves the State Insurance Benefits Program. All of the optional employer's employees, both active and retired, are no longer eligible for insurance benefits.