



To: Individuals eligible for retirement
From: S.C. Public Employee Benefit Authority
RE: Retiree insurance benefits for employee and their eligible dependents

Before you retire, you need to consider how retirement may affect one of your most important assets, your insurance coverage. Eligibility for retirement is not the same as eligibility for retiree insurance coverage. Determining retiree insurance eligibility is complicated and only PEBA can make that determination. It is very important to contact PEBA before making final arrangements for retirement.

If you retire from a participating employer (state agency, public school district, higher education institution, optional employer or charter school), you may be eligible to:

- Continue or enroll in health insurance with prescription drug coverage. If you or your dependent are eligible for Medicare, you should enroll in the Medicare Supplemental Plan.
- Continue or enroll in dental insurance.
- Continue or enroll in the State Vision Plan.
- Convert your \$3,000 Basic Life insurance policy to an individual policy.
- Continue your Optional Life insurance or convert it to an individual policy.
- Convert any Dependent Life insurance you have to an individual policy.

This packet contains the following information to help you make informed decisions about your insurance when you do retire. You can also check out the Applying for service retirement life event checklist at peba.sc.gov/publications.

- *Retiree Insurance Eligibility, Funding* flyers (one for members who work for a state agency, higher education institution, public school district or charter school that participates in both insurance and retirement, and the other for members who work for optional employers, such as county governments and charter schools that participate in insurance only);
- Information on your prescription drug coverage when you enroll as a retiree; and
- An *Employment Verification Record* form to confirm your eligibility for state retirement insurance benefits.

Applying for coverage

Your insurance does not automatically continue when you retire. Before enrolling in retiree insurance, you will need to confirm eligibility for retiree group insurance. You can confirm your eligibility up to six months prior to your date of retirement by completing an [Employment Verification Record \(EVR\)](#). If you do not submit an EVR, PEBA will automatically determine your eligibility when you apply for retirement from an employer who participates in PEBA-administered retirement benefits.

If PEBA determines that you are eligible for retiree insurance coverage, you must complete and submit the [*Retiree Notice of Election*](#) and any other applicable forms within 31 days of your retirement date. The *Retiree Notice of Election* form is available on PEBA's website at peba.sc.gov/forms. If you worked for a state agency, higher education institution, public school district or charter school that participates in insurance and retirement, submit the completed forms to PEBA. If you worked for an optional employer or charter school that participates in insurance only, submit the completed forms to your employer's benefits office.

At retirement, MetLife will mail you a conversion/continuation packet. The packet will include instructions for your options. Call MetLife at 888.507.3767 if you do not receive their packet.

Please refer to the Retiree group insurance chapter of the *Insurance Benefits Guide* for a detailed description of benefits for retirees. If you are eligible for Medicare, please refer to the *Insurance Coverage for the Medicare-eligible Member* guide. Both of these publications are available on PEBA's website at peba.sc.gov/publications.

Retiree Insurance Eligibility, Funding



For members who work for a state agency, public higher education institution, public school district or charter school that participates in both insurance and retirement

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 to 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 employer from which you retire and the date you were hired into an insurance-eligible position.

When reviewing the charts on Page 2, keep these things in mind:

- For any retiree coverage, your last five years of employment must have been served consecutively in a full-time, insurance-eligible permanent position with an employer that participates in the State Health Plan.
- Changing jobs could affect your eligibility for funding. The information on Page 2 applies only if your last employer prior to retirement is a state agency, public higher education institution, public school district or other employer that participates in the state's Retiree Health Insurance Trust Fund. Contact your employer if you are unsure whether it participates in the Retiree Health Insurance Trust Fund.
- To receive state funding toward your premiums, your last five years of employment must have been in service with a state agency, public higher education institution, public school district or other employer that participates in the state's Retiree Health Insurance Trust Fund. Early retirement from the South Carolina Retirement System under the 55/25 provision will delay your eligibility for funding.
- If the charter school for which you work does not participate in a PEBA-administered retirement plan, and you meet the eligibility requirements for retiree group insurance, employer funding, if any, is at the discretion of your charter school.
- Earned service credit is time earned and established in one of the defined benefit pension plans PEBA administers. Earned service credit does not include any purchased service credit not considered earned service in the retirement plans (e.g., non-qualified service).
- For State ORP participants, eligibility is determined as if the participant were a member of the South Carolina Retirement System. This means one year of employment equals one year of earned service credit.
- For 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. This means one year of employment is equated to one year of earned service credit.



The charts below illustrate eligibility and funding guidelines for retiree group insurance. Please refer to the [Plan of Benefits](#) for more detailed information on these and other eligibility and funding rules.

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

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying premiums
Left employment after reaching service or disability retirement eligibility Learn more about retirement eligibility at peba.sc.gov .	Five years, but less than 10 years	You pay the full premium (employee and employer share).
	10 years or more	You pay only the employee share of the premium.
Left employment before reaching retirement eligibility	Less than 20 years	You are not eligible for retiree insurance coverage.
	20 years or more	You are eligible for coverage upon reaching retirement eligibility. ¹ You pay only the employee share of the premium.

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

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying premiums
Left employment after reaching service or disability retirement eligibility Learn more about retirement eligibility at peba.sc.gov .	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% of the employer share of the premium.
	25 years or more	You pay only the employee share of the premium.
Left employment before reaching retirement eligibility	Less than 20 years	You are not eligible for retiree insurance coverage.
	20 years, but less than 25 years	You are eligible for coverage upon reaching retirement eligibility. ¹ You pay the employee share of the premium and 50% of the employer share of the premium.
	25 years or more	You are eligible for coverage upon reaching retirement eligibility. ¹ You pay only the employee share of the premium.

¹ Retirement eligibility means that you have met the minimum statutory requirements for retirement eligibility established for the plan in which you are a member. 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 (SCRS), including reaching retirement eligibility.

Retiree Insurance Eligibility, Funding



For members who work for participating optional employers, such as county governments and municipalities, and charter schools that participate in insurance only

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 to 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. As a retiree who meets the eligibility requirements for retiree group insurance, your employer determines if you pay all or part of your insurance premiums. Premiums for optional employers can vary. To verify your rates, contact your employer.

When reviewing the chart on Page 2, keep these things in mind:

- Your last five years of employment must have been served consecutively in a full-time, insurance-eligible permanent position with an employer that participates in the State Health Plan.
- Changing jobs could affect your eligibility for funding. The information on Page 2 applies only if your last employer prior to retirement is an optional employer or other employer that does not participate in the state's Retiree Health Insurance Trust Fund. Contact your employer if you are unsure whether it participates in the Retiree Health Insurance Trust Fund.
- Earned service credit is time earned and established in one of the defined benefit pension plans PEBA administers. Earned service credit does not include any purchased service credit not considered earned service in the retirement plans (e.g., non-qualified service).
- If your employer does not participate in a PEBA-administered retirement plan, your eligibility is determined as if you were a member of the South Carolina Retirement System. This means one year of employment is equated to one year of earned service credit.



The chart below illustrates eligibility and funding guidelines for retiree group insurance. Please refer to the [Plan of Benefits](#) for more detailed information on these and other eligibility and funding rules.

Employees hired into an insurance-eligible position

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying premiums
Left employment after reaching service or disability retirement eligibility Learn more about retirement eligibility at peba.sc.gov .	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 20 years or more	You are not eligible for retiree insurance coverage. You are eligible for coverage upon reaching retirement eligibility. ¹ Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.

¹ Retirement eligibility means that you have met the minimum statutory requirements for retirement eligibility established for the plan in which you are a member. 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 (SCRS), including reaching retirement eligibility.

Your prescription drug coverage when you enroll in the State Health Plan as a retiree

1. It is important to send your *Retiree Notice of Election* to PEBA at least 31 days before your retirement date. Once the *Retiree Notice of Election* is processed by PEBA, it may take up to 10 business days to activate your prescription benefits as a retiree.
2. PEBA automatically enrolls Medicare-eligible retirees and their Medicare-eligible dependents in Express Scripts Medicare. This drug program is a Medicare Part D prescription drug program. PEBA does not charge an additional premium for prescription drug coverage.
3. New prescription ID cards will be sent to each Express Scripts Medicare participant. If you (or your dependent) are not eligible for Medicare, you will not receive a new prescription ID card.
4. If you (or your dependent) are eligible for Medicare, you will receive a letter from Express Scripts, the State Health Plan's pharmacy benefits manager, when your prescription drug coverage is activated. If you do not want to remain enrolled in Express Scripts Medicare, you may opt out by calling Express Scripts by the deadline in the letter. Typically, a member has 21 days to opt out. Members who opt out will automatically be enrolled in the non-Medicare prescription drug program offered by PEBA.
5. If you enroll in prescription drug coverage with another Medicare Part D plan (not the State Health Plan), you will lose all prescription drug benefits with the State Health Plan. Your monthly health premiums will remain the same.
6. For most members, Express Scripts Medicare is more advantageous than the non-Medicare drug program offered to active employees.

Advantages of Express Scripts Medicare

Express Scripts Medicare offers additional benefits to members. Some of the additional benefits are:

- **Lower drug costs:** The formulary, the list of drugs covered, and the tier ratings for the non-Medicare plan are determined by Express Scripts; while the formulary and tier ratings for the Medicare Part D plan are determined by the Centers for Medicare and Medicaid Services (CMS). In some cases, CMS tier ratings for some drugs may be lower.
- **Prorated copayments:** Copayments for the non-Medicare plan are based on a 30-day supply of the drug. Copayments for Express Scripts Medicare are prorated based on the number of days the prescription will cover. For example, if a member is prescribed a Tier 2 medication and the doctor writes the prescription for 10 tablets to be taken for 10 days, the copayment is reduced to reflect a 10-day supply (\$15.33) instead of a 30-day supply (\$46).
- **Larger formulary:** Members enrolled in the Medicare Part D plan have access to all drugs available on the non-Medicare plan plus any additional drugs covered by CMS. Members are not losing access to any drugs by enrolling in the Medicare Part D plan.
- **Dispense as Written protection:** If a generic equivalent is available, but the member's physician wants the member to take the brand name, the member enrolled in Express Scripts Medicare is not required to pay the difference in most cases as they would if they were enrolled in the non-Medicare prescription drug plan. The member will pay the brand copayment, either preferred brand (Tier 2) or non-preferred brand (Tier 3). For example, Diovan HCT has a generic equivalent. A member who is not enrolled in Express Scripts Medicare would pay the difference, and the drug would cost the member more.
- **Low-income subsidies:** Some people with limited resources and income may be able to get extra help to pay for the costs—monthly premiums, annual deductibles and prescription copayments—related to a Medicare prescription drug plan. The member's resources must be limited to \$15,720 for an individual or \$31,360 for a married couple living together. If you would like to find out if you are eligible for extra help, contact the Social Security Administration.
- **TRICARE members:** Prescription benefits offered through TRICARE and TRICARE for Life do not coordinate with Medicare Part D plans. Express Scripts Medicare is a Part D plan. Learn more about your options in the *Insurance Coverage for the Medicare-eligible Member* handbook.



Employment Verification Record

If you are within six months of your anticipated retirement date, please complete this form as thoroughly as possible. The information will be used to assist us in determining your insurance eligibility at retirement. Please sign and date this form before returning it to PEBA.

1. BIN or last four digits of SSN	2. Last name	3. First name	
4. Current address (Street, City, State, ZIP)		Use this address for: <input type="checkbox"/> Both insurance and retirement <input type="checkbox"/> Insurance only <input type="checkbox"/> Retirement only	
5. Date of birth	6. Telephone number	7. Email address	
8. Actual or anticipated date of retirement		9. Have you applied, or do you intend to apply, for disability retirement? <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. System enrolled (check all that apply) <input type="checkbox"/> SCRS <input type="checkbox"/> PORS <input type="checkbox"/> JSRS <input type="checkbox"/> GARS <input type="checkbox"/> State ORP <input type="checkbox"/> None <input type="checkbox"/> Other retirement plan			
11. Name of current employer	Dates of employment (example March 2001 to January 2009)	Status <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary	Hours per week

Benefits administrator signature: _____ **Date:** _____

Required for State ORP participants and employees on non-PEBA retirement benefit employers

12. List previous employment with employers participating in one of the retirement systems administered by PEBA and/or with an optional employer participating in PEBA's insurance benefits.			
Name of employer	Dates of employment (example March 2001 to January 2009)	Status	Hours per week
		<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary	
		<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary	
		<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary	
		<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary	
		<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary	
13. Have you purchased, or do you intend to purchase, service credit?		<input type="checkbox"/> Yes (list time) <input type="checkbox"/> No	
Please explain any breaks in the last five years.			
Employee signature: _____		Date: _____	

Required if updating your address



Certification Regarding Tobacco or E-cigarette Use

Check the appropriate box, sign and return to S.C. PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Subscriber name: _____

Subscriber BIN/SSN: _____

Non-tobacco or e-cigarette user

- I certify that I am eligible for the non-tobacco-use premium by checking this box and returning this form to PEBA. By checking this box, I certify truth and understanding of the following:
 - I certify that all persons covered on my health insurance coverage through PEBA (including myself and any dependents) are not currently using, and have not used, any tobacco products or electronic cigarettes in any form (cigarettes, cigars, pipe, oral tobacco products, etc.) within the last six months.
 - I certify that if this information changes at any time in the future, while I have health insurance coverage through PEBA, I will notify PEBA of such change within 31 days through completion and resubmission of this form.
 - I certify that this information is true and correct to the best of my knowledge.
 - I understand that if it is determined that I (or any of my covered dependents) have used tobacco products or electronic cigarettes within the last six months or if I (or any of my covered dependents) start using tobacco products or electronic cigarettes subsequent to the date of this certification without notifying PEBA, I will be subject to penalties including, but not limited to, payment of premium difference since last certification plus a 10 percent penalty and elimination of the user's out-of-pocket maximum for current year and subsequent year.
 - I understand that this change in premiums will be prospective (apply only to premiums I pay in the future). I will not be refunded any part of the tobacco-use premium I have already paid.
- I certify that I am eligible for the non-tobacco-use premium by checking this box and returning this form to PEBA. By checking this box, I certify truth and understanding of the following:
 - I certify that all covered individuals who use tobacco or electronic cigarettes have completed the Quit for Life[®] smoking cessation program.
 - I certify that this information is true and correct to the best of my knowledge.
 - I understand that this change in premiums will be prospective (apply only to premiums I pay in the future). I will not be refunded any part of the tobacco-use premium I have already paid.

Tobacco or e-cigarette user

- I acknowledge that I will pay the tobacco-use premium by checking this box. I declare that one or more persons covered on my health insurance coverage through PEBA uses tobacco products or electronic cigarettes in some form or that I choose not to disclose my status as it relates to tobacco or e-cigarette use. I understand that by not making an election I am choosing to pay the tobacco-use premium. Please do not send me this certification again unless upon request.

Subscriber signature: _____

Date: _____

Benefits administrator signature: _____

Date: _____

The language used in this document does not create an employment contract between the employee and the agency. This document does not create any contractual rights or entitlements. The agency reserves the right to revise the content of this document in whole or in part. No promises or assurances, whether written or oral, which are contrary to or inconsistent with the terms of this paragraph create any contract of employment.