

Retiree Insurance Eligibility: It's Complicated!



PEBASM
SC Retirement Systems
and State Health Plan

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 employees to find out at the end of their career that although they are eligible to retire, they are not eligible for retiree insurance.

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

- The employee has a break in their last five years of service, or their last five years were not served consecutively in a full-time, insurance-eligible permanent position.
- The employee left the system and took a refund of their contributions. When they returned to employment, they never purchased the previous time they needed to be eligible for retiree insurance.
- An employee retires from employment and is not eligible for retiree insurance. They return to work. Although they are on active insurance coverage, because they are retired, they are not earning any service credit. They will still be ineligible for retiree insurance when they leave 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.