Be Aware + Prepare

Get Set for Retirement: Insurance 2019

Important information
• This presentation is not a comprehensive description of the insurance benefits offered by PEBA.
• For more information, and before you make enrollment decisions, review the Insurance Benefits Guide.

Topics to cover
• Retiree insurance eligibility.
• Retiree enrollment and eligible dependents.
• Enrollment and coordination of benefits.
• Retiree health plans.
• Prescription coverage.
• Dental coverage.
• State Vision Plan.
• Life insurance.
• Long term disability insurance.
• MoneyPlus.
• Returning to work.
• Using your benefits.
• Resources.
Retiree insurance eligibility

Retiree group insurance

- Eligibility for retirement is not the same as eligibility for retiree insurance.
- Only PEBA can determine eligibility.
- **Before** you retire, contact PEBA to verify your eligibility for retiree insurance.
- Optional employers determine if their retirees pay all or part of the insurance premiums.
- Return-to-work retirees may not remain on retiree coverage. They must elect active coverage if they want PEBA-sponsored health insurance.

Requirements for any retiree coverage

- Your last five years of employment must be served consecutively in a full-time, insurance-eligible permanent position with an employer that participates in the State Health Plan.
- Earned service credit is:
  - Time earned and established in one of the defined benefit pension plans PEBA administers;
  - Time worked while participating in the State Optional Retirement Program; 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.
### For employees hired into an insurance-eligible position before May 2, 2008

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

<table>
<thead>
<tr>
<th>Retirement status</th>
<th>Earned service credit with an employer participating in the State Health Plan</th>
<th>Responsibility for paying for premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Left employment after reaching service or disability retirement eligibility</td>
<td>5 years, but less than 10 years</td>
<td>You pay the full premium (employee and employer share).</td>
</tr>
<tr>
<td></td>
<td>10 or more years</td>
<td>You pay the employee share of the premium only.</td>
</tr>
<tr>
<td>Left employment before reaching retirement eligibility</td>
<td>Less than 20 years</td>
<td>Not eligible for retiree insurance coverage.</td>
</tr>
<tr>
<td></td>
<td>20 or more years</td>
<td>You pay the employee share of the premium only.</td>
</tr>
</tbody>
</table>

¹ The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.

### For employees hired into an insurance-eligible position on or after May 2, 2008

Retirees of state agencies, higher education institutions and public school districts²

<table>
<thead>
<tr>
<th>Retirement status</th>
<th>Earned service credit with an employer participating in the State Health Plan</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Left employment after reaching service or disability retirement eligibility</td>
<td>5 years, but less than 15 years</td>
<td>You pay the full premium (employee and employer share).</td>
</tr>
<tr>
<td></td>
<td>15 years, but less than 25 years</td>
<td>You pay the employee share of the premium and 50% of the employer share of the premium.</td>
</tr>
<tr>
<td></td>
<td>25 or more years</td>
<td>You pay the employee share of the premium only.</td>
</tr>
<tr>
<td>Left employment before reaching retirement eligibility</td>
<td>Less than 20 years</td>
<td>Not eligible for retiree insurance coverage.</td>
</tr>
<tr>
<td></td>
<td>20 years, but less than 25 years</td>
<td>You pay the employee share of the premium and 50% of the employer share of the premium.</td>
</tr>
<tr>
<td></td>
<td>25 or more years</td>
<td>You pay the employee share of the premium only.</td>
</tr>
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² The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.

### For employees hired into an insurance-eligible position with an optional employer¹

<table>
<thead>
<tr>
<th>Retirement status</th>
<th>Earned service credit with an employer participating in the State Health Plan</th>
<th>Responsibility for paying for premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Left employment after reaching service or disability retirement eligibility</td>
<td>At least 5 years</td>
<td>Your portion of the premium, up to the full amount of the employee and employer share, is determined by your employer.</td>
</tr>
<tr>
<td>Left employment before reaching retirement eligibility</td>
<td>Less than 20 years</td>
<td>Not eligible for retiree insurance coverage.</td>
</tr>
<tr>
<td></td>
<td>20 or more years</td>
<td>Your portion of the premium, up to the full amount of the employee and employer share, is determined by your employer.</td>
</tr>
</tbody>
</table>

¹ The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.
55/25 year rule

• If you are a Class Two member of SCRS who retires under the 55/25 early retirement provision, you must pay the full premium (employee and employer share) until:
  • You reach age 60; or
  • The date you would have reached 28 years of service credit had you not retired, whichever occurs first.

Retiree enrollment and eligible dependents

• Submit an Employment Verification Record as early as six months prior to your retirement date.
  • This starts the process PEGA uses to determine your eligibility for retiree insurance and any possible funding.
• If PEGA determines you are eligible for retiree insurance, you must submit the following within 31 days of retirement:
  • Retiree Notice of Election form; and
  • Certification Regarding Tobacco Use, if applicable.
• If you do not submit an Employment Verification Record prior to your retirement, you must do so within 31 days of your retirement.
Eligible spouse

- Retiree cannot cover a spouse if:
  - Spouse is eligible for coverage as an employee; or
  - Spouse is eligible for coverage as a retiree unless spouse is only eligible for non-funded or partially funded insurance, or the spouse retired from an optional employer.

Eligible children

- Natural child.
- Stepchild.
- Adopted child.
- Child placed for adoption.
- Foster child.
- Child for whom employee has legal custody.

Dependent children

- Under age 26.
- Coverage may continue beyond age 26 if the child is approved for incapacitation.
- If employed with participating employer, the child may:
  - Enroll as an active employee; or
  - Enroll as dependent child.
Required documentation

• Forms are available on PEBA’s website (http://www.peba.sc.gov/ifoms.html).
• Copies of supporting documentation must be submitted to enroll a spouse or child.
  • Spouse:
    • Marriage license; or
    • First page of most recent tax return, if filing jointly.
  • Child:
    • Long-form birth certificate.

Eligible survivors

• Dependents covered at time of retiree’s death may continue health, dental and vision coverage.
  • Spouse eligible until he remarries.
  • Children remain eligible until age 26.
  • If all coverage is canceled, cannot re-enroll as survivor.
  • Must pay premiums.

Enrollment and coordination of benefits
Enrollment

- Within 31 days of:
  - Retirement; or
  - Special eligibility situation, such as marriage or adoption.

Annual open enrollment

- October 1-31.
- Make coverage changes for following year (effective January 1).
- Dental changes can only be made during open enrollment in odd-numbered years.
- Log in to MyBenefits at mybenefits.sc.gov to make open enrollment changes.

Health and dental coordination of benefits

- Plan that covers person as employee is primary to plan that covers person as dependent.
- Covered children:
  - Plan of parent whose birthday occurs earlier in year is primary.
- Deductible and coinsurance linked for married PEBA subscribers enrolled in same health plan.
  - Spouse’s Social Security number and date of birth are required even if spouse is not covered as a dependent.
Retiree health plans

Non-Medicare-eligible choices
- State Health Plan, which includes prescription benefits.
  - Standard Plan.
  - Savings Plan.
- TRICARE Supplement Plan.
  - For eligible members of the military community.
  - TRICARE rules apply.
  - Coverage ends at 65.

State Health Plan
- Self-funded insurance plan:
  - Employees’ and employers’ premiums are held in a trust fund from which PEBA pays claims.
  - BlueCross BlueShield of South Carolina processes medical claims.
- Cost of the State Health Plan compares favorably to other plans.
  - Learn more at www.peba.sc.gov/factsfigures.html.
- Health management is key to containing Plan costs and premiums.
State Health Plan provider network

• Worldwide coverage.
• You pay deductible, copayments and coinsurance.
• Network provider files claims and accepts the Plan’s allowed amount even if its charges are higher.
  • If you use an out-of-network provider, you may have to file claims, and can be balance billed. You pay a higher coinsurance, too.
• Use Find a Doctor at StateSC.SouthCarolinaBlues.com to find a network provider near you.

Standard Plan

• Lower annual deductibles and higher monthly premiums.
• Pay copayments for office visits outpatient facilities and emergency care.
• Pay copayments for prescription drugs.
• Coverage of adult well visits for primary members at specified age intervals subject to copayments, deductibles and coinsurance.
• See Health insurance chapter of Insurance Benefits Guide for more details.

Savings Plan

• High-deductible plan with lower monthly premiums.
• No copayments.
• Pay the allowed amount for prescription drugs until you meet your annual deductible. Then, you pay your coinsurance.
• Coverage of adult well visits for primary members every year at no cost.
• Eligible to contribute to a Health Savings Account (HSA).
• See Health insurance chapter of Insurance Benefits Guide for more details.
Medicare-eligible choices

• Standard Plan.
• Medicare Supplemental Plan.
• See Insurance Coverage for the Medicare-eligible Member for detailed information.

2019 Medicare Supplemental Plan benefits¹

• Pays Medicare Part A deductible ($1,364).
• Pays Medicare Part B deductible ($185).
• Pays Medicare coinsurance, up to 100 percent of Medicare-approved charges.
• Offers no coverage outside the U.S.
• Includes prescription drug benefit.
• Claims for non-Medicare subscribers are processed under the Standard Plan.

¹Medicare deductibles are subject to change.

Automatic enrollment in the Medicare Supplemental Plan

• Automatic enrollment at age 65 for those who participate in the State Health Plan.
• PEBA sends you a notification three months before your 65th birthday.
• Can choose to opt out of the Medicare Supplemental Plan.
• Medicare will be primary whether or not you opt out as long as you are not working in an insurance-eligible position on active coverage.
• If you remain on the Standard Plan in retirement, Medicare will still pay first toward your expenses.
Medicare and the TRICARE Supplement Plan

- If enrolled in the TRICARE Supplement Plan, you can cancel or switch health coverage once reaching Medicare eligibility.
- TRICARE becomes TRICARE for Life, a Medicare supplement.

Enrolling in Medicare

- Once eligible, you should enroll in Medicare Parts A and B.
- The Medicare enrollment period begins three months before your 65th birthday.
- If you are receiving Social Security benefits, the Social Security Administration will contact you and enroll you automatically. Otherwise, you must contact Social Security to enroll.

Becoming Medicare-eligible before age 65

- You must notify PEBA and provide a copy of your Medicare card.
- You can change health plans within 31 days of Medicare eligibility.
2019 Medicare benefits

- There is no Medicare or Medicare Supplemental Plan coverage outside the U.S. and U.S. territories.

<table>
<thead>
<tr>
<th>Part A (hospital benefits)</th>
<th>Part B (medical benefits)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,364 deductible per benefit period.</td>
<td>$185 annual deductible.</td>
</tr>
<tr>
<td>No monthly premium if enough work credits established.</td>
<td>$135.50 (average monthly premium as determined by Medicare).</td>
</tr>
<tr>
<td>Plan pays 80 percent of approved charges.</td>
<td></td>
</tr>
</tbody>
</table>

Medicare deductibles are subject to change.

2019 Medicare Supplemental Plan benefits example

If covered by Medicare and Medicare Supplemental Plan, your claim will be processed like this:

- Medicare-approved amount: $7,500
- 2019 Medicare Part A deductible: $1,364
- Medicare payment: $6,136
- Remaining bill: $1,364

Next, the Medicare Supplemental Plan benefits are applied:

- Remaining bill: $1,364
- Medicare Supplemental Plan pays Medicare Part A deductible: $1,364
- Your total payment: $0

Medicare deductibles are subject to change.

Keeping Standard Plan benefits with Medicare

- Uses carve-out method.
- Learn more in the Insurance Coverage for the Medicare-eligible Member handbook.
2019 Health plan premiums

• Premium is determined by your coverage level:
  • Retiree;
  • Retiree/spouse;
  • Retiree/children; and
  • Full family.
• Rates may vary for optional employers. Contact your benefits administrator for your premiums.

Tobacco-use premium

• Applies to State Health Plan subscribers only.
• $40 per month for subscriber-only coverage.
• $60 per month for other levels of coverage.
• Automatically charged unless subscriber:
  • Certifies as non-tobacco user with Certification Regarding Tobacco Use form; or
  • Certifies that all covered tobacco users have completed the tobacco cessation program, Quit For Life®.

Prescription coverage
Medicare Part D drug program

- Most subscribers covered by PEBA should remain enrolled in Express Scripts Medicare, which is the State Health Plan's Medicare Part D drug program.
- Subscribers may only have one Part D plan.
- If you enroll in a separate Part D program, you lose PEBA prescription benefits.
- Learn more in the Insurance Benefits Guide or contact Express Scripts, the pharmacy benefits manager.

Medicare Supplemental Plan and Standard Plan prescription benefits

- You pay up to $3,000 per person in prescription drug copayments. Then, you pay nothing.

<table>
<thead>
<tr>
<th>Tier 1 (generic)</th>
<th>Tier 2 (preferred brand)</th>
<th>Tier 3 (non-preferred brand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-day supply at network pharmacy</td>
<td>30-day supply at network pharmacy</td>
<td>30-day supply at network pharmacy</td>
</tr>
<tr>
<td>$9</td>
<td>$42</td>
<td>$70</td>
</tr>
<tr>
<td>90-day supply at network pharmacy or mail-order pharmacy</td>
<td>90-day supply at network pharmacy or mail-order pharmacy</td>
<td>90-day supply at network pharmacy or mail-order pharmacy</td>
</tr>
<tr>
<td>$22</td>
<td>$105</td>
<td>$175</td>
</tr>
</tbody>
</table>

Dental coverage
State Dental Plan

• Basic dental coverage offers four classes of treatment.
  • Class I: Diagnostic and preventive.
    • 100 percent of allowed amount covered.
  • Class II: Basic.
    • 80 percent of allowed amount covered.
  • Class III: Prosthodontics.
    • 50 percent of allowed amount covered.
  • Class IV: Orthodontics.
    • 50 percent of allowed amount covered.
• $1,000 per person maximum annual benefit for Classes I, II and III.
• $1,000 per person lifetime benefit for Class IV.

Dental Plus

• More coverage with higher allowed amount.
• Deeper discounts and lower out-of-pocket expenses.
• To participate, you must enroll in basic coverage and cover same family members under both plans.
• $2,000 per person maximum annual benefit for Classes I, II and III.
• No additional benefit for Class IV.

Plan comparison example: routine checkup

<table>
<thead>
<tr>
<th></th>
<th>Basic Dental</th>
<th>With Dental Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In-network</td>
<td>Out-of-network</td>
</tr>
<tr>
<td>Dentist’s initial charge</td>
<td>$191.00</td>
<td>$191.00</td>
</tr>
<tr>
<td>Allowed amount* (payable at 100%)</td>
<td>$67.60</td>
<td>$135.00</td>
</tr>
<tr>
<td>Amount paid by the Plan</td>
<td>$67.60</td>
<td>$135.00</td>
</tr>
<tr>
<td>Difference between allowed amount and charge</td>
<td>$123.40</td>
<td>$56.00</td>
</tr>
<tr>
<td>You pay</td>
<td>$123.40</td>
<td>$20.00</td>
</tr>
</tbody>
</table>

* Allowed amounts may vary by network dentist and the physical location of the dentist.
Plan comparison example: Two surface amalgam fillings

<table>
<thead>
<tr>
<th></th>
<th>Basic Dental</th>
<th>With Dental Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In-network</td>
<td>Out-of-network</td>
</tr>
<tr>
<td>Dentist’s initial charge</td>
<td>$190.00</td>
<td>$190.00</td>
</tr>
<tr>
<td>Allowed amount¹ (payable at 80%)</td>
<td>$44.80</td>
<td>$145.00</td>
</tr>
<tr>
<td>Amount paid by the Plan²</td>
<td>$35.84</td>
<td>$116.00</td>
</tr>
<tr>
<td>Difference between allowed amount and charge</td>
<td>$145.20</td>
<td>$45.00</td>
</tr>
<tr>
<td>You pay</td>
<td>$154.16</td>
<td>$29.00</td>
</tr>
</tbody>
</table>

¹ Allowed amounts may vary by network dentist and/or the physical location of the dentist.
² Examples assume that the $25 annual deductible has been met.

2019 Dental coverage premiums

- Premium is determined by your coverage level:
  - Retiree;
  - Retiree/spouse;
  - Retiree/children; and
  - Full family.
- Rates may vary for optional employers. Contact your benefits administrator for your premiums.

State Vision Plan
**State Vision Plan**

- Coverage includes:
  - Comprehensive eye exams;
  - Frames;
  - Lenses and lens options; and
  - Contact lens services and materials.
- Receive discounts on extra pairs of eyeglasses, contact lenses and LASIK and PRK vision correction.
- Additional benefits available for diabetics.
- Choose either frames/lenses or contact lenses, but not both in the same plan year.

**2019 Vision coverage premiums**

- Premium is determined by your coverage level:
  - Retiree;
  - Retiree/spouse;
  - Retiree/children; and
  - Full family.
- Rates may vary for optional employers. Contact your benefits administrator for your premiums.

**Life insurance**
$3,000 basic life insurance

• Must have been enrolled in a health plan offered through PEBA at time of retirement.
• Can convert to a whole life policy within 31 days of retirement date.
• Premiums quoted and billed by contracted vendor, MetLife.
  • Retirees receive the conversion forms directly from MetLife.

Optional life insurance

• Can convert existing coverage to a whole life policy within 31 days of retirement.
• Can continue existing coverage within 31 days of retirement.
  • Continue coverage in $10,000 increments.
  • Retiree coverage ends the January 1 following the retiree’s 75th birthday.

Optional life insurance

• Premiums:
  • Retirees continuing coverage will pay the same premium as active employees.
  • Converted policy premiums are underwritten individually by MetLife.
  • Retirees will receive the continuation and/or conversion forms directly from MetLife.
Dependent life insurance

• Can convert existing coverage to a whole life policy within 31 days of retirement.
• Premiums quoted and billed by contracted vendor, MetLife.
  • Retirees will receive the conversion forms directly from MetLife.

Long term disability insurance

Long term disability

• Basic long term disability:
  • Available only to active employees enrolled in the State Health Plan.
  • Ends at retirement.
  • Cannot be converted to an individual policy.
• Supplemental long term disability:
  • Available only to active employees.
  • Ends at retirement.
MoneyPlus

- Not available in retirement.
- Retirees in the Savings Plan who are not eligible for Medicare may continue Health Savings Account contributions, but not through MoneyPlus.

Returning to work
Returning to work for participating employer

- If you return to active employment in an insurance-eligible position with a participating employer, you will not be able to remain on your retiree coverage.
- If you return to active employment and are not in an insurance-eligible position, you may remain on your retiree coverage.
- Once your active employment ends, you may return to your retiree coverage. If you are Medicare-eligible, Medicare will be primary.

Returning to work for participating employer

- If you return to active employment in an insurance-eligible position, you have two choices:
  - You may elect coverage under the State Health Plan as an active employee.
    - If you are Medicare-eligible, the State Health Plan will be primary, paying claims before Medicare.
    - You may refuse all health coverage under the State Health Plan.
      - If you are Medicare-eligible, Medicare will be primary.
      - You will not be able to enroll in the PEBA Medicare Supplemental Plan and may want to pursue a supplemental plan on your own.
      - You may want to drop Medicare Part B.

Using your benefits
Your benefits on-the-go

• Mobile apps are available for your health, dental, prescription and vision benefits.
  • BlueCross BlueShield of South Carolina
    Search for My Health Toolkit®.
  • Express Scripts
    Search for Express Scripts.
  • EyeMed
    Search for EyeMed Members.

Explanation of Benefits

• Report that shows you:
  • How much your provider charged for services.
  • How much the State Health Plan paid.
  • The amount you will be responsible for, such as your copayment, deductible and coinsurance.
  • The total amount you may owe the provider (does not include any amount you’ve already paid).
• Find your Explanation of Benefits in the My Health Toolkit app; you can choose paperless notifications.

Naturally Slim

• Teaches it’s not what you eat, but when and how you eat that will help you lose and keep off weight.
• 10-week online program using video lessons and interactive tools.
• Participants watch lessons at their convenience on their computer, smartphone or tablet through iPhone or Android apps.
• Available at no cost to State Health Plan members ages 18 and older.
• Learn more and apply at www.naturallyslim.com/PEBA.
Get the green light for your care

• Some medical and behavioral health services need you or your provider to call for preauthorization for the State Health Plan to provide coverage.
• Not calling for preauthorization may lead to a $490 penalty.
• Learn more on Page 51 of the Insurance Benefits Guide.

Resources

Insurance Benefits Guide

• A detailed overview of insurance benefits, including:
  • Descriptions of benefits;
  • Premium rates; and
  • Contact information.
• Available on PEBA's homepage at www.peba.sc.gov.
Navigating Your Benefits series

• www.peba.sc.gov/nyb.html
• Plain-language explanations of insurance and retirement benefits.
• Flyers and videos.

MyBenefits

• mybenefits.sc.gov
• Accessible online 24/7.
  • Review benefits statement;
  • Change contact information;
  • Update life insurance beneficiaries;
  • Change coverage during some special eligibility situations;
  • Make changes during open enrollment; and
  • Upload supporting documentation.

Your benefits office in retirement

• State agency, school district and higher education retirees:
  • PEBA will be your benefits administrator.
  • Premiums may be deducted from your retirement check.
• Optional employer retirees:
  • Your former employer will remain your benefits administrator.
  • You will pay premiums through your former employer.
Get in touch with PEBA.

- Contact us:
  - [www.peba.sc.gov/contactus.html](http://www.peba.sc.gov/contactus.html)
  - 803.737.6800 or 888.260.9430.
- Visit us:
  - 202 Arbor Lake Drive
    Columbia, SC 29223

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[PEBA TV](https://www.youtube.com/SCPEBA)
[SCPEBA](https://twitter.com/SCPEBA)
[SCPEBA](https://instagram.com/s.c.peba)
[South Carolina Public Employee Benefit Authority](https://www.linkedin.com/company/south-carolina-public-employee-benefit-authority)

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