




# Get Set for Retirement: Insurance

2021  
Preretirement

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### 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](#).

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### Today's topics

• Retiree insurance eligibility and funding.	• Vision coverage.
• Retiree enrollment and eligible dependents.	• Life insurance.
• Retiree health plans.	• Long term disability.
• Prescription coverage.	• MoneyPlus.
• Dental coverage.	• Returning to work.
	• Resources.

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**Retiree insurance eligibility and funding**

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**Retiree insurance eligibility**

- 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.
- Before you retire:
  - Submit an Employment Verification Record as early as six months prior to your retirement date.
  - This starts the process PEBA uses to determine your eligibility for retiree insurance and any possible funding.

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**Requirement for any retiree coverage**

- Regardless of how or when you qualify for retirement, to qualify for retiree group insurance, your last five years must be:
  - Served consecutively;
  - In a full-time, permanent position; and
  - With an employer participating in the state insurance program.

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### Requirements for any retiree coverage

- 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 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. This means one year of employment is equated to one year of earned service credit.

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### Retiree group insurance funding

- Retirees of state agencies, public higher education institutions, public school districts or other employers that participate in the South Carolina Retirement Health Insurance Trust Fund may be eligible to receive state funding toward their premiums if they meet certain requirements.
- Optional employers determine if their retirees pay all or part of the insurance premiums.
- Changing jobs could affect your eligibility for funding.
- See Retiree Insurance Eligibility, Funding flyers in the [Navigating Your Benefits](#) series for more information.

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### For employees hired into an insurance-eligible position before May 2, 2008

Retirees of state agencies, public higher education institutions and public school districts<sup>1</sup>

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying for premiums
Left employment after reaching service or disability retirement eligibility	5 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	You are not eligible for retiree insurance coverage.
	20 or more years	You are eligible for coverage upon reaching retirement eligibility. You pay only the employee share of the premium.

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

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**Retiree enrollment and eligible dependents**

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**Determining eligibility and enrolling**

- If you do not submit an *Employment Verification Record* prior to your retirement, you must do so within 31 days of your retirement, a special eligibility situation, such as marriage or adoption, or open enrollment.
- If PEBA 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 or E-cigarette Use* form, if applicable.

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**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.
- Must list spouse on the *Retiree Notice of Election* form to add to coverage.
  - Dependents do not automatically carry over from your active coverage.

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### Eligible children

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

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### Dependent children

- Younger than age 26.
- Coverage may continue beyond age 26 if the child is determined to be incapacitated as defined by the State Health Plan.
- If child employed with participating employer, the child may:
  - Enroll as an active employee; or
  - Enroll as dependent child.

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### Required documentation

- 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.
- Enrollment documentation worksheet is a complete list of acceptable documentation to prove the relationship of dependents you're adding to coverage.

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### Eligible survivors

- Dependents covered at time of employee's death may continue health, dental and vision coverage.
- Spouse eligible until remarrying.
- Children remain eligible until age 26.
- If all coverage is canceled, cannot re-enroll as survivor.

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### Annual open enrollment

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

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### Retiree health plans

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### State Health Plan

- Self-funded insurance plan:
  - Members' and employers' premiums are held in a trust fund, and these funds are used to pay claims.
  - BlueCross BlueShield of South Carolina processes health claims.
  - Express Scripts processes prescription claims.
- Cost of the State Health Plan compares favorably to other plans.
  - Learn more at [peba.sc.gov/facts](http://peba.sc.gov/facts).
- Health management is key to maintaining a low cost for the Plan and premiums.

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### State Health Plan provider network

- Worldwide coverage.
- You pay copayments, deductible 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 Care link under Resources at [StateSC.SouthCarolinaBlues.com](http://StateSC.SouthCarolinaBlues.com) to find a network provider near you.

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### Non-Medicare-eligible health plan choices

- State Health Plan, which includes prescription benefits.
  - Standard Plan.
  - Savings Plan.
- TRICARE Supplement Plan, for eligible members of the military community.

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### 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.

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### 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).
  - Not through MoneyPlus.

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### If you're eligible for Medicare

- Medicare will become your primary coverage and will start paying your claims first.
- Your PEBA coverage will be your secondary coverage.

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## Enrolling in Medicare

- Once eligible, you should enroll in Medicare Part A (hospital coverage) and Part B (medical coverage).
- The Medicare enrollment period begins three months before your 65<sup>th</sup> birthday.
- If receiving Social Security benefits, the Social Security Administration will contact you and enroll you automatically. Otherwise, you must contact Social Security to enroll.

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## 2021 Medicare benefits

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

Part A (hospital benefits)	Part B (medical benefits)
<ul style="list-style-type: none"><li>• \$1,484 deductible per benefit period.<sup>1</sup></li><li>• No monthly premium if enough work credits established.</li></ul>	<ul style="list-style-type: none"><li>• \$203 annual deductible.<sup>1</sup></li><li>• \$148.50 (average monthly premium as determined by Medicare).</li><li>• Plan pays 80 percent of approved charges.</li></ul>

<sup>1</sup>Medicare deductibles are subject to change.

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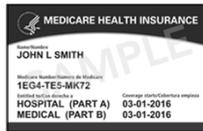
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## Becoming Medicare-eligible before age 65

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



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### Medicare-eligible health plan choices in retirement

- State Health Plan, which includes prescription benefits.
  - Medicare Supplemental Plan.
  - Carve-out Plan.
- See [Insurance Coverage for the Medicare-eligible Member](#) handbook for detailed information.

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### 2021 Medicare Supplemental Plan benefits

- Pays Medicare Part A deductible (\$1,484).<sup>1</sup>
- Pays Medicare Part B deductible (\$203).<sup>1</sup>
- 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.

<sup>1</sup>Medicare deductibles are subject to change.

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### 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 65<sup>th</sup> 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 enroll in the Carve-out Plan in retirement, Medicare will still pay first toward your expenses.

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### 2021 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
2020 Medicare Part A deductible <sup>1</sup>	<u>\$1,484</u>
Medicare payment	\$6,016
Remaining bill	\$1,484

Next, the Medicare Supplemental Plan benefits are applied:

Remaining bill	\$1,484
Medicare Supplemental Plan pays Medicare Part A deductible	\$1,484
<b>Your total payment</b>	<b>\$0</b>

<sup>1</sup>Medicare deductibles are subject to change.

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### Carve-out Plan with Medicare

- If your provider accepts the amount Medicare allows as payment in full, the Carve-out Plan will pay the lesser of:
  - The amount Medicare allows, minus what Medicare reported paying; or
  - The amount the State Health Plan would pay in the absence of Medicare, minus what Medicare reported paying.
- Learn more in the [Insurance Coverage for the Medicare-eligible Member](#) handbook.

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### Medicare and the TRICARE Supplement Plan

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

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## 2021 Health plan premiums

- Premium is determined by your coverage level:
  - Retiree;
  - Retiree/spouse;
  - Retiree/children; and
  - Full family.
- Visit [peba.sc.gov/monthly-premiums](http://peba.sc.gov/monthly-premiums) for details.
- Rates may vary for optional employers. Contact your benefits administrator for your premiums.

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## 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 or e-cigarette user with Certification Regarding Tobacco or E-cigarette Use form; or
  - Certifies that all covered tobacco or e-cigarette users have completed the tobacco cessation program, Quit For Life.®

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## Prescription coverage

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### 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 have only 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.

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### Medicare Supplemental Plan and Carve-Out Plan prescription benefits

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

30-day supply at network pharmacy	90-day supply at network pharmacy or mail-order pharmacy
Tier 1 (generic): \$9	Tier 1 (generic): \$22
Tier 2 (preferred brand): \$42	Tier 2 (preferred brand): \$105
Tier 3 (non-preferred brand): \$70	Tier 3 (non-preferred brand): \$175

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### Dental coverage

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### Dental Plus and Basic Dental

- Enroll within 31 days of retirement or special eligibility situation.
- Enroll during open enrollment in odd-numbered years.
- Once enrolled, you must remain enrolled until next odd-numbered year open enrollment period or within 31 days of a special eligibility situation.
- Coverage is the same as active subscriber coverage.

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### 2021 Dental coverage premiums

- Premium is determined by your coverage level:
  - Retiree;
  - Retiree/spouse;
  - Retiree/children; and
  - Full family.
- Visit [peba.sc.gov/monthly-premiums](http://peba.sc.gov/monthly-premiums) for details.
- Rates may vary for optional employers. Contact your benefits administrator for your premiums.

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### Vision coverage

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### State Vision Plan

- Enroll within 31 days of retirement or special eligibility situation or yearly during open enrollment.
- Coverage is the same as active subscriber coverage.

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### 2021 Vision coverage premiums

- Premium is determined by your coverage level:
  - Retiree;
  - Retiree/spouse;
  - Retiree/children; and
  - Full family.
- Visit [peba.sc.gov/monthly-premiums](http://peba.sc.gov/monthly-premiums) for details.
- Rates may vary for optional employers. Contact your benefits administrator for your premiums.

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### Life insurance

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**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.

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**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.
  - Continued coverage will reduce to 65 percent at age 70.
  - Retiree coverage ends the January 1 following the retiree's 75<sup>th</sup> birthday.

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**Optional Life insurance premiums in retirement**

- 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.

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### 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.

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### Long term disability

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### Long term disability

- Basic Long Term Disability:
  - Available only to active employees enrolled in a health plan.
  - Ends at retirement.
  - Cannot be converted to an individual policy.
- Supplemental Long Term Disability:
  - Available only to active employees.
  - Ends at retirement.
  - Can be converted to an individual policy.

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**MoneyPlus**

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**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.

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**Returning to work**

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### Returning to work for participating employer after retirement

- If you return to active employment in an insurance-eligible position with a participating employer, you will no longer be eligible for retiree coverage.<sup>1</sup>
  - You can return to active coverage; or
  - You can refuse all 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.

<sup>1</sup>Retirees who are not eligible for Medicare and who retired from an employer that does not participate in the state's Retiree Health Insurance Trust Fund can remain on retiree coverage if they return to work in an insurance-eligible position. Contact your previous employer if you are unsure whether it participates in the Retiree Health Insurance Trust Fund.

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### Insurance coverage as a return-to-work retiree

- If you elect coverage under the State Health Plan as an active employee and you are Medicare-eligible, the State Health Plan will be primary, paying claims before Medicare.
  - You may want to drop Medicare Part B.
- If you refuse all health coverage under the State Health Plan and you are Medicare-eligible, Medicare will be primary.
  - You will not be able to enroll in PEBA's Medicare Supplemental Plan and may want to pursue a supplemental plan on your own.
  - You will not be enrolled in drug coverage through PEBA and will need to enroll in other Part D coverage.

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## Resources

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### ***Insurance Benefits Guide***

- A detailed overview of insurance benefits, including:
  - Descriptions of benefits; and
  - Contact information.
- Available on PEBA's webpage at [peba.sc.gov](http://peba.sc.gov).

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### ***Navigating Your Benefits***

- [peba.sc.gov/nyb](http://peba.sc.gov/nyb).
- Plain-language explanations of insurance and retirement benefits.
- Flyers and videos.



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### ***MyBenefits in retirement***

- [MyBenefits.sc.gov](http://MyBenefits.sc.gov)
- Accessible online 24/7.
  - Review benefits statement;
  - Change contact information;
  - Make changes during open enrollment; and
  - Upload supporting documentation.

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### Your benefits office in retirement

- State agency, public higher education institution and public school district 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.

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### Get in touch with PEBA

- Contact us:
  - [peba.sc.gov/contact](http://peba.sc.gov/contact).
  - 803.737.6800 or 888.260.9430.
- Schedule a phone or video appointment:
  - [peba.sc.gov/visit-us](http://peba.sc.gov/visit-us).

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### Get social with PEBA

-  [SCPEBA](#)
-  [s.c.peba](#)
-  [SCPEBA](#)
-  [PEBA TV](#)
-  [South Carolina Public Employee Benefit Authority](#)

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**Financial disclaimer**

Personal finance, as the name implies, is a highly individualized and personal matter. The information provided in these presentations is general educational information provided to illustrate certain financial ideas and concepts. This information does not take into account your personal situation and should not be considered personal financial or investment advice. In reviewing this video, you should consider whether the information presented is appropriate for your particular needs and, where appropriate, you may wish to seek advice from a financial professional to determine what is best for your individual financial circumstances. PEBA does not make any guarantee or other promise as to any results that may be obtained from using the content of this presentation.

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**Disclaimer**

This presentation does not constitute a comprehensive or binding representation of the employee benefit programs PEBA administers. The terms and conditions of the employee benefit programs PEBA administers are set out in the applicable statutes and plan documents and are subject to change. Benefits administrators and others chosen by your employer to assist you with your participation in these employee benefit programs are not agents or employees of PEBA and are not authorized to bind PEBA or make representations on behalf of PEBA. Please contact PEBA for the most current information. The language used in this presentation does not create any contractual rights or entitlements for any person.

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