

Frequently Asked Questions about Retiree Insurance Benefits

- [Am I eligible to continue health insurance after I retire?](#)
- [What steps should I take before I retire?](#)
- [What must I pay for retiree health insurance coverage?](#)
- [How will my sick leave credit help pay my monthly share of the health insurance premium?](#)
- [Can my dependents use my sick leave credit after my death?](#)
- [Can I delay the start of retiree health insurance and use of sick leave credits after I retire?](#)
- [How will I pay for my health insurance as a retiree?](#)
- [Do I have to enroll in Medicare at age 65 if I continue to work in benefited position?](#)
- [When should I enroll in Medicare?](#)
- [Does my coverage differ when Medicare becomes primary to NYSHIP?](#)
- [Is my coverage affected if I return to State employment after I retire?](#)
- [Are my dependent survivors eligible for health insurance after my death?](#)
- [My spouse and I are both NYS employees. I am eligible for NYSHIP, but I am covered as a dependent on my spouse's plan. Can I reinstate my own coverage as a retiree?](#)
- [Can I continue dental and vision coverage after retirement?](#)
- [Can I leave employment before retirement age and still continue NYSHIP coverage?](#)
- [If I am eligible to retire but don't want to start collecting my pension, can I still have health insurance coverage?](#)
- [I am retiring on a disability. How does that affect my eligibility for NYSHIP?](#)
- [Will my option \(Empire Plan or HMO\) change?](#)
- [Where can I get more information?](#)

This is general information only. Insurance programs, policies, and costs are subject to change. For specific information, please visit <http://www.cs.state.ny.us> and carefully read your *NYSHIP General Information Book*. Your *Empire Plan Certificate* or HMO contract provides additional details. Call Social Security at 1/800/772-1213 for information on Social Security benefits and Medicare, or visit www.medicare.gov.

Am I eligible to continue health insurance after I retire?

You must meet three eligibility requirements to continue NYS Health Insurance Program (NYSHIP) coverage for yourself and your eligible dependents after you retire.

First, you must have completed a minimum service requirement:

- If you were last hired before April 1, 1975, you must have had at least five years of State service or at least 5 years of combined service with the State and one or more NYSHIP participating employers/agencies.

- If last hired on or after April 1, 1975, you must have at least 10 years of State service, or at least 10 years of combined service with the State and one or more NYSHIP participating employers/agencies.

Second, you must be at least age 55 or be qualified to receive Social Security disability payments.

Third, you must be enrolled as an employee or dependent in NSYHIP at the time of retirement.

What steps should I take before I retire?

Make sure you meet the above eligibility requirements for continuing benefits in retirement. Once you have a firm retirement date in mind, call the Benefits Office to discuss your options. You will need to make some decisions before you retire. If you are moving, notify the Benefits Office of your change of address and ask if you need to change your health insurance option.

Contact your retirement system 30 to 90 days before retirement, if applicable.

Contact your Social Security Office if you are eligible to receive Social Security benefits or if you are eligible for Medicare primary coverage (see Medicare information below).

What must I pay for retiree health insurance coverage?

If you meet the above requirements, your health insurance coverage costs the same as that of an active employee. The State pays 90% of the cost of individual coverage and 75% of the additional cost for family coverage in the NYS Empire Plan. If you are enrolled in an HMO, the State will pay 90% and 75% of the premium, not to exceed the dollar amount it pays for the Empire Plan. You may be able to use sick leave credits to reduce your cost (see below).

How will my sick leave credit help pay my monthly share of the health insurance premium?

Your agency reports your rate of pay and unused sick leave balance to Civil Service, which calculates the monthly actuarial value of your sick leave. (See the worksheet in your *NYSHIP General Information Book*.) You can use a maximum of 200 days of unused sick leave toward your credit. The result is a *lifetime* monthly credit that is used to reduce your share of the premium. Although the cost of your coverage may change, the amount of your monthly sick leave credit will remain the same throughout your lifetime. If your sick leave credit does not fully cover your share of the premiums, you pay the balance. If the credit exceeds your share of the premium, you pay nothing (the excess credit is not refunded).

Can my dependents use my sick leave credit after my death?

Your dependent survivors may use your monthly sick leave credit after your death if you elect the "Dual Annuitant" Sick Leave Credit option before your last day on the payroll. You do not need to have family coverage at the time of retirement to elect this option. However, only dependents enrolled in your family coverage at the time of your death may receive this benefit. If you choose this option, your sick leave credit will be reduced by 30% for as long as you live. Your dependent survivors may continue to use the same monthly credit to offset their NYSHIP premium.

Can I delay the start of retiree health insurance and use of sick leave credits after I retire?

Yes, you may do so if you have other health insurance coverage. You must request a deferral of your coverage before your last day on the payroll.

How will I pay for my health insurance as a retiree?

You will pay your share of the premium through deductions from your ERS or TRS pension check. It may take several months before deductions begin; the Department of Civil Service will bill you in the interim. Civil Service will bill you monthly if you are in the Optional Retirement Program or not enrolled in a retirement program.

Do I have to enroll in Medicare at age 65 if I continue to work in benefited position?

If you/your covered dependents are 65 or older *but you continue to be employed in a NYSHIP-benefited position*, you are generally not required to enroll in Medicare primary coverage. However, you/your covered dependents must enroll in Medicare under the circumstances described in your insurance materials and as outlined below.

When should I enroll in Medicare?

If you retire BEFORE you/your covered dependent turns age 65, Medicare Parts **A** and **B** must provide primary coverage* on the *first day of the month in which you/your dependent reaches age 65*. If the 65th birthday falls on the first of the month, Medicare primary coverage must be in effect on the first day of the *prior* month.

If you retire AFTER you/your covered dependent turns age 65, Medicare Parts **A** and **B** must be primary* as of the first day of the month following the “run out” of your employee coverage, 28 days after your last day on the payroll. (Example: If you are age 65 and your last day on the payroll is 2/20/08, your final day of employee health coverage is 3/19/08. Your retiree health coverage begins the next day, on 3/20/08, and Medicare must become primary on the first day of the following month, as of 4/1/08.)

*Medicare is primary when it pays health benefits *first*, before NYSHIP is liable for payment.

Note: **If you have a domestic partner**, your partner must enroll in Medicare at age 65 whether you are an employee or retiree.

If you/your dependent **begin receiving Social Security Disability Benefits**, Medicare may become primary before age 65. In this case, you/your dependent must enroll in Medicare as soon as you become eligible.

Contact Social Security 3 months in advance of the date Medicare Parts A and B must be primary, or you/your covered dependents will have a waiting period. During this period, you will have a gap in your coverage that could prove costly.

Once required to enroll in Medicare, you/your covered dependent will be reimbursed for the base cost of the Part B premiums unless you receive reimbursement from another source.

Does my coverage differ when Medicare becomes primary to NYSHIP?

Coverage may differ. Please read your plan materials and visit www.cs.state.ny.us/retirees. Note: As of 2008, **CDPHP and MVP** are enrolling Medicare-primary members in "Advantage Plans." Go to www.cs.state.ny.us/ebd/ebdonlinecenter/choices08/retiree/ret_choices08.pdf and see pages 40-41 (CDPHP) or 62-63 (MVP) for Medicare Advantage Plan information.

Is my coverage affected if I return to State employment after I retire?

Returning to work affects NYSHIP and Medicare in different ways. If you return in a benefit-eligible position with a NYS agency, NYSHIP becomes primary for you/your dependents. (Medicare remains primary for your domestic partner unless he/she is disabled.) Medicare reimbursements stop while NYSHIP is primary. If you begin working for an employer other than NYS, Medicare remains primary whether or not you have health insurance through that employer's group plan.

Are my dependent survivors eligible for health insurance after my death?

In most cases, NYSHIP protects your enrolled dependent survivors in the event of your death. Your dependent survivors must send a copy of the death certificate to the Employee Benefits Division of the NYS Department of Civil Service. They will receive extended coverage for 3 months after the month of your death. The last 2 months will be provided at no cost. Your eligible dependents may continue coverage after the extended benefits period ends. **Coverage will end permanently if they choose not to participate or fail to make the required payments.**

My spouse and I are both NYS employees. I am eligible for NYSHIP, but I am covered as a dependent on my spouse's plan. Can I reinstate my own coverage as a retiree?

Yes, you may re-establish coverage as a retiree at any time. Ask your benefits administrator for a Sick Leave Credit Preservation Form before you retire. Notify the Department of Civil Service's Employee Benefits Division when you need to reactivate NYSHIP coverage in your own name.

Can I continue dental and vision coverage after retirement?

Vision coverage is available only through COBRA when you retire. Some unions offer a discount vision plan to their retiree members; CSEA and UUP employees who receive benefits from a Union Benefit Fund should contact your Union Benefit Fund for information about continuing coverage.

Dental coverage is available through COBRA or through the group dental plan for NYS retirees.

M/C, PEF, and Security employees who are enrolled in NYSHIP and receive dental and vision benefits through the State will automatically receive information on continuing dental and vision coverage under COBRA. Employees who are not enrolled in NYSHIP and receive dental and vision benefits through the State must write to the Employee Benefits Division of the NYS Department of Civil Service to request a COBRA application.

As a retiree, you may choose the GHI Preferred group dental plan offered to NYS retirees. You will receive an enrollment form after you retire. If you choose COBRA, you also receive this form at the end of the 18-month COBRA period. You must enroll in the group retiree dental plan at the time you retire or at the end of your COBRA coverage. These are your only opportunities to enroll.

NOTE: Dental and vision benefits are not part of your health insurance and do not continue automatically. Sick leave credits cannot be used to reduce the premium for these benefits.

Can I leave employment before retirement age and still continue NYSHIP coverage?

You are eligible to continue NYSHIP coverage as a “vestee” if you have at least 10 years of NYSHIP- eligible service. You will pay both the employee and employer shares of the premium until you turn 55, at which time you can enroll as a retiree and pay only the employee share of your premium.

If I am eligible to retire but don’t want to start collecting my pension, can I still have health insurance coverage?

Yes, you may continue your NYSHIP coverage under retiree provisions if you meet the eligibility requirements listed above. You will pay the health insurance premium (if any) directly to the Department of Civil Service Employee Benefits Division with this option.

I am retiring on a disability. How does that affect my eligibility for NYSHIP?

If you are a member of ERS or TRS, you must meet the minimum service requirement for a disability retirement that is not work related, but the age requirement is waived. Both the age and minimum service requirements are waived for a disability retirement resulting from a work-related illness. If you are a member of the Optional Retirement Program or not enrolled in a retirement system, you must be qualified to receive Social Security disability payments to be eligible to continue your health insurance as a retiree.

Will my option (Empire Plan or HMO) change?

You may be eligible to change your health insurance plan at retirement or at any other time if you are enrolled in an HMO and you move outside the HMO service area. You *must* change to another plan as soon as you no longer live or work in your HMO’s geographic service area.

As a retiree, you may change your health insurance plan at any time, but only once in a 12-month period. You will receive information about the plans available to you, and their cost, at the end of each calendar year.

Where can I get more information?

Before you retire: Call the UAlbany Benefits Office (518/437-4729) or visit <http://hr.albany.edu>.

After you retire: The Employee Benefits Division of the NYS Department of Civil Service becomes your benefits administrator. To speak to a representative, call 518/457-5754 or 1/800/833-4344 between 9 a.m. and 3 p.m. EST Monday through Friday. You may also write to them at the Retiree

Unit, Alfred E. Smith Building, Albany, NY 12239. You may access the Employee Benefits Division web site at <http://www.cs.state.ny.us>.

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