

FOR MORE INFORMATION

Tennessee Consolidated Retirement System (TCRS) Insurance Section

1.877.681.0155

www.treasury.state.tn.us/tcrs/

Benefits Administration

615.741.3590 or 1.800.253.9981

www.state.tn.us/finance/ins/

This document is intended to provide a summary of eligibility requirements for the continuation of insurance coverage at retirement. For detailed information, please consult your agency benefits coordinator.

If you require this publication in an alternative format, please contact the Communications Office at 615.741.8669.



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CONTINUING INSURANCE AT RETIREMENT

State and Higher Education Employees

CONTINUING INSURANCE AT RETIREMENT — STATE AND HIGHER EDUCATION

Continuing Coverage at Retirement

State and higher education employees who meet the qualifications may continue medical insurance at retirement for themselves and covered eligible dependents (spouse and/or children). Retired employees may continue until they become eligible for Medicare by virtue of age. Covered dependents will also be allowed to continue coverage until they become eligible for Medicare by virtue of age or no longer qualify as eligible dependents. Participants who are eligible for Medicare may enroll in Medicare supplement coverage.

A retiree whose spouse is also an eligible covered state employee may continue coverage as a dependent on the active spouse's contract instead of electing retiree coverage. When the spouse terminates employment, the retiree may resume coverage under their own eligibility if not yet eligible for Medicare due to age.

Individuals who choose a lump-sum retirement benefit are not eligible to continue insurance at retirement.

Individuals Not Eligible for Medicare

Service Requirements

Eligible retirees must have at least ten years of creditable service to continue insurance coverage. Accumulated unused sick leave may be counted. Military service that did not interrupt employment, educational leave, leave of absence or local government service cannot be counted as employment for the purpose of insurance continuation. A state or higher education employee may include employment with a participating local education agency to calculate total employment. The eligibility guidelines are:

- Ten years of creditable service with the state **and** at least three years of insurance coverage in the plan immediately prior to retirement. The date of retire-

ment must immediately follow the employee's date of final termination from employment.

- At least 20 or more years of creditable service with the state **and** at least one year of insurance coverage in the plan immediately prior to retirement. The period of time between the employee's final termination date and the retirement date may be up to five years.

Those who participate in an optional retirement program offered by a higher education institution must reach age 55 and have at least 10 years of service before they can continue as a retiree or have 25 years of service.

Application

Eligible employees who wish to continue insurance coverage after retirement should submit an Application for Continuation of Insurance with their retirement application to the Tennessee Consolidated Retirement System (TCRS). The application must be submitted within a full calendar month from the effective date of retirement.

If eligible retirees do not enroll within a full calendar month from the effective date of retirement, they may only re-enroll if they were on the medical insurance at the time they retired and were eligible to continue that coverage by their age, length of service, length of participation in the plan and meet **one** of the following late applicant requirements.

- Be approved by medical underwriting.
- Meet a special enrollment provision under the guidelines of the Health Insurance Portability and Accountability Act (HIPAA). Qualifying events include loss of other group coverage due to death of spouse, divorce, termination of spouse's employment, legal separation, loss of eligibility, loss of TennCare, spouse's employer ceases total contribution toward health insurance, spouse's number of work hours required for insurance eligibility are

reduced or they acquire a new dependent through marriage, birth or adoption. Application must be made within 60 days of the loss of coverage or acquisition of the new dependent. Appropriate documentation must also be submitted.

Retiring employees must continue in the same health insurance option they were enrolled in immediately prior to retirement with the exception of HMO and POS participants who live out of the service area. These individuals will be allowed to transfer to the PPO. Any retiree who is enrolled in either a HMO or POS option by virtue of working in the service area but not living in the service area will be allowed to continue in that option even though they no longer meet the live or work requirement. However, other than emergency care, HMO participants are required to see a participating network provider for benefits to be paid. While POS participants may seek care out-of-network, out-of-pocket costs will be significantly higher.

Premiums

Premiums are deducted from the monthly retirement benefit of retirees who receive a TCRS benefit. If the premium is greater than the retirement benefit, the retiree will be billed directly by Benefits Administration each month or they can elect to pay by bank draft.

Claims

Retirees who continue health coverage will use the same insurance identification card that was used while they were actively employed. Any questions regarding payment of claims should be directed to the insurance company.

Dependent Coverage

Retirees may continue insurance coverage for a spouse and/or dependent child if the individuals were covered at retirement and are not eligible for Medicare Part A. Dependents may continue coverage as long as they meet plan eligibility requirements. Newly acquired dependents must be added within 60 days.

Upon the death of a retiree, a covered spouse or dependent will receive six months of free insurance coverage. Dependents of a deceased retiree may continue coverage only if they were covered by the plan upon the retiree's death **and** are not eligible for Medicare.

Disability Participants

Employees who qualify for disability retirement through TCRS may continue coverage if they participated in the state plan at the time the injury or illness which resulted in the disability occurred and have five years of service. Upon eligibility for Part A of Medicare, disability participants and their eligible dependents may continue in the plan to the point at which Medicare eligibility would have been attained had the disability not occurred, provided the retired participant remains eligible for the disability allowance and Part B of Medicare is retained.

Retirees who continue participation in the state plan and subsequently qualify for Medicare due to a disabling condition continue to be eligible for coverage until such time as they would have been eligible for Medicare by virtue of age. Proof of total disability must be shown by submitting an Award Letter from the Social Security Administration or approval by TCRS based on physician review of medical records documenting the disability. The required proof must show total disability existed at the time of termination of employment. Employees who are eligible for a service retirement cannot retire on disability.

Medicare will be the primary coverage and the state plan the secondary carrier. Coverage will terminate once the retiree or their dependents reach the normal age for Medicare Part A.

Life Insurance

Employees who wish to convert either their basic or optional life insurance coverage at retirement will receive a letter after termination from active coverage. No premium deductions are made through TCRS for life insurance.

Employees who terminate employment due to disability may be eligible to have their basic term or optional term and optional universal life insurance premium waived if they submit proof of disability within nine months from the last day worked. The state's life insurance carrier may require annual proof of disability to continue the waiver of premium.

Dental Insurance

Employees who wish to continue dental benefits at retirement may continue through COBRA. Information is automatically sent upon cancellation of active coverage.

Individuals Eligible For Medicare

Medicare Supplement Coverage

Retirees and their dependents who are eligible for Medicare Part A cannot continue in standard health coverage, but may apply for Medicare supplement coverage. Individuals who qualify and enroll within 60 days of the date when initially eligible cannot be turned down for coverage due to age or health.

Application

Employees who are eligible for Medicare at retirement by virtue of age (or who have Medicare eligible dependents) should submit an application for Medicare supplement coverage with their retirement application to TCRS within 60 days of the effective date of retirement.

Retirees and their dependents who become eligible for Medicare after retirement will be sent an application approximately three months before the date of their Medicare eligibility. The application must be submitted within 60 days of Medicare eligibility.

Once approved, the retiree will receive a card showing the subscriber's name, identification number and effective date.

Premiums

Premiums are deducted from the monthly TCRS benefit. Retirees whose premium is greater than their monthly benefit will be billed directly or they can elect to pay by bank draft. Retirees with 15 or more years of state and/or local education (certified staff) service are eligible to have a portion of their monthly premium paid by the state. The state does not contribute toward the cost of dependent coverage.

Retirees participating in an optional retirement plan sponsored by higher education are eligible for Medicare supplement coverage. If a TCRS benefit check is not received, Medicare eligibility should be reported to the TCRS office and premiums will be billed directly.

Dependent Coverage

Upon the death of a retiree, the spouse or dependents may continue Medicare supplement coverage if covered at the time of the retiree's death. Premiums will be deducted from any continuing monthly retirement benefits; otherwise, individuals will be billed directly.

End-Stage Renal Disease

Retirees eligible for Medicare as a result of end-stage renal disease should contact TCRS immediately.

Returning To Work

Group Health Insurance

Returning to full-time employment with an agency covered by TCRS may result in the termination of retiree group insurance coverage and the suspension of retirement benefits. TCRS should be contacted immediately when returning to active service.

Medicare Supplement

Retirees who return to full-time employment with a TCRS covered agency may continue insurance coverage on a direct-pay basis as long as they are not enrolled in the employer's group plan. TCRS should be contacted immediately when returning to active service.