



January 25, 2013

MEMORANDUM

TO: All Benefit Coordinators, Human Resource Contacts

FROM: State Health Benefit Plan (SHBP)

SUBJECT: Retiring Employees

The following information is being provided to you in an effort to assist you with questions you may receive from your employees approaching retirement.

- Employees must be enrolled in SHBP coverage at the time they retire. Coverage must be continuous from active status into retirement.
- SHBP Coverage will roll over automatically for enrolled members covered by Employees Retirement System, Teachers Retirement System or the Public Service Employees Retirement Systems. Members not covered by one of these systems will need to complete the Retiree/Surviving Spouse Form and submit to SHBP in order to continue health insurance as a retiree. The form is available at <http://dch.georgia.gov/shbp-forms>
- If the retiring employee is not yet 65 years of age, they will remain in their current option and tier and currently will pay the same premiums as an active employee.
- Employees that retire and then later return to work in a SHBP benefits eligible position must have deductions taken from their active payroll. When the employee later leaves the position, he/she MUST complete the Retirees/Surviving Spouse Form. Coverage will NOT automatically roll over the second time. If the employee fails to notify SHBP timely, they will not be able to continue coverage as a retiree.
- Retirees may change options during the annual Retiree Option Change Period (ROCP), when they or their covered become eligible for Medicare (either reaching age 65 or disability) or with a Qualifying Event that allows a change
- Retirees may add dependents only if they experience a Qualifying Event that allows a change and makes the request within 31 days of the qualifying event (90 days to add a newly eligible dependent child).

General Medicare Information. When members retire and they or their covered spouse become eligible for Medicare because of reaching age 65 or disability, they should enroll in Medicare. Medicare is the federal insurance and includes Parts A - hospitalization, B - provider services and D - prescription drugs. It is important they purchase Part B coverage, even if they are not automatically entitled to Medicare Part A because they or their spouse has not paid Medicare taxes for the appropriate number of work quarters. Part B coverage can be purchased

if they have resided in the United States for a minimum of five years. If they are not automatically entitled to Medicare Part A under their own work record, they may be eligible under a spouse or former spouse. Members should contact the Social Security Administration to confirm eligibility and enroll.

- If the member and/or his/her covered spouse is 65 or older and SHBP has received and processed the Medicare information when the member retires, the member and/or dependent(s) with Medicare Part A and B or Part B, coverage will rollover into the Medicare Advantage Standard PPO Plan with their current vendor. If the member wishes to enroll in any option other than the MA PPO Plan (including UnitedHealthcare MA PPO Premium) they will need to contact SHBP within 31 days of their retirement.
- If the Medicare information is not on file at the time they retire, the retiree will pay the unsubsidized rate until the Medicare information is received and processed. Premiums will not be refunded for failing to send Medicare information to SHBP timely.
- Employees working past age 65 may delay enrollment in Medicare Part B without penalty, but should enroll in Medicare Part A as soon as eligible. Employees should apply for Part B two months prior to their retirement date to avoid higher premiums and to allow SHBP processing time. They should request a Late Enrollment Penalty (LEP) Waiver form from Social Security. This form is used for individuals who work past age 65. This form will need to be completed by the employer for the SHBP member and submitted to Social Security.
- Employees should enroll in Medicare by contacting Social Security on-line at www.socialsecurity.gov or by calling 800-772-1213, to avoid delays.
- Medicare information will be accepted over the phone by calling SHBP at 800-610-1863 or faxed to SHBP's secure fax at 866-828-4796.

We hope you find this information helpful. We have attached a copy of the current SHBP Medicare Policy and ask that you provide a copy to members who are retiring.