

Article 23  
**PAID BENEFITS FOR RETIRED EMPLOYEES**

- 23.1 Each retired faculty employee hired before July 1, 1997 who qualifies under the terms of this article, and his or her eligible dependents, including domestic partners, shall receive health and hospital benefits, prescription drug benefits, vision care benefits, and dental benefits as provided in this article and described in Article 22.

**Eligibility**

- 23.2 A qualified employee is one:

- 23.2.1 Who will be age 55 or older before the beginning of the next academic year, who has retired from (i.e., is an annuitant of) the State Teachers Retirement System or the Public Employees Retirement System (or who has applied for and is eligible to receive a service retirement (i.e., annuity) from either of said retirement systems and who has rendered service to the District at least half-time as a contract or regular faculty employee for 10 or more years immediately preceding his or her retirement; or
- 23.2.2 Who has resigned from the District and is receiving a disability allowance from the State Teachers Retirement System or the Public Employees Retirement System, and who has rendered service to the District at least half-time as a contract or regular faculty for 10 or more years immediately preceding his or her resignation; and
- 23.2.3 Who has provided evidence that he/she has applied for Social Security and evidence that Social Security has responded, indicating whether he or she is eligible for Social Security payments and, therefore, for Medicare coverage.

No absence from the service of the District under a leave of absence and no period of reduced service under Article 18 shall be deemed as a break in the continuity of service required by this section. Time spent on any professional development leave under Article 17 shall be deemed to be full-time service for the purpose of this section.

**Benefit Plan Election**

- 23.3 If faculty employees are given any options regarding health benefits plans (for example, the array of plans offered under CalPERS), the benefits provided under this section shall be in accordance with the plan or plans under which the retired faculty employee was receiving benefits at the time of retirement, and he or she shall not be allowed to change plans after retirement except during open enrollment periods. This section shall not be construed as prohibiting any change in benefits or benefit plans as specified in Section 23.10.

- 23.3.1 Waiver of Coverage. Retirees may elect to waive coverage under the procedures set forth by CalPERS and conditions set forth in Article 22.7.

23.3.2 A retired faculty employee who enrolls in a CalPERS health, hospital and prescription drug benefit plan shall also be concurrently enrolled in the District's dental and vision plan.

23.3.2.1 The "opt-out" provision of Article 22.3.5 regarding dental and vision coverage does not currently apply to retirees. Therefore, a retiree who waives CalPERS health, hospital and prescription drug benefits thereby also waives vision and dental coverage.

### **Retiree Monthly Contribution Rates**

23.4 Retirees shall be required to pay the respective monthly contribution rate for the plan selected. Contribution rates for each plan and tier are expressed monthly, i.e., 1/12<sup>th</sup> of the employee annual contribution, as specified in Article 22.5.

### **Regulations Imposed by CalPERS**

23.5 For the duration of the District's health benefit coverage received through the CalPERS Health Program, the following regulations shall apply:

23.5.1 For all retirements effective on or after July 1, 2012, in order to allow a surviving spouse/domestic partner to participate in District health benefits, the spouse/domestic partner shall be a qualified annuitant; i.e., a retiree must elect a retirement option that provides a monthly survivor benefit for the spouse/domestic partner (see Section 23.9).

23.5.2 For all retirements effective on or after July 1, 2012, in accord with CalPERS regulations, an employee shall retire under the appropriate retirement system (STRS or PERS) within 120 days of separation from employment.

### **STRS/PERS Warrant Deductions**

23.5.3 Retiree monthly contributions will be recovered through deduction from the STRS or PERS retirement warrant (monthly pension check). Warrant deductions for retiree monthly contributions will occur in the pension check covering the month of health benefit coverage. For example, the monthly contribution for January health benefit coverage is deducted from the January warrant.

23.5.3.1 CalPERS Health will deduct from the retiree's warrant the monthly CalPERS premium for the plan and tier selected.

23.5.3.1.1 In the event the CalSTRS monthly premium exceeds the retirement warrant, CalSTRS will bill the retiree for the entire balance, and the retiree shall have the responsibility for paying CalPERS directly.

23.5.4 The retiree shall be responsible for the monthly contribution rate for the plan and tier selected. The District shall determine the difference between the CalPERS premium deducted from the retiree's warrant and the employee/retiree required monthly contribution rate for the plan and tier

selected. On or about the first of the month, the District shall deposit this difference to the retiree's authorized bank account through electronic fund transfer (EFT).

### **Medicare Obligation**

- 23.6 Each retired faculty employee and every eligible dependent and domestic partner shall, upon becoming qualified for Medicare, enroll in Medicare in accordance with the requirements of the CalPERS Health Plan. Failure to enroll in Medicare in a timely fashion may result in cancellation or interruption of coverage by the CalPERS Health Plan. It shall be the sole responsibility of the retired faculty employee and his or her eligible dependents to apply for and satisfy the requirements of Medicare. The Board shall reimburse the retired faculty employee and his or her eligible dependents for the cost of Medicare Part B during any month the retired faculty employee and his or her dependents are enrolled in and covered by a District sponsored health plan if adequate proof of payment is submitted to the Office of Human Resources once each calendar year and at any time that the amount of the premium is changed by Medicare. This section shall not apply to retired faculty employees or their eligible dependents whose social security status does not qualify them for Medicare benefits unless the retired faculty employee becomes qualified for Medicare through STRS or other agency.
- 23.6.1 Effective July 1, 2012, Medicare-eligible retirees and their qualified Medicare-eligible dependents shall select any one of the CalPERS Medicare Health Plans. These Medicare supplemental plans provide benefits equivalent to, or in some cases richer than, the same plans described in Article 22.5, offered to employees and non-Medicare-eligible retirees. For example, certain buy-up plans may not require deductibles, co-pays, or co-insurance on certain items or services.
- 23.6.2 Brief information on the CalPERS Medicare Health plans, including benefits, coverage limitations, benefits beyond Medicare, copays, and coinsurance, is contained in the CalPERS Annual Health Benefit Summary and available online at <<http://hr.fhda.edu/benefits/medical>>. Full information is provided in the plan documents provided by each respective provider.
- 23.6.3 Under the provisions of Medicare and CalPERS regulations, Medicare-eligible retirees and their Medicare-eligible dependents are required to utilize providers who accept Medicare in order to receive CalPERS health plan coverage under coordination of benefits with Medicare.

### **Coordination of Benefits**

- 23.7 If a retired faculty employee, or his or her eligible dependents or domestic partner, receive benefits under any other health benefits plan, the benefits provided under the other plan shall be subject to coordination under and the terms of the CalPERS Health Plan.

### **Initiating Retiree Benefits Coverage**

- 23.8 To obtain the benefits provided under this article, a faculty employee shall file an application for benefits with the District Office of Human Resources and shall complete all necessary enrollment forms before the last date of his or her employment with the District.

### **Option to Continue Surviving Spouse/Domestic Partner Benefits**

- 23.9.1 The District's contribution towards benefits provided to eligible dependents and domestic partners under this article shall cease at the end of the calendar month following the death of the retired faculty employee (or, if the death occurs after the twelfth working day of the month, at the end of the following calendar month). However, a surviving spouse or domestic partner may continue to participate in the benefit plans administered by the District under this article by reimbursing the District quarterly, in advance, for the full premium or its equivalent for all of the benefits provided. Continued participation in the CalPERS health and prescription benefit plans shall be in accordance with CalPERS regulations, including those described in Article 22.
- 23.9.2 Survivor participation is subject to the terms and conditions of the CalPERS Health Plan. Failure to timely pay or cancellation of coverage shall terminate coverage without option to reenroll. CalPERS Health Plan shall retain sole and final discretion to determine qualified annuitant status for the purpose of eligibility for coverage.

### **Negotiated Changes**

- 23.10 The benefits provided under this article shall remain subject to alteration or termination by any future agreement negotiated between the Board and the exclusive representative for faculty employees.

### **Re-opener**

- 23.11 Either the Board or FA may reopen negotiations on this article at any time by delivering a written request to reopen to the other party.