



**FOOTHILL-DE ANZA**  
**Community College District**

**Office of Human Resources and Equal Opportunity**



# **Retirement Health Benefits Transition For Eligible Retirees**

**(Retired PT Faculty is not applicable)**

**Presented by**

**Christine Vo  
Benefits Director**

**This is a summary presentation only.**

*In the event of discrepancies, health plan Evidence of Coverage documents and /or Insurance Certificates will prevail.*

Visit <http://hr.fhda.edu/benefits/> For complete information.



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## **AGENDA**



**Qualifications**

**Types of Retirees**

**Steps Must Be Taken Prior to Retirement**

**Medicare Eligibility and Enrollment**

**How Medicare Impact You as a Retiree?**

**AB528**

**Retirees Responsibilities**

**Monthly CalPERS Premium Variance Reimbursement**

**Quarterly Medicare Part B Premium Reimbursement**

**Survivors benefits**



# TYPES OF RETIREES



## 1) FT Contract Employees Hired prior to July 1, 1997

**Type 1: Regular Service Retiree** with minimum 10 years of service credits, and age 55

- Coverage includes retiree + Spouse/DP + children under age 26

**Type 2: 20-year retirees, non pensioners - Not retired from CalPERS and/or CalSTRS**

- Coverage restricted to just retiree + Spouse/DP (No children)

Note: Both options offer lifetime medical benefits including medical/dental/vision, monthly CalPERS premium variance reimbursement and quarterly Medicare Part B premium reimbursement.

## 2) FT Contract Employees Hired on or after July 1, 1997

**Type 3: Regular Service Retiree** with min 15 years of service credits, and age 55

- **Bridge to Medicare Program** (coverage between age 55 through 64)
- Eligibility is based on Retiree age
- District subsidy must be used to purchase health toward CalPERS health plan options only NOTE: The program is restricted to just retiree + Spouse/DP (No children)

**Type 4: Voluntary Employee Beneficiary Association (VEBA) Trust**

- Age 65 or older and Medicare-eligible (retirees only)
- \$100 monthly subsidy
- You do not need to enroll in CalPERS health



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## FT Contract Employees Hired prior to July 1, 1997



### Type I (Service Retirees from CalPERS and/or CalSTRS)

- Age 55 and employed at least 10 years of service preceding retirement
- Qualified for Life-Time medical benefits provided by the District
- Coverage extended to the whole family to include (Medical/Dental/Vision)
- Must enrolled in CalPERS Health Program
- Eligible for monthly CalPERS premium variance and Quarterly Medicare Part B premium reimbursement

### Type II (401A Participants – Not retired from CalPERS and/or CalSTRS)

- Must attain 20+ years of service regardless of age
- Restricted to only ACE, CSEA, Confidential, and Teamsters members
- Qualified for Life-Time medical benefits provided by the District
- Coverage extended to the Retiree + Spouse/DP, *exclude Dependent Children* to include (Medical/Dental/Vision)
- Retirement health benefits continuation with CalPERS is not possible unless you are deemed as an annuitant with either CalPERS and/or CalSTRS
- Alternative options are available via **Covered CA** or you may select a plan of your choice and the monthly reimbursement will be made similar to CalPERS equivalent plan
- Or you may elect to receive up to \$200/pp/mo or \$400/couple/mo for coverage through a private employer

**Important: Dependents follow retiree choice and eligibility**

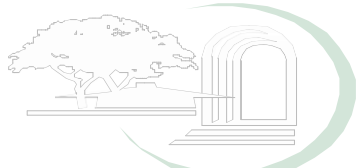


### Type III – Bridge-to-Medicare Plan

- Age 55 through 64
- Rendered service to the District as a permanent employee for **15 or more years** (time spent on a leave of absence without pay or in layoff status shall not counted towards the service retirement) immediately preceding his or her retirement
- Received Service Retirement from CalPERS and/or CalSTRS
- Retirees maintain medical coverage with CalPERS (Member only or Member + Spouse/DP)
- No dental and/or vision care provided by the District, however you can opt-in by self-pay while eligible under Bridge-to-Medicare program. Coverage ends upon Medicare-eligibility.
- District provides monthly subsidy to cover the cost of medical benefits in the period of time between retirement and Medicare eligibility. Monthly subsidy varies between bargaining units: **\$400 (RETIREEE)** or **\$800 (RET + SP/DP)** for all bargaining units, except AMA.
- AMA retirees are eligible for **2.8% X highest step/column (RETIREEE) = \$451.48/mo** or **5.6% X highest step/column for (RET+SP/DP) = \$902.96/mo.**
- District monthly subsidy ends upon the retiree's Medicare eligibility

### Type IV - Voluntary Employee Beneficiary Association (VEBA) Trust

- Age 65 or older (Medicare-eligible)
- Offers \$100/mo. subsidy towards Medicare Part B premium for retiree only
- Program administered by United Administrative Services (UAS)



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## Steps Must Be Taken Prior to Retirement



### **120 days before your date of separation, you must do the following:**

- 1) Schedule an appointment with either CalPERS and/or CalSTRS agent to go over the service years, and obtain an estimate for your retirement income
- 2) Submit a letter of resignation for the purpose of retirement to the Manager or Dean, and copy HR
- 3) Submit Service Retirement Election Application to CalPERS and/or CalSTRS to initiate the retirement process
- 4) To enable survivor coverage with CalPERS/CalSTRS, you must select your retirement option other than Option #1
- 5) Plan to attend a mandatory **“New Retiree Orientation”** minimum 3-4 weeks prior to your exit from the District
- 6) If you and/or your spouse are 65 years or older at the time of retirement, see Benefits Staff to request a Certification of Prior Coverage to avoid late enrollment fees for Medicare Premium Part B.
  - a) Enroll Medicare for both Parts A & B at the nearest SSA Office
  - b) Medicare enrollment is mandatory for all Retirees and spouses age 65 or older upon retirement
  - c) Medicare application required minimum 4-6 weeks for an ID card to be issued by CMS
  - d) To enroll in CalPERS Medicare Supplemental plan, Medicare ID card for both Parts A & B is required (no exceptions)
- 7) To transition from Active to Retiree status, you must be an ANNUITANT with either CalPERS/CalSTRS, complete all paperwork for CalPERS, and enroll in a CalPERS Health Plan within 120 days from the date of retirement
- 8) Set up an ACH account for direct deposits and withdrawals of funds with Discovery Benefits.
- 9) Provide alternative contacts including personal email, and all pertinent documentation.
- 10) Set up an online account with CalPERS and/or CalSTRS to download pension check stubs as evidence of health insurance payment to the District in seeking reimbursement via pdf/email to [MyBenefits@fhda.edu](mailto:MyBenefits@fhda.edu)



# Medicare Enrollment



- A. Medicare Part “A” (Hospital Insurance)** - MANDATORY for District Retirees and/or Spouse/DP age 65 or older
  - ✓ Enroll only if SSA determined you are eligible for premium-free
- B. Medicare Part “B” (Medical Insurance)** - MANDATORY for District Retirees and/or Spouse/DP age 65 or older
  - ✓ Every retiree must apply for, obtain and maintain coverage under Part B of Medicare
  - ✓ 2021 Monthly Medicare Part B Standard Premium is **\$148.50** (subject to change every January 1<sup>st</sup>)
  - ✓ If your modified adjusted gross income (MAGI) as reported on your IRS tax return from 2 years ago is above a certain amount, you may pay more (ranging from \$207.90/mo if your gross income is \$88K+/pp up to \$504.90/mo if your gross income is above \$500K )
- C. Medicare Part “C” (Medicare Advantage)** – MANDATORY for District Retirees and/or Spouse/DP insured under the CalPERS HMO Plans (Kaiser/Blue Shield/Anthem BC/Health Net/Sharp/UHC)
- D. Medicare Part “D” (Prescription Drugs Plan)** – *CalPERS will enroll you directly under “CalPERS Medicare Part D” program. You do not need to enroll Medicare Part D with SSA.*
  - ◆ **IMPORTANT: Medicare Part D *standard* premium is picked up by CalPERS, but Part D *MAGI* premium is not reimbursed by CalPERS or FHDA.**

## ARTICLE 19 FACULTY AND REGULAR RETIREES (EXCEPTIONS)



- ① If you have **never contributed into Social Security**, you **must** check with the local Social Security Administration Office to verify eligibility. If eligible, the retiree **must** sign up for both Medicare Part A and B for dual coverage with Medicare as primary and the CalPERS's medical plan as secondary.
  
- ② If you **do not have enough credits** and are ineligible for Medicare due to **age limits** (less than 65 years of age), you remain covered under the CalPERS medical plan as primary until you qualify. However, you must provide ANNUAL certification from SSA showing proof of Medicare ineligibility to retain BASIC coverage beyond age 65.





## When and How to Apply for Medicare?



- 1) For persons who are turning 65: To enroll in Medicare, you must call SSA at 1-800-772-1213 during your **Initial Enrollment Period** ( a seven-month window around your 65th birthday).
  - a. Make an appointment with SSA within three (3) months before your 65th birthday
  - b. For Actives: Apply for only Medicare Part A, Delay Part B enrollment until 90 days before your retirement
  
- 2) For persons who are 65 or older and have just retired: To enroll in Medicare, you must call SSA at 1-800-772-1213 during your **Initial Enrollment Period** (a **eight-month** window around your 65th birthday that begins when your group health insurance ends).
  - a. Make an appointment with SSA within three (3) months before your retirement date
  - b. For Retirees: Apply for both Medicare Part A & B when eligible. You must apply three (3) months prior to your birthday for both Parts A and B at the same time, waive both Parts C and D.
  
- 3) For persons who are older than 65: To enroll in Medicare, you must call SSA at 1-800-772 - 1213 between **January 1 and March 31**. This window is called **General Enrollment Period**. Medicare coverage for persons enrolling during the General Open Enrollment Period will begin on **July 1**.



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## How does Medicare Impact Me as a Retiree?



- ❑ By federal law, Medicare is the **PRIMARY** coverage for all retired employees from full-time active employment.
- ❑ After retirement and Medicare qualification, the CalPERS' s medical plan serves as your **SECONDARY** coverage.
- ❑ Medicare for RETIRED Employees Who Turn Age 65
  - If proof of Medicare Parts A & B are not received by the District and CalPERS prior to the first of the birth month, coverage for you and your eligible dependents may be negatively impacted.
  - **“Special Open Enrollment”** will be available with Social Security. You have only **30 days** following your resignation to enroll under this provision, otherwise you may be required to pay surcharges to your Medicare Part B premium, due to late enrollment.
  - What happens if I am 65, a retired faculty, and do not qualify for Medicare due to lack of credits? **You must served CalPERS with the CMS Determination Notice regarding your Medicare-ineligibility status within 90 days of your 65<sup>th</sup> Birthday or your coverage will be dropped.** The CalPERS medical plan is your **PRIMARY** coverage.



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## **MEDICAL BENEFIT TRANSITION** **FROM BASIC TO MEDICARE SUPPLEMENT PLAN**

If you are 65+ (and/or if your dependent is 65+), apply for Medicare three months before you retire by contacting SSA at

**(800) 772-1213 or Online at [www.ssa.gov](http://www.ssa.gov)**

Enroll in Medicare Parts A and B

**DO NOT enroll in Medicare Part D**

## Retirees' Responsibilities



- ✓ Require to participate in the Annual Retiree Survey
- ✓ Enroll in **Medicare Parts A and B** when eligible. The current recommendation is 90 days before your 65<sup>th</sup> birthday
- ✓ Provide **timely** Notice(s) to the District when qualified for Medicare (applicable to both retirees and spouse/CA Registered domestic partner). **All documentation must be received by HR prior to the first day of your Medicare eligibility.**
- ✓ Enroll in CalPERS Medicare Supplemental program immediately upon receiving your Medicare ID card
- ✓ Submit proof(s) of the **current** monthly premium for Medicare Part B to the District **annually** no later than **March 15<sup>th</sup>** to continue Medicare quarterly reimbursement.  
**Important: Retroactive reimbursement for late submission of Medicare Part B proof of payment is not permissible.**
- ✓ Notify the District of change of address within **10** business days
- ✓ Notify the District of life qualifying events such as marriage/divorce/death/adoption, etc..within 31 calendar days



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## CaPERS MONTHLY PREMIUM VARIANCE REIMBURSEMENT FOR PRE-'97 RETIREES



- 1) Officially, CalPERS is the Plan Administrator, not FHDA
- 2) CalPERS controls the Retired Group
- 3) FULL Monthly Medical Premium must be offset against your pension check – CalPERS collects this premium on a monthly basis
  - What happens if your income is lesser than the premium charged for the month
    - a. **CalPERS members:** CalPERS will offset the maximum amount, and balance billed you for the variance
    - b. **CalSTRS members:** CalPERS will bill you the entire premium
- 4) To be reimburse for the Monthly CalPERS health premium variance
  - ✧ You are required to submit the **FIRST pension check stub** that show itemized FULL premium deduction towards CalPERS Healthcare to the Benefits Unit either via Fax **650-949-6299** or pdf/email to [MyBenefits@fhda.edu](mailto:MyBenefits@fhda.edu).
  - ✧ If you are getting Direct Bill for CalPERS health premium, copies of invoice and cancelled check or bank statement are required as validation that the FULL monthly premium is prepaid by you.
  - ✧ Initial Refund will promptly process at the **"end of the same month"**, and a check will be generated by A/P
  - ✧ Thereafter, the monthly deposit is done electronically via the EFT account set up through Discovery Benefits on the last day of the month to pay for the next month premium. For example, July 31<sup>st</sup> deposit is to pay for the August premium.



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## QUARTERLY MEDICARE PART B PREMIUM REIMBURSEMENT FOR QUALIFIED HIRED PRIOR TO JULY 1, 1997 (PRE-'97 RETIREES)



1. Premium for Medicare Part B is pre-pay by the members
2. To initiate the request for Medicare Part B premium reimbursement for the first time, you must notify the District Benefits Unit no later than the first day of the month that you became eligible for Medicare. Documentation is mandatory.
3. Annual Obligation: To request Medicare Part B premium reimbursement, Retirees and/or Spouse/DP must provide proof(s) of Medicare Premium Part B payment to the District no later than March 15<sup>th</sup> annually
4. **Reimbursement is not retroactive.** No exceptions!

Quarterly Medicare Part B premium reimbursements is provided in arrears by the District. EFT deposits are scheduled for the following timelines via Discovery Benefits:

- Q1 (January – March): April 15<sup>th</sup>
- Q2 (April – June): July 15<sup>th</sup>
- Q3 (July – September): October 15<sup>th</sup>
- Q4 (October – December): December 31<sup>st</sup>



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## AB528 Continuation Coverage



- ❖ State law requires California schools and community college districts to allow employees who lose their eligibility to continue their health care coverage upon retirement to enroll in health benefit plans currently provided for its current employees. Any former employee who retired from the FHDA Community College District under any public retirement system, and his or her spouse, or any surviving spouse of a former employee, may continue his or her health care benefits by paying the full premiums provided that the member is an **annuitant** of either CalPERS and/or CalSTRS pension plan.
- ❖ This law does not apply to either the new spouse upon the remarriage of a surviving spouse of a former employee, or, the children of a former employee.



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### **REMEMBER:**

- ✓ If you take your CalSTRS/CalPERS pension as a lump sum, you forfeit FHDA retiree health benefits.
- ✓ Must apply for CalPERS or CalSTRS service retirement within 120 days after the date of separation.
- ✓ FULL monthly CalPERS Health premium must be prepaid by the retirees, and District reimbursement is provided in arrears for the monthly employer's share of cost.
- ✓ Your FHDA life insurance benefit expired with your retirement.
  - For conversion information, contact HARTFORD at (888) 563-1124

### **SURVIVORS:**

- Must notify the District within 31 days from the date of life qualifying event (LQE) to enroll under the surviving spouse plan
- District contributions towards health/Medicare ends at the end of the month of LQE for the entire family
- Survivors may continue the same medical plan with CalPERS via self-pay if you are deemed as a survivor annuitant
  - CalPERS offsets the FULL monthly premium against the survivor annuitant pension fund
- Survivors may purchase dental and dental coverage with the District by prepaid quarterly (EFT pulls)





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## What do I need to complete and return to the Benefits Unit?



**IMPORTANT: To ensure a smooth transition, you MUST submit ALL forms and required documentation to HR/Benefits Unit at least 2-3 weeks prior to your date of separation.**

1. Health Benefits Plan Enrollment for Retiree (form HBD30)
2. Copy of your CalSTRS or CalPERS Award Letter regarding your Annuitant status
3. Birth Certificate for all dependents (spouse/DP/children) – passport is acceptable
4. Marriage Certificate or CA state of Registration for Domestic Partner
5. Copy of Social Security Card(s) for each dependent
6. Award letter from Medicare CMS confirming the effective date of Medicare coverage
7. Medicare ineligibility certification letter from SSA is mandatory if you are 65+ and Medicare ineligible due to lack of credits
8. Medicare ID card reflecting both Parts A & B enrollment (required for both retirees/spouses/DP if applicable)
9. Complete an EFT form for District Direct Deposits and Withdrawals via Discovery Benefits + copy of a cancelled check
10. A check payable to FHDA for your final monthly contribution or the last month of coverage as an active
11. Prepare to provide the District with two alternative contacts and personal email for emergency contacts



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## SSA and CMS WEBSITES



- ✦ Official Social Security web site: [www.ssa.gov](http://www.ssa.gov)
- ✦ For information regarding Centers for Medicare & Medicaid Services (CMS), access web site: <http://www.cms.hhs.gov>
- ✦ For listing of Medicare Participating Providers and Suppliers by Area, access web site: <http://www.medicare.gov/physician>
- ✦ To personalize information regarding your Medicare benefits and services, you may use <http://my.medicare.gov/> to view claims, order duplicate Medicare Summary Notice (MSN) or replacement of Medicare ID card, view eligibility, entitlement and preventative services information.



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## SSA INFORMATION



### Nearest Social Security Office:

#### SOCIAL SECURITY OFFICE (SSA)

701 N. Shoreline Blvd, First Floor Mountain View, CA 94043

Office hours: M-F 9am – 4pm, except Wednesday: 9am-Noon

✦ To enroll: [Call SSA: 1-800-772-1213](tel:1-800-772-1213), M-F from 7 AM - 7 PM.



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To enroll: Call SSA: 1-800-772-1213

M-F from 7 AM - 7 PM.

For Medicare claims inquiry: 1-800-633-4227



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## Contacts Information



- ✦ CalPERS Online: For more information on health benefits and programs, visit CalPERS at [www.calpers.ca.gov](http://www.calpers.ca.gov)
- ✦ CalSTRS Online: For more information on health benefits and programs, visit CalSTRS at <http://www.calstrs.com>
- ✦ CalPERS By Phone: Call 1-888-CalPERS or (888-225-7377) Monday through Friday, 8am – 5pm PST
- ✦ CalSTRS By Phone: Call 800-228-5453 or 916-414-1099 Monday through Friday, 7am – 6pm PST
- ✦ Benefits Unit:
  - Phone: 650-949-6224
  - Fax: 650-949-6299
  - Email: [MyBenefits@fhda.edu](mailto:MyBenefits@fhda.edu) WEBSITE:  
<http://hr.fhda.edu/benefits/>