Welcome!

Pre-Retirement Benefits Seminar

Purpose of today's seminar is to:

Provide an overview of current Howard County Public School's (HCPSS) retiree healthcare benefits, eligibility and monthly costs.

Introduction

- The Retiree Health Insurance program is subject to revision, amendment or other changes.

- In order for benefits to continue monies must be approved for these purposes in future operating budgets.

What Benefits may I carry into Retirement?

- Health Benefits
  - Medical (including Prescription)
  - Dental
  - Vision
- Life Insurance

Am I Eligible for Retiree Health Benefits?

In order to be eligible for retiree health benefits, you must meet all of the following criteria:

- Have acquired fifteen years or more of cumulative service with HCPSS.
- Retire from Maryland State Retirement Pension System.
- Enrolled in one of the school system's medical, dental, or vision plans at least one year prior to retirement date. For example, to be eligible for dental benefits you must be enrolled in a dental plan one year prior to retirement; same for medical and vision.

Am I Eligible for Retiree Health Benefits?

- The one-year prior enrollment provision is waived for married couples who both work for HCPSS, provided that he/she was covered under the spouse's coverage at the time of retirement.

Am I Eligible for Retiree Health Benefits?

- Employees with less than 15 years of cumulative service at the time of retirement will not be eligible for retiree health insurance benefits through HCPSS.
- Employees may continue their benefits under COBRA.
- A COBRA Information packet will be mailed to you by our Third-Party Administrator, TASC.

When Will My Benefits End as an Active Employee?

- Employees who retire on July 1, will continue their active benefits, to include Flexible Spending Accounts (health and/or dependent care) up until August 31 and retiree benefits will begin September 1.

- Employees who retire on any other months other than July 1, will have their active benefits to include FSA through the end of the month prior to their retirement date. Their retiree benefits will begin on their retirement date.

Flexible Spending Accounts (Health/Dependent Care)

- Retirees are not eligible for FSA.
- Employees who retire on July 1 can submit FSA claims to the FSA carrier, 90 days from their active benefits end date, for service dates through August 31.

Example: Retirement Date 07/01/2027
Benefits end date as an active employee 08/31/2027
FSA claims must be submitted by 11/30/2027 for service dates through 08/31/2027.

Flexible Spending Accounts (Health/Dependent Care)

- Employees who retire on any other months other than July 1 can submit FSA claims to the FSA carrier 90 days from their active benefits end date, for service dates through the end of the month prior to their retirement date.

Example: Retirement Date 02/01/2026
Benefits end date as an active employee 01/31/2026
FSA claims must be submitted by 04/30/2026 for service dates through 01/31/2026.

How Much will my Health Insurance Cost?

- **Medical Premium (includes Prescription)** - The Board contribution towards your retiree health insurance premium is based on your number of cumulative years of service **with HCPSS**, and calculated on the prime insurance carrier which is currently the Aetna Select Open Access (HMO) plan.

- The chart below details the years of service and percentages paid by the Board towards retiree insurance premiums.

Years of cumulative Service	15 - 19	20 - 24	25 and over
% of Board Contribution	50%	75%	90%

May I cover my Dependent(s)?

- Eligible dependents may be covered, but the retiree pays the full cost of the premium.
- There is no Board contribution towards the dependent(s) premium.
- To illustrate with an example, if you have 21 years of service the Board will cover 75% the cost of YOUR retiree benefits, but if you choose to cover a dependent (spouse or child), the Board covers 0% of that dependent, and the retirees must assume the full cost.

How Much will my DentalVision Insurance Cost?

- **Dental Premiums –** The retiree pays 100% of the monthly premium.
- **Vision Premiums –** The retiree pays 100% of the monthly premium
- Keep in mind, this is the same cost that employees currently pay, so there is no change in cost between employment and retirement for dental and vision premiums.

How are Benefits Premium(s) paid?

- Monthly health premium cost(s) are deducted from the monthly retirement allowance that you receive from Maryland State Retirement.

- If monthly health premium cost(s) exceed the monthly retirement allowance, you will be billed directly by our Third Party Administrator, TASC.

A few words about Medicare…

- HCPSS currently offers three medical plan options:
  - CareFirst BlueChoice HMO (Regional Plan, covers MD, DC and Northern VA)
  - Open Access Aetna Select HMO Plan (Nationwide Plan)
  - Aetna Open Choice PPO (Nationwide Plan)

A few words about Medicare…

- All HCPSS medical plans require you/covered Dependent(s) to enroll in Medicare Part A (hospital type care) and Part B (medical type care) upon meeting any of the following Medicare eligibility requirements:
  - Upon turning age 65; or
  - Upon approval for Social Security Disability Income (SSDI), regardless of age.
- All HCPSS medical plans will process medical claims assuming Medicare payment, effective the date of you/covered dependent(s) become eligible for Medicare.
- It is very important that you enroll in Medicare timely, once you become eligible, in retirement.

A few words about Medicare…

- Once the Benefits Office updates the Medicare eligibility, your health insurance premium will be adjusted to reflect that Medicare is your primary insurance, resulting in a reduction of your premium.
- Medicare premium Part B will be taken out of your social security check. If you do not plan to take social security right away, social security will bill you quarterly.
- There is no cost to enroll in Medicare Part A.
- A copy of your Medicare Part B should be sent to the Benefits Office for our records.

Medicare – Working Exemption

- An active employee who is over the age of 65 and is covered under a group health plan through their employer or their spouse's employer must enroll in Part B upon retirement.

- You may enroll:
    - Without waiting for a general enrollment period or;
    - Without paying the 10% penalty for late enrollment.

- The Benefits Office will complete a Medicare Form that you can take to the social security office that shows that you/covered dependent(s) were covered under a group health plan so that a penalty will not be assessed.

Prescription Drug Coverage

- Medicare Part D covers Prescription Drug Coverage.
- HCPSS will continue the current prescription drug plan and apply for the federal subsidy.
- Medicare eligible participants, who elect to continue coverage with HCPSS, **do not need to enroll in Medicare Part D.**

Prescription Drug Coverage

- Notice of Creditable Coverage
  - The prescription drug plan currently offered by HCPSS is as good as the standard Medicare Part D benefits.
  - Medicare Part D will not provide you with any additional benefits, and you will not have to pay a Medicare Part D premium.

One Time “Opt Out/Opt In” Election

- On the date of retirement, all eligible retirees may choose a one-time only “opt out” election of insurance benefits, provided that the retiree maintained coverage(s) one year prior to retirement.

- A retiree who elected to “opt out” of HCPSS retiree health benefits at the time of retirement, will be allowed a **one time only opt in** to the HCPSS retiree health benefits due to a qualifying event, or during a future open enrollment period.

- A retiree who has medical, dental and/or vision coverage(s) but did not elect for the “opt out” option, who elects to discontinue medical, dental, and/or vision coverage(s) may not re-enroll for that coverage in the future.

Retiree Open Enrollment

- An Open Enrollment period is held annually in the fall. As long as you have maintained your retiree coverage, eligible dependents may be added/deleted during the Open Enrollment period.

- Retirees cannot enroll in benefits for which they are not eligible. For example, if you were not enrolled in vision one year prior to retirement, you cannot enroll during Open Enrollment.

- Open enrollment packets are mailed to retirees during the month of October.

Change in Status

- Retirees may change benefit selections outside of the Open Enrollment period within thirty (30) days of a status change.

- Qualifying Events for a status change include:

    - Moving from service area, death of spouse or dependent, termination of health care benefits, change in spouse's employment, divorce, marriage, loss of dependent status.

Coverage for Spouses of Deceased Retirees

- Spouses of deceased retirees are able to continue their coverage, as long as he/she was a covered dependent under the retiree's medical, dental and/or vision plan(s) at the time of death.

- Spouses of deceased retirees will be billed for their health insurance premiums by our Third Party Administrator, TASC.

Retiree Life Insurance

Eligibility for Retiree Life Insurance

In order to be eligible for Board paid Retiree Life Insurance the following criteria must be met:

- Must have Life Insurance at the time of retirement as an active employee, and
- Has ten(10) cumulative years of service with HCPSS.

How much Life Insurance do I have?

- Annual salary (rounded to the nearest thousand), reduces 10% on the date of retirement.
- Reduces an additional 10% of the original amount of insurance on each of the next four anniversaries of the date of retirement.
- Remains at 50% of your annual salary until the date of your death.

How much Life Insurance do I have?

	Example	at Retirement $40,000
a. 10% on the retirement date 07/01/2011	$ (4,000)	$36,000
b. 10% on the first anniversary of retirement 07/01/2012	(4,000)	$32,000
c. 10% on the second anniversary of retirement 07/01/2013	(4,000)	$28,000
d. 10% on the third anniversary of retirement 07/01/2014	(4,000)	$24,000
e. 10% on the fourth anniversary of retirement 07/01/2015	(4,000)	$20,000

The coverage then remains at this level; i.e., 50% of the coverage just prior to retirement.

Questions?

- Email: Benefits@hcpss.org
- Phone: 410-313-7333, Mon-Fri 8:30am-4:30pm
- For additional information regarding retiree benefits, please visit: www.hcpss.org/employees/retiree-benefits/

Thank you for attending today’s seminar!