

CalPERS Health Benefits Into Retirement

Disclaimer: *CalPERS health benefits are governed by the Public Employees Medicare and Hospital Care Act (PEMHCA). Dental is governed by State Employees Dental Care Act. The statements in this document are general. Health and Retirement Laws are complex and subject to change. If there is a conflict between the law and this document, any decisions will be based on the law and not this document.*

Note: This Digital Class Notes & Resources document is designed as a supplementary enhancement to the presentation, offering additional support for CalPERS members.

Important! This class is for members who currently work for or are retired from an employer who participates in the CalPERS Health Program. If your employer doesn't participate in the CalPERS Health Program, the following presentation and information doesn't apply to you. Contact your employer to find out about your specific health benefits.

Agenda

This presentation covers information on:

- Eligibility
- Enrollment
- Employer Contribution and Vesting
- Health Plans
- Medicare
- Dental and Vision Coverage
- Online Tools & Resources

Eligibility

Your Eligibility

You're [eligible](#) to enroll in a plan or continue your health enrollment as a retiree if you:

- Separate from employment and retire within 120 days. Your separation and retirement dates can't be the same date. Your separation date is your last day on payroll with your employer and your retirement date is the actual retirement effective date chosen by you.
- Receive a monthly retirement allowance
- Are eligible for health benefits on your date of separation
- Retire from an agency that contracts with us for health benefits for your bargaining group

Family Member Eligibility

Once you're enrolled, you can [enroll your family members](#) as your dependents. Eligible dependents include:

- Your spouse or registered domestic partner

- Natural, adopted or stepchildren, up to age 26
- Certified disabled children who were disabled prior to age 26
- A child in a parent-child relationship with you

There are those who are not eligible to be covered as a dependent on your plan, for example, your ex-spouse cannot be covered. It's against the law to continue enrollment of an ineligible family member. If this occurs, you may be responsible for all costs incurred during the period in which they were ineligible.

Survivor Eligibility

Upon your death in retirement, surviving family members are eligible for health benefit coverage if they:

- Receive a monthly check – The monthly benefit can be a survivor continuance, or a death benefit because you selected a retirement option that provides a monthly lifetime benefit.
- Were eligible dependents at the time of your death. A child over age 26 or an ex-spouse would not be eligible.

The [Health Program Guide \(HBD-120\) \(PDF\)](#) can assist you with eligibility requirements and the documentation required to enroll your eligible dependents.

Enrollment

Retirement Enrollment Timeline

The length of time between your separation date and your retirement date not only dictate whether you're eligible for health benefits, but it also determines how your enrollment continues into retirement.

If your separation and retirement dates are:

- **Within 30 days:** If you're enrolled in health benefits at the time of your separation, your health coverage will continue into retirement automatically including all eligible family members enrolled on your plan prior to your retirement. There is no break in coverage between your employment coverage and your retirement coverage.
- **Between 31 and 120 days:** Your health coverage will not continue into retirement, which could result in a lapse in coverage. At this point you can:
 - Enroll in direct pay through your employer which allows you to pay the full gross premium directly to the health plan
 - Request to re-enroll within 60 days of your retirement date
 - Re-enroll during the next open enrollment period with coverage going into effect the following January 1
 - Qualify for a 90-day late enrollment
- **More than 120 days:** You're not eligible for health benefits into retirement

If you don't want your health benefits to continue into retirement, you can cancel your coverage through your employer before you retire. You may also decline coverage into retirement in *the [Service Retirement Election Application](#) (PDF)* form.

Open Enrollment

[Open enrollment](#) is the one time each year when you can make changes to your health benefits without a qualifying event. It's traditionally held in the fall with changes effective the following January 1.

During open enrollment you can:

- Enroll in a health or dental plan
- Change health plans
- Add or delete eligible family members
- Cancel all coverage

Open enrollment information will be available in your [myCalPERS](#) account. Here you'll find information about your current plan, premiums, and which plans are available to you. When you retire, you'll also be able to make open enrollment changes in your myCalPERS account. While you're working, open enrollment changes still need to be done through your employer.

Special Enrollment

Special enrollments are qualifying events that allow you to make changes to your health enrollment without having to wait for the next open enrollment period. Marriage, registration of a new domestic partnership, Medicare eligibility, birth, adoption, or placement for adoption of a child, and involuntary loss of coverage.

Requests to make changes to your health benefits based on a special enrollment must be made *within 60 days* of the qualifying event. The change goes into effect the first of the following month from when all required documentation is received.

Late Enrollment

Late enrollment applies when there is no qualifying event to allow enrollment or the request for special enrollment is made outside of the 60-day period. There is a 90-day waiting period for late enrollments. The effective date of the change is the first of the month following the waiting period.

Mandatory Enrollment Changes

Mandatory qualifying events require you by law to make a change to your enrollment. The effective date of a mandatory qualifying event is the first of the month following the event.

Examples of mandatory qualifying events include:

- Divorce or termination of a domestic partnership
- Death of a dependent family member
- Death of a CalPERS member

You may be required to provide supporting documentation to add or delete a dependent family member. For example, a divorce or termination of a domestic partnership requires a copy of the divorce decree or the [Termination of Domestic Partnership \(PDF\)](#) from the [Secretary of State](#) to delete the dependent.

Find more information in the [Health Program Guide \(HBD-120\) \(PDF\)](#).

Unlawful Enrollments

Types of enrollments that are **not** allowed are:

- **Dual coverage** – You are only permitted one CalPERS health enrollment, meaning you can't be enrolled in your own CalPERS health plan as the subscriber and a dependent on another person's CalPERS plan.
- **Split enrollment** – All dependents must be covered under one subscriber.

Employer Contribution and Vesting

The employer contribution is the amount your employer will contribute to your health plan premium in retirement. Vesting refers to the amount of time you must be employed by your employer in order to receive their contribution toward your health premium at retirement.

Public Agency and School Contributions

If you're retiring from a public agency or school, your employer's monthly contribution is established by contract. Your employer has the power to make changes or cancellations to the contract. Contact your employer for contribution amounts and any vesting requirements.

State and CSU Contributions

When you retire from the State of California or the California State University (CSU) you may receive the state's contribution towards your health plan premium in retirement. Employer contributions are subject to collective bargaining and can be found on the [Retiree Plans & Rates](#) webpage.

State of California Vesting

If you were first hired by the state:

- Before January 1, 1985 and are eligible to retire, you will receive 100 percent of the state's contribution
- Between January 1, 1985 through January 1, 1989, you need 10 years of CalPERS service credit to receive 100 percent of the state's contribution. In this case, CalPERS service credit includes service with a state agency, public agency, and schools.
- After January 1, 1989, you need 20 years of state service to receive 100 percent of the state's contribution
- Most employees hired on or after certain dates are subject to a 25-year vesting for 100 percent of the state's contribution based on bargaining unit (BU):
 - BU 12 – January 1, 2011
 - BU 9, 10 – January 1, 2016
 - BU 1, 2, 3, 4, 6, 7, 8, 11, 13, 14, 15, 17, 18, 19, 20, 21 – January 1, 2017
 - BU 16 – April 1, 2017
 - BU 5 – January 1, 2020

CSU Vesting

If you:

- Established CalPERS membership prior to July 1, 2017 and retire from a CSU, you'll receive 100 percent of the state's contribution
- Some CSU hired on or after certain dates need 10 years of service to get 100 percent of the state's contribution based on bargaining unit (BU):
 - BU 3 - July 1, 2017
 - BU 1, 2, 4, 5, 6, 7, 9, 10, and non-represented – July 1, 2018
 - BU 11 – January 1, 2019

Some members are exempt from vesting requirements. If you retire from the Legislative Branch, including Senate and Assembly Rules, or from the State of California on a disability or industrial disability retirement, you're exempt from the state's vesting requirements. Also, family members who qualify as a surviving annuitant due to an active member's death are also exempt from state vesting requirements.

Even if you receive 100 percent of the state's contribution toward your health benefits, this may or may not cover 100 percent of the premium. This means that if your health plan premium is more than the state's contribution, you'll be required to pay the remaining balance.

Health Plans

CalPERS Health Plan Types

We offer different types of health plans. The availability of these plans varies depending on where you live or work.

- **Preferred Provider Organizations (PPO)** are available worldwide and generally allow greater flexibility when choosing providers. There is a yearly deductible, but you don't need a referral to see a specialist.
- **Health Maintenance Organizations (HMO)** For an HMO, healthcare is provided within the plan's predefined network and you must select a primary care provider. HMOs are geographically restricted, and you need a referral to see a specialist.
- **Exclusive Provider Organizations (EPO)** generally function like HMOs and offer the same services. EPO members do not have to select a primary care provider but must seek services from the EPO network providers. This is specific to a few counties where access to HMO's are limited.
- **Association** plans are available but are only available to dues paying members of those organizations.

Health plan availability depends on where you work or live, so we recommend using the [Health Plan Search by Zip Code](#) tool to find the CalPERS health plans available in your area.

Review the **Health Benefit Summary (HBD-110)** for information that will help you make an informed choice about your health plan. This publication compares covered services, co-payments, and benefits for

health plans we offer. View or download it on the [Forms & Publications](#) page of our website. Find more information on [Plans & Rates](#) on our website.

Changing Health Plans

You're allowed to change your health plan during open enrollment or with a qualifying event, including when you move, when you retire, or when you or your dependent becomes eligible for Medicare and you coordinate your Medicare benefits with your CalPERS health benefits.

Medicare

[Medicare](#) is a federal program that may affect your CalPERS health benefits if you're currently age 65 or older, turning 65 years of age, or if you're disabled. The [Social Security Administration \(SSA\)](#) is responsible for Medicare eligibility, enrollment, and premiums.

Medicare Eligibility

Medicare eligibility is based on your:

- Age
- Work history
- Social Security disability status

If you're age 65 or older, you may qualify for Medicare through your past work history, or the work history of your current, former, or deceased spouse.

If you're under age 65, you may qualify for Medicare through certain Social Security qualified disabilities.

Medicare Part A – Hospital Insurance

Medicare Part A is hospital insurance that helps to pay for inpatient hospital stays, skilled nursing facilities, hospice care, and some home care. Generally, if you or a current, former, or deceased spouse worked at least 10 full time years under Social Security/Medicare-covered employment, you'll receive Part A at no cost. If you're not eligible for premium-free Part A, you don't have to enroll in Medicare.

Medicare Part B – Medical Insurance

Medicare Part B is the medical insurance that helps pay for outpatient health care expenses, including doctor visits. Everyone has the option to purchase Part B at age 65, even if you're not entitled to premium-free Part A, or under age 65 with certain Social Security disabilities.

Medicare Part B Premium

Everyone enrolled in Part B is required to pay a premium to Social Security. If you're collecting Social Security benefits, the premium will be deducted from your check, otherwise you'll be billed quarterly. Failure to pay your premium will result in cancellation of your Part B and CalPERS health benefits.

The Social Security Administration establishes your cost of Medicare Part B premiums annually based on the income you report to the IRS.

Most people on Medicare only pay the standard Medicare Part B premium, but those whose income exceeds an established threshold will pay the standard plus an Income Related Monthly Adjustment Amount, IRMAA for short. The IRMAA increases the Part B premiums for higher individual incomes (i.e. if you make more money, you may be required to pay more).

Medicare Part B Premium Reimbursement

Public agency and school retirees are **not** eligible for Medicare Part B reimbursement through CalPERS. Contact your employer for questions regarding a potential reimbursement.

State and CSU retirees may be eligible for a Medicare Part B reimbursement. CalPERS will reimburse you the lesser of two numbers, the remaining state share after your health care premium is paid or the cost of your Part B. If your dependents go on Medicare, you may receive a reimbursement to pay for their cost of the Part B premium.

If you or your dependent is subject to IRMAA, you may be eligible for a higher Medicare reimbursement. If you think you're eligible for an increased reimbursement, submit a copy of the entire Social Security benefit notice to us for a determination of your eligibility to receive a higher reimbursement.

Medicare Enrollment

If you're retired and eligible for premium-free Medicare Part A, you must enroll in Medicare Parts A and B with the Social Security Administration and coordinate your benefits with CalPERS. This is also required of any dependents you have enrolled on your health plan while retired.

However, if you are working past age 65 and enrolled on an Employer Group Health Plan or your spouse is still working and you are covered under his or her active Employer Group Health Plan, you can defer Medicare Part B enrollment.

If you aren't eligible for premium-free Medicare Part A, you don't have to sign up for Parts A or B.

Four months prior to your or your dependent's 65th birthday, we'll send a notification of the requirements to continue your health coverage. This notice will provide information about specific requirements and instructions for enrollment, including required documentation.

Available CalPERS Medicare Plans

We offer several Medicare plans. When you retire, become eligible, and enroll in Medicare Parts A and B, we'll enroll you in the CalPERS Medicare plan of your choice.

We offer Managed Medicare plans, also known as Medicare Advantaged plans, and Medicare Supplement plans. Find the available plans on our [Retiree Plans & Rates](#) page. If you're not currently enrolled with one of these health plan carriers, you'll be required to change your health plan at the time you go on Medicare. We'll notify you if you must change your health plan.

Medicare Part D – Prescription Drug Coverage

Medicare Part D is a Medicare prescription drug coverage plan. All CalPERS Medicare health plans include Medicare Part D and the plans will enroll you.

If you or your dependent enrolls in Medicare Part D through a non-CalPERS Medicare plan, you must disenroll from that plan or your CalPERS health coverage will be canceled.

For more information on eligibility, enrollment, and premiums contact [Social Security](#). You can also review our [Medicare](#) page, and read our [Medicare Enrollment Guide \(HBD-65\) \(PDF\)](#).

Dental and Vision Coverage

State, CSU, public agency, and school retirees may be eligible for dental and vision coverage into retirement.

Public Agency and School Dental and Vision

For public agency and school retirees, before you enroll in Medicare, contact your employer to see if they offer any retiree dental and vision coverage.

If your employer doesn't offer dental and vision benefits, and you have enrolled in Medicare and have coordinated your Medicare coverage with CalPERS, you may be able to enroll in a dental and vision rider plan. There are several CalPERS plans that offer the dental and vision rider for 2024, these plans are:

- Anthem Blue Cross Medicare Preferred Health/Dental/Vision
- Blue Shield Medicare Advantage PPO Health/Dental/Vision
- Kaiser Permanente Senior Advantage plus Dental Option
- Sharp Direct Advantage plus Dental Option.
- UnitedHealthcare Group Medicare Advantage PPO Health/Dental/Vision

You can request enrollment through us. The plan will enroll you into the additional benefits and you are billed directly.

State and CSU retirees are not eligible for the additional benefits offered by these plans as you have separate plans available to you.

State Retiree Dental Coverage

State and CSU retirees may be eligible for dental and vision coverage into retirement.

To be eligible for dental benefits into retirement, you must:

- Separate and retire within 120 days
- Receive a monthly retirement allowance
- Retire from a state agency or CSU

State employees hired prior to July 1, 1998, and a CSU prior to July 1, 2017; you are considered fully vested. All others should contact your employer to find out if you're subject to vesting.

Dental enrollment into retirement is not automatic. Your employer should process your dental enrollment into retirement. They may require you to complete an enrollment form. Contact them for more information.

Once you retire, we'll handle your enrollment changes and premium deductions.

State Retiree Vision Coverage

You may be eligible for the state retiree vision program through [Vision Services Plan \(VSP\)](#). Vision coverage doesn't automatically continue into retirement. If you'd like your vision benefits to continue into retirement, complete the enrollment form with your employer. For information on eligibility, coverage, benefits, and enrollment, contact VSP directly.

Public agency and school retirees are not eligible for the state-sponsored dental and vision plans.

Resources

Visit the [Health Benefits](#) webpage to find more information about what we've covered today and more, including the [Health Program Guide \(HBD-120\) \(PDF\)](#), [Health Plan Search by Zip Code](#) tool, the **Health Benefit Summary (HBD-110)**, and the [Medicare Enrollment Guide \(HBD-65\) \(PDF\)](#).

The **Evidence of Coverage** publications can be found on our [Forms & Publications](#) webpage. These publications are provided by the plans and describe the terms and conditions of coverage including benefits, covered services, and co-payment information.

Log in to your [myCalPERS](#) account to view your **Health Plan Summary** page, which provides information about your medical plan, coverage type, when you were enrolled, and information about your premium. You'll also find your subscriber information as well as a list of any dependents enrolled on your health plan.

You can do a side-by-side comparison of the available health plans by using the **Search Health Plans** tool. Remember, while an active employee, you should continue to contact your employer regarding any health plan changes.

You can submit a question online using **Messages** in myCalPERS. Because myCalPERS is behind your username and password, we may be able to provide a more personalized response.

Other available resources include:

- [Subscribe](#) to our **Member Education Bulletin**
- [Register](#) for our monthly videos
- Watch our [YouTube Videos](#)
- Schedule an appointment with a [Regional Office](#) counselor
- Customer Contact Center **888 CalPERS** (or **888-225-7377**)