

THINKING RETIREMENT????IT IS NEVER TO EARLY TO UNDERSTAND YOUR BENEFITS!!!!!!!!!!

The MTEA has received many inquiries regarding the following provision in our contract

11:7 Teachers retiring from Monroe Township Public Schools after twenty-five (25) years of service in the district will have the health insurance coverage provided herein contained until age 65. The Board will cover all expenses to the extent that the terms of the contracts and policies with the insurance carriers permit. Coverage will be for the employee and spouse where applicable at the time of retirement.

This provision was negotiated many years ago and the interpretation of this article must always be viewed in connection with all of the laws affecting benefits at retirement. NJEA regularly monitors legislation and keeps us advised of all changes in both the pension fund and the health plans for retirees.

The decisions you make at retirement are decisions that will affect you for the rest of your life and in the area of health insurance they are irrevocable. There are several types of retirement so it is very important to make sure you fit in the right category before you make a decision about health insurance.

1. What are my benefit choices if I have 25 or more years of service in Monroe?

State-paid health benefits through the State Health Benefits Program are available to eligible retirees with 25 years of pension credit or fewer years if the member qualifies for a disability retirement. PERS, TPAF, and ABP service may be combined for 25 years of pension credit. This coverage includes the retiree's eligible dependents. The retiree must also be eligible for employer-paid health benefits at the time of retirement.

This means that you and your dependents, not just a spouse, will have fully paid health benefits for the rest of your life. There is no age limit to this benefit.

2. What are my benefit choices if I have less than 25 or years of service in Monroe but I have 25 years in the pension fund?

You are entitled to the same state paid health benefits as someone with 25 years in Monroe.

3. If I have 25 years in the Pension Fund, do I have to be a certain age to get the benefits at retirement?

No, there is no minimum age requirement to receive the state paid health benefits.

4. What if I have 25 years in the pension Fund and prefer our locally negotiated plan, can I keep it until age 65?

This would be a choice but not a very good one. This is because if you do not accept the SHBP at the time of retirement, you can not get it later. Essentially, you would be giving up a lifetime benefit.

5. What are my benefit choices if I have less than 25 years in the pension fund and I retire from Monroe?

If you are age 60 or older you can receive a pension regardless of years of service. You are also eligible to purchase your benefits through the Monroe Township Board. Under P.L. 1987, Chapter 386, retirees may

stay in local district plan as long as premiums are paid according to local district requirements. Contact the board business office.

Under P.L. 1993, Chapter 8, if the retiree is participating in the district's plan and becomes eligible for Medicare Part B, the retiree has a one-time opportunity to switch to the SHBP. . Premiums are still paid by the retiree. Medicare participating doctors must be used. Survivors may remain in the district's plan by paying premiums at the established group rate for retirees.

6. What are my benefit choices if I am under the age of 60 AND have less than 25 years in the pension fund and I retire from Monroe?

If you defer your retirement because you have less than 25 years in the pension fund and you are under the age of 60 you may choose to "vest" or "defer" your pension until you reach the age of 60. Those electing Deferred Retirement that are more than 18 months away from age 60 may continue in our group coverage under 'COBRA' and cannot transfer their active health care coverage to retired group coverage. Those electing Deferred Retirement may be eligible for continuation of their Health Benefits coverage because of federal 'COBRA' legislation, for up to 18 months if they were covered by their employer's Health Benefits Program just prior to terminating employment. If the actual retirement commences (and you are collecting a pension check) while the 18 month COBRA coverage is in effect, the retiree may continue their Health Benefits coverage into retirement (under P.L. 1987 Chapter 386). If the 18 months of COBRA coverage ends *before* the retirement commences, the member **will not** be entitled to maintain health coverage in retirement.

7. What if I am a Veteran?

Generally, if you are eligible for a veteran's benefit at retirement, you still must have 25 years in the Pension fund in order to obtain the lifetime health insurance through the SHBP.

8. How does the recent Domestic partner legislation affect me when I retire?

The legislation does not affect us in Monroe because we do not participate in the state health benefits plan.

9. What exactly are the benefits in the SHBP?

There are several Plans in the Program. This allows you to pick the plan that is right for you.

- Traditional - Hospitalization (BC/BS), Medical/Surgical Horizon (BC/BS), Major Medical limit of \$1,000,000 (BC/BS). This is administered by Horizon Blue Cross/Blue Shield of NJ
- NJ PLUS (The POS Plan). This is administered by Horizon Blue Cross/Blue Shield of NJ
- Health Maintenance Organization (HMO). Various plans - eligibility based on area of residence.

Retirees may change plans by filing a NJ State Health Benefits Retired Status Application with The Division of Pensions. If a retiree changes plans, The Division of Pensions requests that they stay with that plan for at least 12 months.

Medicare Part B – Reimbursement

- Upon reaching age 65, or earlier if disabled under Social Security, retiree and dependent(s) **MUST ENROLL** in Medicare Part B, which then becomes the primary payer and the SHBP becomes the secondary payer. Medicare participating doctors must be used.
- Retiree will receive reimbursement of retiree and dependent's Medicare Part B costs on a monthly basis in pension check.

All retire health plans have co-pay prescription drug coverage.

Traditional and NJ Plus Retiree Prescription Drug Plan

Type of Drug Product	Retail Pharmacy	Mail-Order Pharmacy
Generic	\$6.00	\$6.00
Preferred Brand	\$13.00	\$19.00
Other Brands	\$26.00	\$32.00

The maximum annual out-of-pocket expense for the Traditional and NJ PLUS prescription drug benefits is \$474.00.

HMO Retail Pharmacy Co-payment amounts

Supply	Generic	Preferred Brand	All Other Brands
01-30 days	\$5	\$10	\$20

There is no maximum annual out-of-pocket expense for the HMO's

Mail Order co-payment amounts — up to a 90-day supply

Supply	Generic	Preferred Brand	All Other Brands
01-90 days	\$5 (Oxford Health Plan - \$5)	\$15 (Oxford Health Plan - \$10)	\$25 (Oxford Health Plan - \$20)

Mail Order co-payment amounts — up to a 90-day supply

10. I have decided that I need to know more before I retire. What should I do?

As an NJEA member you are entitled to a FREE consultation with a pension specialist at our UNISERV office in Woodbury. If you live closer to another office, we can make arrangements for your consultation at that office as well. We would also encourage you to attend at least one of the many workshops which are provided throughout the year. MTEA will keep you apprised of these opportunities as the year goes on.

11. I have 20 more years before I am eligible to retire. Why should I care?

Your pension is critical to your financial planning for the future. Since teachers do not get stock options, golden parachutes or other nice benefits at retirement, it is never too early to start planning for your economic security. If you understand our pension plan, you will see the long term effect and importance of every thing we do at the negotiations table now.

