

Ellwood City Area School District Retirement Planning Information

This informational document is for those who are retiring under the EAEA contract without an Early Retirement Incentive.

Continuation of Health Insurance Coverage

The Federal law known as COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) requires that terminated employees, or those who lose employer provided health insurance coverage because of reduced work hours, have the right to continue purchasing group insurance coverage from their former employer for a limited period of time. Former employees (include retirees) must pay the total cost of the group rate insurance under which they were covered while working, plus up to two percent to cover administrative expenses.

AMCA Systems is a third party administrator that manages the benefits for the district including COBRA/ACT 110 benefits. If you have any questions regarding benefits upon retirement, please contact them at:

[AMCA Main Number \(724\) 934-2270](tel:7249342270)

COBRA/ACT 110

Ext 602

cobracontinuation@amcasystems.com

RETIREE

Ext 603

retireecoverage@amcasystems.com

ACT 110/43

Two acts of Pennsylvania State Legislature go beyond COBRA to provide additional coverage opportunities for former school employees:

- ✓ Act 110 (1988) requires school employers in Pennsylvania to give retirees and their dependents the right to continue coverage in the group health plan to which they belong as employees. The coverage may continue until they are eligible for Medicare benefits (usually age 65) or until they are covered by another group health insurance plan.
- ✓ Act 43 (1989) amended Act 110 by defining those retirees eligible for continuation of group coverage as those who:
 - Have been granted a disability retirement benefit by PSERS; or
 - Have retired with at least 30 years of credited service; or
 - Have retired under normal retirement status.

PSERS Premium Assistance Program

Some PSERS retirees qualify for a special benefit enacted by the Pennsylvania State Legislature. Premium assistance provides reimbursement of up to \$100 per month to eligible retirees who pay for the cost of their basic health insurance premiums.

To be eligible to receive up to \$100 per month for premium assistance, you must:

- Have 24.5 years of credited service; **OR**
- **CLASS TC and CLASS TD** – Be 62 years of age or older on your date of termination **AND** retire with at least 15 years of credited service; **OR**
- **CLASS TE and CLASS TF** – Be 65 years of age or older on your date of termination **AND** retire with at least 15 years of credited service; **OR**
- Be receiving a PSERS disability retirement benefit;

If you meet the eligibility requirements, you can receive Premium Assistance only if you have an out-of-pocket premium from a medical plan offered through the Health Options Program or continue to participate in your former school employer's approved plan. Premium Assistance is not payable:

- for separate dental, vision or prescription drug plans, including standalone prescription drug options offered through the Health Options Program
- for out-of-pocket premiums for a retiree's spouse or dependents, or
- If your school employer provides coverage to you at no cost or with nontaxable contributions.

STEPS TOWARDS RETIREMENT

- ✓ Contact PSERS 9-12 months prior to *your* anticipated retirement date to request an estimate.
- ✓ Schedule an exit interview with PSERS once you have decided to retire.
- ✓ Request Health Options Program materials from PSERS.
- ✓ Submit a retirement letter to ECASD within the time frame stated in your agreement.
- ✓ Notify the business office by email if you are interested in Act 110/43 coverage – they will verify eligibility and submit the paperwork to AMCA.
- ✓ Contact AMCA Systems for additional information and/or costs for COBRA or Act 110/43 District insurance coverage (see contact information above).
- ✓ Complete the COBRA/Benefit Continuation Information packet provided by AMCA – if you are applying for COBRA coverage or Act 110/43 coverage through the district's insurance plan.
- ✓ Open a 403(b) employer severance pay account through Kades Margolis – contact:
 - Lisa Deporzio – (724) 656-6718 or ldeporzio@4kmc.com
- ✓ Complete the Life insurance form that you should be receiving in June or month of retirement if interested in the Portability of Life Insurance.
- ✓ Notify Social Security Administration at least 3 months prior to your retirement.

Contact List

Public School Employees' Retirement System (PSERS), Northwest Region Service Center

www.PSERS.state.pa.us

888-773-7748 or local 814-437-9845

Health Options Program (HOP)

www.hopbenefits.com

800-773-7725

Social Security Administration (SSA) – New Castle Office

www.ssa.gov

1-866-331-5286

1708 Wilmington Road

New Castle, PA 16105

Medicare & Medicaid Services

www.medicare.gov

800-633-4227

Ellwood City Area School District Business Office:

mkosek@ellwood.k12.pa.us

potlowski@ellwood.k12.pa.us

This summary does not create a contract or agreement in any kind and is not intended to change, alter, or extend the provisions of the Pennsylvania Public School Employees' Retirement Code (Code) or any collective bargaining agreement. In the event of a conflict between this summary and/or the Code and collective bargaining agreement, the provisions of the Code or collective bargaining agreement shall prevail. Neither the Ellwood City Area School District nor its representatives are bound by any representation contained in this summary.