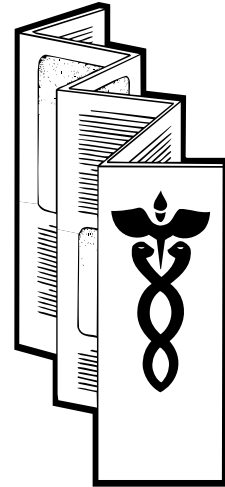


Are you planning to continue your employer's health insurance?



Read this booklet for information on the options available for continuing your health care benefits through your employer after retirement, including:

- An explanation of the automatic premium deduction plan
- IMRF Form 7.10, "Health Insurance Continuation Through Employer - Premium Deduction Authorization."



Illinois Municipal Retirement Fund
IMRF Member Services Representatives
1-800-ASK-IMRF (1-800-275-4673)
www.imrf.org

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Health Insurance Continuation

If you plan to retire before age **65**, you will need to find insurance coverage and budget for premiums. One option is to purchase an individual health insurance policy. (The IMRF Board of Trustees has endorsed several health insurance programs. Information on these programs can be found in the booklet titled “Are you looking for information about IMRF-endorsed health insurance programs?”)

Another option may be **health insurance continuation**. Federal and state legislation may require your employer to allow you to continue your health insurance. To learn more, you should ask your employer the following questions:

- Can I continue my group health insurance once I retire?
- If I can continue it, what benefits will be provided, and for how long?
- Can I continue coverage for my dependents?
- How much will the insurance cost?

Two different laws

As you make plans for your own retirement, you should **ask your employer if you are eligible for health insurance continuation** under COBRA (federal legislation), or under Public Act 86-1444 (Illinois legislation), or under both. Understand that these two laws were written at different times, by different governmental bodies:

- **COBRA** is federal legislation covering health insurance continuation. It applies to employers with 20 or more employees.
- **Public Act 86-1444** is Illinois legislation covering health insurance continuation and applies to most, but not all, IMRF employers who provide group health insurance for active employees.

One law is not designed to make up for the deficiencies of the other. Neither of these laws require your employer to pay any portion of the cost of your health insurance. Although your cost may be identical under both options, a major difference between them exists: the length of time coverage is provided. You must choose at retirement which law you will be covered by. Once the time to make your choice is past, you cannot change your mind.

1. Continuing under COBRA

Under federal law, most employers must allow you to continue your insurance for a minimum of 18 months after you retire.

If you choose health insurance continuation under COBRA and are not yet age 65 (Medicare eligible), you can continue the insurance for 18 months or until you reach age 65, whichever occurs sooner. When you become eligible for Medicare, you are no longer eligible for federal health insurance continuation.

However, if you are already eligible for Medicare when you stop working, you can continue the insurance for 18 months.

With COBRA, certain “qualifying events” allow your spouse and dependent children to extend the health insurance for an additional 18 months. One such qualifying event is when the covered employee qualifies for Medicare after COBRA continuation begins. Even though you are no longer covered under your employer’s health insurance, your spouse and dependents can be. Their coverage will continue for an additional 18 months after your coverage ends.

The 1996 Health Insurance Portability and Accountability Act

The 1996 Health Insurance Portability and Accountability Act (HIPAA)—also federal legislation—may provide additional COBRA related rights. It may allow workers with COBRA benefits to purchase private individual policies with no pre-existing condition exclusions after 18 months of COBRA coverage. **Check with your employer regarding both COBRA coverage and the HIPAA rights.**

2. Continuing under Illinois law

Under Illinois legislation, health insurance continuation is not limited to a specific number of months. Previously, we thought that the right to insurance coverage ended when you became eligible for Medicare; however, the Illinois Department of Insurance issued an opinion that the right to health insurance continuation under Illinois law does not end with Medicare eligibility.

The Department also indicates that your employer *may reduce* the insurance benefits for retired employees who are eligible for Medicare, however it is unclear as to what those reductions might be.

If you wish to continue your health insurance under Illinois law after you become eligible for Medicare, we advise you to contact the Illinois Department of Insurance, Consumer Service Division (phone numbers are located on page 7 of this booklet), your health insurance provider or consultant, or your attorney for further clarification on this.

If you have not retired using COBRA, you cannot choose COBRA coverage after retirement.

Rule of thumb

Often, a simple rule of thumb can be used in choosing health insurance continuation:

If your actual age is less than 63-1/2 when you retire, (more than 18 months away from age 65), you may wish to continue your health insurance under Illinois legislation, as you will not be limited to 18 months of coverage.

If your actual age is 63-1/2 or older and your spouse is younger than you when you retire, health insurance continuation under COBRA may be more desirable. Under COBRA, your spouse has the option of extending the health insurance for 18 additional months after your coverage ends at age 65.

Automatic premium deduction

If you choose to continue your health care coverage through your employer after retirement, IMRF offers you the convenience of having your premium costs deducted directly from your monthly benefit payments. To request automatic premium deduction, please fill out IMRF Form 7.10 “Health Insurance Continuation Through Employer - Premium Deduction Authorization” (on page 9 of this booklet) and return it to your employer. Your employer will complete the bottom portion of the form and submit it to IMRF.

Individual answers

Health insurance continuation coverage is a complex subject. The right answer for you may not be the right answer for someone else. Regardless of your situation you should be aware of which legislation—federal or state—you plan to use to continue your health insurance in retirement.

Illinois Department of Insurance
Phone Numbers:

FOR QUESTIONS ABOUT	CALL
Continuing under Illinois law after becoming Medicare eligible (Consumer Service Division)	217-782-4515 or 866-445-5364
Health Insurance and HMO (Office of Consumer Health Insurance)	877-527-9431
Medicare Beneficiaries and Caregivers (Senior Health Insurance Program)	800-548-9034
All other questions (Consumer Assistance hotline)	866-445-5364

Or visit the Illinois Department of Insurance Website at:
www.ins.state.il.us

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Health Insurance Continuation Through Employer - Premium Deduction Authorization

IMRF Form 7.10 (Rev. 05/11)

INSTRUCTIONS

- Please submit this form **no later than** the 10th of the month prior to the month additions or changes are to take effect, e.g., submit the form no later than March 10th for deductions to begin with the April payment.
- If you are **adding a member's deduction**, the member's signature is required.
- If you are **changing the amount of an existing deduction authorization**, the member's signature is **not** required.

PLEASE PRINT OR TYPE

FIRST NAME	MIDDLE INITIAL	LAST	JR., SR., II, ETC.	SOCIAL SECURITY NUMBER

HOME STREET (MAILING) ADDRESS				
CITY STATE AND ZIP + 4				HOME TELEPHONE NO.
				()

MEMBER AUTHORIZATION *(required to add a member's deduction)*

I authorize and request the Illinois Municipal Retirement Fund (IMRF) to deduct insurance premiums from my IMRF benefit payment and to remit the amount deducted to the employer offering insurance. I authorize IMRF to release information to the employer offering insurance or its insurance carrier in order to ensure proper handling of premiums. I understand IMRF will adjust deductions in response to changes in the premiums. **I further understand IMRF will not deduct more than one premium from a benefit payment** (IMRF will not make-up back premiums), and that **IMRF will cease making any deduction if the premiums exceed my IMRF benefit amount.**

This authorization is not an assignment of my right to receive payment. This authorization will remain in effect with IMRF until cancelled by written notice from me.

SIGNATURE *(Check appropriate box below.)*

DATE

MEMBER

SURVIVING SPOUSE

CERTIFICATION BY AUTHORIZED AGENT *(required to add or change a member's deduction)*

THE REMITTANCE WILL BE SENT TO THE EMPLOYER IN ALL CASES

EMPLOYER NAME		EMPLOYER IMRF I.D. NUMBER
STREET (MAILING) ADDRESS		CITY, STATE, ZIP + 4
POLICY NUMBER	MONTHLY PREMIUM \$	MONTH & YEAR DEDUCTION TO BEGIN
SIGNATURE OF AUTHORIZED AGENT		DATE SIGNED
EMPLOYER CONTACT (IF OTHER THAN AUTHORIZED AGENT)		TELEPHONE NUMBER ()

FOR IMRF USE ONLY	DATE ENTERED	DATE EFFECTIVE

Illinois Municipal Retirement Fund
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