2008 – 2009
Retiree

Information Packet

<u>MARYSVILLE SCHOOL DISTRICT NO. 25</u>

4220 80th Street NE
Marysville, WA 98270
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This packet is also available on the Marysville School District Website @ http://dist.msvl.k12.wa.us/

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RETIREMENT PROCEDURES

1. Complete the retirement application process with the Department of Retirement Systems (DRS). Although it is not necessary that you actually file for retirement prior to the date of your employment separation, in order to receive reimbursement for unused sick leave, the application must be filed within a reasonable period of time. It is **recommended** that you notify DRS (1-800-547-6657) at least 90 days prior to your retirement date to avoid unnecessary delays in processing.

   Careful attention should be given to selecting the appropriate benefit option for yourself and for your survivors.

2. Submit a letter to Human Resources informing them of your intent to retire and your planned retirement date. You should address the letter to Terry Brandon, Executive Director of Human Resources.

3. If your bargaining group has voted for your sick leave cash-out to go to VEBA, you need to complete a VEBA application. The application can be downloaded from their website at www.veba.org or contact the Payroll office and we will send you one.

4. Before you retire, it is very important to evaluate your health insurance options. **An application must be filed with the Washington State Health Care Authority within 60 days following the date your insurance coverage ends, even if you choose to defer coverage.**

5. If you qualify for Social Security Benefits, be sure you contact the Social Security Administration three months prior to your eligibility date for receiving your monthly payments.

6. If you wish to have your Social Security or retirement checks automatically deposited, contact the Social Security Administration and DRS to set that up.

7. It is imperative that you inform the Payroll Department in writing of any address and phone number changes so that your W-2 Form and other important information will reach you in a timely manner.

8. It is important for you to check with your tax advisor as to how retirement will affect the filing of your Federal Income Tax return each year and whether or not you should have money withheld from your retirement income for Federal Income Tax purposes. The School District cannot advise you on any specific tax related issues.

9. Refer to Section 3 of this packet for important information about working after retirement.

IMPORTANT THINGS TO REMEMBER

The following two pages contain important things to remember as your retirement date nears. Keep in mind the following timelines pertain to school-term employees who retire at the conclusion of a school year. If you are a year-round employee and/or you retire at any other time during the year, you will receive a customized letter from Kim Simon (Certificated) or Michelle Turner (Classified) with information regarding your final pay and benefits.

FINAL PAY:

You will receive your final pay on the last business day in August.

MANDATORY BENEFITS:

Dental Insurance (Washington Dental Service/Willamette) – The premium for dental insurance will be paid through August, which will provide dental coverage through September. Continuation of coverage is not automatic; please refer to the Insurance Options section of this packet.

Vision Insurance (Vision Service Plan) - The premium for your vision insurance will be paid through August, which will provide vision coverage through September. Continuation of coverage is not automatic; please refer to the Insurance Options section of this packet.

Long Term Disability (The Hartford) – Your LTD coverage will end September 30th.

Union Dues – Union Dues will be deducted through the month of August.

VOLUNTARY DEDUCTIONS (If applicable)

Medical Insurance – The premium for your medical insurance will be paid through August, which will provide health coverage through the month of September. Since you are retiring, you will need to select one of the PEBB plans sponsored by the state or ***notify them within 60 days following the date your insurance coverage ends that you are choosing to defer your PEBB option until a later date due to other available coverage.*** Continuation of coverage is not automatic; please refer to the Insurance Options section of this packet.

Credit Union – Your final credit union deduction will be in the month of August.

403(b)/457 Plans – Your 403(b) and 457 plans will be deducted through the month of August. Contact your agent to select an option for receiving annuity payments. In some cases, delay in selecting an option limits your choices.

Short-Term Disability Insurance (American Fidelity) – Your short-term disability premium will be deducted through the month of August.

Flexible Spending Account (American Fidelity) –Your flexible spending account deduction will continue through August, however, since our plan year runs through September and you will not have a paycheck on September 30th, we will have to collect two months premiums from your August pay. Claims would be eligible for services incurred through the month of September.

AFLAC - Deductions will continue through the month of August.

United Way – Deductions will continue through the month of August.

IMPORTANT REMINDERS:

Direct Deposit – Your final pay will be deposited to your financial institution.

Federal Tax Withholding - Since your final pay may be a larger amount than normal, you may want to consult your personal tax advisor regarding a W-4 change for your August pay. The School District cannot give tax advice.

If you have questions concerning any of the information about your final pay, please do not hesitate to contact Payroll at 360-653-0805.

SECTION

2

Insurance Options

- Insurance Summary
- Option A: PEBB Plan/Rates
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- Medicare Part D

INSURANCE SUMMARY

A. **PEBB (Public Employees Benefits Board)**

1. Medical, dental and vision coverage available.
2. Monthly premium is state subsidized.
3. You **must** submit an application to either enroll or defer medical coverage no later than 60 days after insurance coverage ends.
4. Contact the Health Care Authority at 1-800-200-1004 for more information.

B. **COBRA (Consolidated Omnibus Reconciliation Act)**

1. Medical, dental and vision coverage available.
2. Premium receives no state subsidy.
3. 18-month maximum continuation period.
4. Not available for individuals entitled to Medicare.
5. Contact Payroll at (360) 653-0805 for more information.

C. **INDIVIDUAL PLANS**

1. Premium receives no state subsidy.
2. No later opportunity for PEBB plan enrollment.
3. Contact your insurance company for more information.

***Refer to Section 3 for a listing of telephone numbers and web sites*.**

OPTION A:
PEBB PLAN/RATES

- **ADMINSTRATION**

  Retiring public school employees have access to comprehensive health insurance coverage sponsored by the Public Employees Benefits Board (PEBB). The Washington State Health Care Authority (HCA) is the administering agency.

  Not all medical or dental plans are available in every county. In most cases you must live in the plan's service area to join the plan. Service area restrictions do not apply to the Uniform Medical Plan or the Uniform Dental Plan.

- **MEDICAL COVERAGE**

  The HCA offers several medical plans. Medicare-eligible retirees have the additional option of selecting from either Medicare managed-care plans or Medicare supplement plans. The Uniform Medical Plan provides worldwide coverage and offers an extensive preferred-provider network. The remaining plans are managed-cared plans; coverage is limited to providers participating in the network with most services being received through, or being referred by, a primary care provider. Medicare Supplement Plan E and Plan J are designed to supplement Medicare coverage and are available to retirees and their spouses enrolled in Medicare Parts A and B.

  The medical plans have the same basic level of benefits, although benefit limitations, annual deductibles, co-payments, and the out-of-pocket maximum may vary from plan to plan. Some plans may also offer extended network benefits in addition to the basic level of benefits.

  Following are some questions to consider when selecting a plan:

  - Do I live within the plan service area?
  - What are my health care needs?
  - What benefits are available through the PEBB plans?
  - What choice of providers will I have?
  - What are the out-of-pocket costs of the plan(s) I am considering?

- **DENTAL COVERAGE**
  Three dental plans are offered by the HCA. The three plans have the same basic level of benefits. The Uniform Dental Plan allows you the freedom to choose any dentist, but gives you the opportunity to receive a higher level of reimbursement if your dentist is in the Washington Dental Service. The other two plans are managed-care dental plans with clinics available in limited locations.

- **VISION COVERAGE**
  Vision coverage is a part of each medical plan.

- **RATES**
  Current PEBB rate schedules are contained in the following pages.

- **PAYMENT METHOD**
  Automatic Deduction: PEBB plan premiums will be deducted automatically from your pension check unless you make other arrangements with the HCA.

  Self-Pay: You will need to make special arrangements with the HCA's self-pay department if you do not wish to have premiums automatically deducted from your pension check.

  VEBA Systematic Payment Plan: Premium payments may be sent automatically from your VEBA account directly to the HCA. Alternatively, if you choose to self-pay or have automatic deduction, VEBA payments may be sent directly to you or your financial institution in order to reimburse your premium payment expenses. The Payroll Department will provide you with a VEBA Membership Enrollment form or you can download it from the website at www.veba.org.

- **ADDITIONAL INFORMATION**
  Contact the Health Care Authority at 1-800-200-1004 to request a K-12 Retiree packet. You may also visit their website at **www.perspay.hca.wa.gov.**

OPTION B:
COBRA PLAN/RATES

- **ELIGIBILITY**
  You and/or your eligible dependents may continue your current medical, dental and vision coverage through a COBRA continuation plan. Continuation of coverage begins immediately following the ending date of your District coverage. This method of continued coverage is available for up to 18 months. (Extensions to the basic 18 months may be available under Washington law in some circumstances.) If you are an individual who is entitled to Medicare coverage **before** the date of your COBRA election, you can continue your District coverage under COBRA. However, if you are an individual who becomes Medicare entitled **after** you have made your COBRA selection, your COBRA coverage will terminate, but your remaining eligible dependents may be eligible for a COBRA extension.

- **ENROLLMENT**
  You have 60 days to elect COBRA continuation coverage beginning on the latter of: a) the day your District coverage ends; or b) the day you are notified by the District of your COBRA continuation rights. COBRA notification and enrollment information will be sent to you prior to your District provided coverage ending date. If applicable, information regarding VEBA coordination will also be sent to you.

- **COVERAGE**
  Coverage under a COBRA continuation plan does not differ from our active coverage provided by the District. Refer to your plan benefits booklet for a detailed description of the actual terms and conditions of your medical insurance contract. While continuing coverage through COBRA, any change in District-provided coverage or benefits for active employees will also apply to you.

- **RATES**
  Rates are subject to change effective October 1st each year. You will be notified by the District of any rate changes. Current COBRA rate schedules are contained on the following pages.

- **PAYMENT**
  Premium payment for coverage under a COBRA continuation plan must be made directly to the Marysville School District (MSD). These payments **cannot be automatically deducted from your pension check, but they can be deducted from a VEBA account.** A COBRA enrollment packet containing payment amounts and due dates will be sent directly to you.

- **ADDITIONAL INFORMATION**
  Please contact Payroll at (360) 653-0805 if you have any questions regarding COBRA continuation coverage.

Important Notice from Marysville School District About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Marysville School District and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. **Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.**

2. **Marysville School District has determined that the prescription drug coverage offered by your Marysville School District sponsored Health Plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.**

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Marysville School District coverage will not be affected

If you do decide to join a Medicare drug plan and drop your current Marysville School District coverage, be aware that you and your dependents may not be able to get this coverage back.

See Reverse

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Marysville School District and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage…

Contact the person listed below for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Marysville School District changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage…

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date:	08/01/2008
Name of Entity/Sender:	Marysville School District
Contact--Position/Office:	Payroll Office
Address:	4220 80th Street NE Marysville WA 98270
Phone Number:	360-653-0805

SECTION

3

Additional Information

- Important Phone Numbers and Websites
- DRS Seminar Dates
- Working After Retirement

IMPORTANT PHONE NUMBERS AND WEB SITES

NAME AND PHONE NUMBER	WEB SITE ADDRESS
Department of Retirement Systems (DRS) 1-800-547-6657	www.drs.wa.gov
Internal Revenue Service (IRS) 1-800-829-1040	www.irs.gov
Public Employees Benefits Board (PEBB) 1-800-200-1004	www.pebb.hca.wa.gov
Social Security 1-800-772-1213	www.ssa.gov/mediinfo.htm
Medicare 1-800-633-4227	www.medicare.gov

For an Individual Insurance Plan conversion, please contact the following:

MEDICAL INSURANCE PLANS PLANS

Group Health - Alliant
1-888-901-4636
www.ghc.org

Premera Blue Cross
1-800-932-9221
www.premera.com

DENTAL INSURANCE

Willamette Dental
1-800-360-1909
www.denkor.com

Washington (Delta) Dental
1-800-554-1907
www.deltadentalwa.com

Thinking About Working After Retirement?

The Department of Retirement (DRS) has some excellent information on their website if you are thinking about returning to work for an employer covered by one of the Washington State Retirement Systems. You should find answers to many of your questions regarding returning to work after retirement.

Just go to: www.drs.wa.gov

and click on "Retirees"