



Continuing Insurance Benefits at Retirement

Part 1: Before Medicare Eligible

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This presentation

- State of Iowa retirees* before Medicare eligible (usually age 65) continuing:
 - Health insurance
 - Dental insurance
 - Life insurance
- Benefit information is current but subject to change

*Information does not apply to retirees who were covered by the State Police Officers Council (SPOC)

DAS Benefit Website

<http://benefits.iowa.gov>

[Human Resources](#) > Employee and Retiree Benefits

Employee and Retiree Benefits

The State of Iowa's commitment to its employees is demonstrated by the total compensation package provided by the State. Employees' compensation is more than just their direct pay. In addition to the direct compensation received as a State of Iowa employee, a significant amount is spent on the benefit plans available to employees and their families.

Employees



Explore valuable benefits and services as a State of Iowa employee

Retirees



Review benefits and services available as a State of Iowa retiree

Benefit Providers



List of benefit providers and their contact information

What We Will Cover Today

- General information
- Health insurance before Medicare (age 65)
- Dental insurance
- Life insurance



General Information

Eligibility for retiree health and dental coverage

- Age 55 or older on your retirement date
- Receive an IPERS monthly benefit
- Enrolled in health and dental coverage at the time of retirement

General Information

No Break in Health and Dental Coverage

Active coverage ends

last day of the month
of employment



Retiree coverage begins

first of the month
following your
retirement date

General Information



If you drop the State of Iowa health and/or dental coverage, there is no provision for rejoining the group at a later date

General Information

Eligible Family Members



- Your spouse*
- Your domestic partner
- Your children

** Does not include a legally separated or divorced spouse*

General Information

Spousal coverage

- If your spouse is covered under your State of Iowa health and dental plans at the time of your death
- Your spouse can continue coverage



General Information

Covering Your Spouse, Domestic Partner, or Dependent(s)

Remove a Spouse or Dependent

- Anytime – do not need an life event
-

Remove and later re-enroll your spouse, domestic partner, or dependent in health and dental coverage

- Qualified life event
- Annual Enrollment and Change

General Information

Changing health insurance as a retiree

- At the time you retire (some restrictions for SLIP participants)
- As the result of a qualified life events
- During the annual Enrollment and Change period

General Information

Annual Enrollment and Change period

Held between Oct 15 – Dec 7

- Elect a new health insurance plan
- Change coverage level
- Add/remove dependents



General Information

Iowa Choice

Out-of-network coverage is not available except in the case of:

- Emergencies
- Accidental injuries
- Wellmark approved out-of-network services



General Information

Enrolled in Iowa Choice and Relocate

If you permanently relocate outside of Iowa

- Relocation is a life event for Iowa Choice
- At the time of relocation, you can elect National Choice



General Information

Enrolled in Iowa Choice

- Going to be out of Iowa at least **90 consecutive days**
-

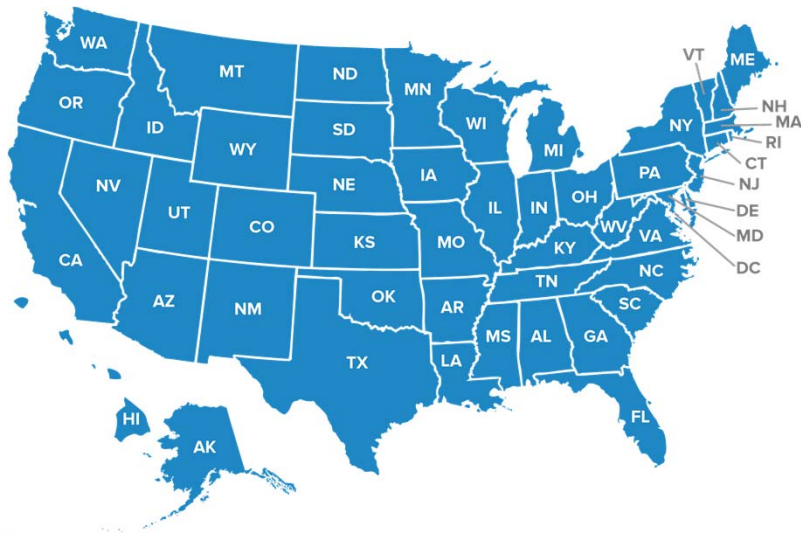
Guest Membership allows you to access covered services at Blue Cross and Blue Shield health care providers throughout the U.S.



General Information

Contact Wellmark customer service 800-622-0043

- Only available in the U.S.
 - Benefits only for the state where you have signed up
 - Premiums remain the same
 - Cost sharing remains the same
-



- Before you leave
- Change of addresses
- Return to Iowa

What We Will Cover Today

- General information
- Health insurance before Medicare (age 65)
- Dental insurance
- Life insurance



Eligibility for Medicare

Age 65 and older

- Medicare starts the first day of the month you turn 65
-

Under age 65

- Social Security disability for 24 months
- End-Stage Renal Disease

Health Insurance before Medicare

Retiree health premium = total insurance premium

- Premiums change each calendar year
 - Changes are passed along to retirees
-



Health Insurance before Medicare

2019 Total Monthly Premiums	Single	Family
Iowa Choice	\$699.00	\$1,642.00
National Choice	\$769.00	\$1,806.00

Sick Leave Insurance Plan (SLIP)

- Your sick leave balance at retirement is converted into a SLIP account
- SLIP account pays the state's share of the total health insurance premium
- You pay what active employees pay for health insurance
- Only for health insurance – **NOT** dental insurance
- Use SLIP until you become Medicare-eligible (age 65)

Sick Leave Insurance Plan (SLIP)

At the Time You Retire

Participate in the Sick Leave Insurance Program (SLIP)

- Keep your current health insurance plan or
- Elect a health plan with a **lower total premium** than the one you had as an active employee

Your plan at retirement	Health plans	
	Iowa Choice	National Choice
Iowa Choice	X	Not Available
National Choice	X	X

Sick Leave Insurance Plan (SLIP)

Annual Enrollment and Change period

A SLIP retiree can elect **any health insurance plan** offered

	Health plans	
Your plan at retirement	Iowa Choice	National Choice
Iowa Choice	X	X
National Choice	X	X

Sick Leave Insurance Plan (SLIP)

Sick Leave Payout

When you retire ...

- You are paid up to \$2,000 of your unused sick leave
- Mandatory payout
- Subject to federal, state & FICA taxes



An Option for the Payout

Direct all/some of the payout to go to your RIC deferred compensation account

More information:

RIC Deferred Compensation - Ready to Retire and Take Income webcast

<https://das.iowa.gov/human-resources/employee-and-retiree-benefits/benefit-education>



Sick Leave Insurance Plan (SLIP)

Conversion Schedule

- SLIP benefit is based on sick leave balance at retirement
- Sick leave hours are converted into dollars

Hours of sick leave at retirement	Conversion rate
Up to 750	60%
Over 750 to 1,500	80%
Over 1,500	100%

Sick Leave Insurance Plan (SLIP)

Example 1

Sick leave balance **1,250 hours**
Regular rate of pay at retirement **\$40.00/hour**

Multiply sick leave hours by regular rate of pay	\$50,000
Subtract the \$2,000 sick leave payout	-\$2,000
Eligible balance for SLIP	\$48,000
Conversion rate	80%
Multiply eligible balance by the conversion rate	\$38,400



SLIP account is \$38,400

Sick Leave Insurance Plan (SLIP)

Example 2

Sick leave balance **760 hours**
Regular rate of pay at retirement **\$30.00/hour**

Multiply sick leave hours by regular rate of pay	\$22,800
Subtract the \$2,000 sick leave payout	-\$2,000
Eligible balance for SLIP	\$20,800
Conversion rate	80%
Multiply eligible balance by the conversion rate	\$16,640



SLIP account is \$16,640

Sick Leave Insurance Plan (SLIP)

Sick Leave Insurance Program Calculation Worksheet

DAS Benefits>Retiree>Sick Leave Insurance Program

<https://das.iowa.gov/human-resources/employee-and-retiree-benefits/retirees/sick-leave-insurance-program-slip>

[Human Resources](#) > [Employee and Retiree Benefits](#) > [RETIREE Health & Dental](#) > Sick Leave Insurance Program (SLIP)

Sick Leave Insurance Program (SLIP)

The Sick Leave Insurance Program (SLIP) offers retirement-eligible employees an option for using all or part of their unused sick leave balance to pay the state share of their group health insurance premiums after they retire until they become eligible for Medicare (usually at age 65.)



For general information on continuing insurance benefits at retirement, review the DAS [Retiree Health Insurance](#) webpage.

ATTENTION [Sick Leave Insurance Program \(SLIP\) Calculation Worksheet](#)

QuickLinks <ul style="list-style-type: none">Program OverviewEligibilitySick Leave Conversion ChartApplying for the SLIPHealth Plans Available to SLIP RetireesSLIP Account ProcessIncome Tax ConsiderationsSLIP Coverage EndsReemployment with the State of Iowa Executive BranchFor More Information	Resources <ul style="list-style-type: none">2019 SLIP PremiumsFAQ for SLIP Participants <small>SAEs Centralized Payroll Web Page</small> Forms <ul style="list-style-type: none">SLIP Enrollment FormGroup Insurance Direct Pay Continuation FormSLIP Enrollment Checklist for HRAsSLIP Retiree Rehire Authorization Wellmark Application <ul style="list-style-type: none">State of Iowa Group Retiree ApplicationAutomatic Bank Account Withdrawal Authorization
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Sick Leave Insurance Plan (SLIP)

2019	Total Premium	SLIP Pays State Share	Retiree Pays
Iowa Choice			
Single	\$699.00	\$659.74	\$39.26
Family	\$1,642.00	\$1,494.34	\$147.66
National Choice			
Single	\$769.00	\$659.74	\$109.26
Family	\$1,806.00	\$1,494.34	\$311.66

Sick Leave Insurance Plan (SLIP)

- SLIP NOT subject to federal, state, or FICA taxes
- State share paid by the State from your SLIP account
- You pay the employee share directly to Wellmark

Sick Leave Insurance Plan (SLIP)

Example 1

Assumptions

- SLIP account is \$38,400
- She retires at age 62
- 36 months until eligible for Medicare
- No increase in health insurance premiums



Sick Leave Insurance Plan (SLIP)

Iowa Choice	Total	SLIP Pays	Retiree Pays
Family	\$1,642.00	\$1,494.34	\$147.66

Retirement Months		SLIP	Retiree
1 – 25	SLIP pays state portion of Iowa Choice, family	\$37,358.50	\$3,691.50
26	SLIP pays a portion of the premium Retiree pays remaining state's portion	\$1,041.50	\$600.50

The SLIP account is now exhausted

27 – 36	Retiree pays total premium until eligible for Medicare (10 months @ \$1,642.00)		\$16,420.00
1-36	Total amount of premiums paid	\$38,400.00	\$20,712.00
1-36	Percent of premium paid	66%	34%

Sick Leave Insurance Plan (SLIP)

Example

Assumptions

- SLIP account is \$16,640
- He retires at age 63
- 24 months until eligible for Medicare
- No increase in health insurance premiums



Sick Leave Insurance Plan (SLIP)

Iowa Choice	Total	SLIP Pays	Retiree Pays
Single	\$699.00	\$659.74	\$39.26

Retirement Months		SLIP	Retiree
1 – 24	SLIP pays state portion of Iowa Choice, Single	\$15,833.76	\$942.24

The retiree is now eligible for Medicare and no longer eligible for the SLIP

1 – 24	Total amount of premiums paid	\$15,833.76	\$942.24
1 – 24	Percent of premium paid	94%	6%
	SLIP account balance of \$806.24 is forfeited!		

Sick Leave Insurance Plan (SLIP)

SLIP and Reemployment with the State

- Returning to permanent State employment
 - Waive all SLIP benefits
- May be hired in a temporary position
 - Approval from the DAS
 - Fixed and short term only
- May perform services if the SLIP retiree is:
 - An independent contractor
 - Employed by an entity that contracts with the State
 - Employed by a temporary placement agency

Sick Leave Insurance Plan (SLIP)

SLIP Benefit Ends

- SLIP account is depleted
- Return to State of Iowa permanent employment
- Become eligible for Medicare
- Drop State's health plan
- Fail to pay retiree share of the premium
- Die before Medicare-eligibility (spouse can continue coverage but can't use remaining SLIP dollars)

Any remaining dollars in the SLIP account are forfeited

After Medicare-Eligibility

State retirees can continue health insurance coverage when they become Medicare-eligible

More information:

Continuing Benefits at Retirement: Part 2 After Medicare-Eligibility webinar

<https://das.iowa.gov/human-resources/employee-and-retiree-benefits/benefit-education>

What We Will Cover Today

- General information
- Health insurance before Medicare (age 65)
- Dental insurance
- Life insurance



Dental Insurance

Must be enrolled in dental at the time of retirement

- You pay 100% of the dental premium

2019 Premiums	
Single	\$29.85/month
Family	\$80.22/month

- Spouse can continue coverage if covered at the time of the retiree's death

What We Will Cover Today

- General information
- Health insurance before Medicare (age 65)
- Dental insurance
- Life insurance



Life insurance

Life Insurance coverage ends on the last day of the month as an active employee

Continue the life insurance amount (basic + supplemental) you have at the time of retirement

Evidence of insurability is NOT required

Two life insurance options:

- Portability
- Conversion

Life Insurance

Portability Option

You can port:

- Basic life insurance
- Supplemental life insurance
- Accidental death & dismemberment (AD&D)

Eligible:

- Leave state employment prior to the age of 80

Not Eligible:

- Under the age of 60 and are applying for long term disability benefits

Life Insurance

Portability Option

- Your insurance will port to a Group Term Life Policy
- Rates are based on age, and increase in five-year increments
- The minimum amount to port is \$10,000
- The maximum is the amount of coverage (basic + supplemental) you had at the time of retirement

Life Insurance

Conversion Option

- Convert your basic and supplemental life insurance
- Rates are based on age at the time of conversion and do not increase
- Convert to whole life policy – potential to build cash value

THANKS
for
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