

EMPLOYER Notice

Ohio Public Employees Retirement System • 277 East Town Street • Columbus, Ohio 43215

Health care eligibility change slated for 2011

Who should read this notice

Human resources professionals or anyone who works with, or counsels, soon-to-be retirees

Situation Overview

Rapidly escalating health care costs and the growing retiree population has resulted in OPERS developing multiple strategies now to preserve retiree health care coverage—a benefit that is neither mandated nor guaranteed—well into the future. Recently, the Board of Trustees approved a modification to the health care plan eligibility rules for covered spouses.

Effective January 1, 2011, OPERS will no longer subsidize the monthly health care premium cost for a retiree's spouse, if the spouse is under the age of 55. Retirees may continue to cover spouses under the OPERS health care plan, but the retiree will be responsible for the full health care premium. Once the spouse reaches age 55, the health care premium will again be subsidized.

It's important to understand this change will affect both spouses of retirees who are currently retired and those who will retire in the future.

Here's who will be affected:

- Spouses, under the age of 55 as of January 1, 2011, who are married to
 - Age-and-service retirees,
 - Retirees who converted from a disability benefit to an age-and-service benefit.
- This change also affects spouses of survivor benefit recipients whose health care subsidy had been grandfathered under the Rule changes that redefined "eligible dependent" effective January 1, 2005.

Here's who will not be affected:

- Spouses of Disability benefit recipients,
- Spouses with early Medicare,
- Spouses receiving benefits as the surviving spouse of:
 - An age-and-service retiree (joint and survivor annuity), or
 - A deceased active member (receiving a survivor benefit)
- This change does not affect dependent children.

Note: *The change goes into effect January 1, 2011.*



1-888-400-0965

www.opers.org

(More information on back)

What you need to do

Because health care coverage has traditionally been an important factor for retirees when determining finances for retirement, its critical employers have accurate information to discuss with soon-to-be retirees. We encourage you to inform soon-to-be retirees who may be affected by this change to ensure an informed decision about retirement is reached.

Why this is important

We understand this change may affect only a few of your employees. However, OPERS is committed to ensure you have all the information you need to provide your employees with accurate and timely information to ultimately help in the retirement-decision process.

Changes to the *Employer Manual*

There are no *Employer Manual* changes applicable to this *Employer Notice*.

Who to contact for more information

After you review this *Employer Notice*, contact your Employer Outreach representative with questions or comments at 1-888-400-0965 or via the Internet at employeroutreach@opers.org.

This Employer Notice is written in plain language for use by public employers who are subject to coverage under the Ohio Public Employees Retirement System. It is not intended as a substitute for the federal or state law, namely the Ohio Revised Code, the Ohio Administrative Code, or the Internal Revenue Code, nor will its interpretation prevail should a conflict arise between it and the Ohio Revised Code, Ohio Administrative Code, or Internal Revenue Code. Rules governing the retirement system are subject to change periodically either by statute of the Ohio General Assembly, regulation of the Ohio Public Employees Retirement Board, or regulation of the Internal Revenue Code. If you have questions about this material, please contact our office or seek legal advice from your attorney.



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