

# All about your Retiree Benefits

The following is a summary of health benefits provided for YCCD retirees meeting eligibility requirements as outlined in the YCCD Board Policy Handbook and current negotiated contracts. The District provides medical health benefits for the retiree up to age 65 or age 70 as outlined below.

## Eligibility requirement for District paid retiree health coverage

Effective August 21, 2004, the following shall be required to qualify for District-paid pre-65 retiree medical benefits under Board Policy: Any combination of the retiree's minimum age 50 (at last birthday preceding Board approved retirement date) plus full years of regular (probationary or permanent) District service equivalent to 70 years or more ("Rule of 70"). Benefits mentioned below do not include District paid dental, vision, or life insurance. A retired employee or surviving spouse may enroll in the District's dental and vision plans at the retiree's own expense at the time of retirement. If coverage is declined or subsequently dropped, there shall be no further opportunity to enroll. Other requirements may be outlined below.

- **Tier 1 Retiree - Hired prior to July 1, 2004:** The District will cover the retiree and spouse with medical benefits until the retiree reaches age 70. Once Medicare eligible, Retiree shall pay the difference for spousal coverage if spouse is not yet Medicare eligible. Retiree may continue District medical benefits after the age of 70 at his/her own expense. *Retiree is responsible for any monthly fees associated with Medicare Part B.* Employees who are deemed permanently disabled by Social Security or CalPERS/CalSTRS and meet the age of 50 plus have 10 years of service may continue to receive District-paid medical benefits until the age of 70. If during the term of this agreement the federal government increases the minimum age 65 requirement for Medicare Eligibility, the District agrees to continue retiree Medical Benefits until the retiree reaches that age.
- **Tier 2 Retiree – Hired after July 2, 2004 but prior to June 30, 2013:** Retirees under the age of 65 and meeting the "Rule of 70" shall continue to receive the District provided medical benefit until Medicare eligible. Retiree may continue District medical benefits after Medicare eligible age at his/her own expense after age 65. Employees who are deemed permanently disabled by Social Security or CalPERS/CalSTRS and meet the age of 50 plus have 10 years of service may continue to receive District paid medical benefits until the age of Medicare eligibility. Any difference between the premium cost and the amount paid by the District must be paid by the retiree. If, during the term of this agreement, the federal government increases the minimum age 65 requirement for Medicare eligibility, the District agrees to continue retiree medical benefits until the retiree reaches that age.
- **Tier 3 Retiree – Hired after July 1, 2013:** The District will pay \$1,361 (\$16,332/year) toward the retiree's medical benefits for the employee + spouse/domestic partner until the retiree reaches age 65. Any difference between the premium cost and the amount paid by the District must be paid by the retiree. Retirees may enroll dependents at their own expense. The retiring employee must meet the following conditions to be eligible for retiree benefits: (1) Retirement from CalPERS/CalSTRS; (2) A minimum of **55** years of age; and (3) A minimum of **20 years** of service with the District. Employees who are deemed permanently disabled by Social Security or CalPERS/CalSTRS and meet the age of 50 plus have 10 years of service may continue to receive District paid medical benefits until the age of Medicare eligibility. If Medicare eligibility age increases, the parties agree to reopen this section pertaining to retiree benefits for employees hired on or after July 1, 2013.

Your active dental, vision, and life coverage will cancel at the time of retirement. You will be given the option to purchase dental and vision insurance through YCCD at time of retirement only. You will also be eligible for up to 18 months via COBRA legislation. COBRA correspondence will be mailed to the Retiree from SISC III, our plan administrator.

If you purchased Voluntary Life coverage during your employment, the life insurance is portable, however, rates may differ. You must begin the process to convert your policy within 31 days of your retirement. If you do not receive a conversion form by the time of your retirement, please contact the Benefits Office.

### **Health Insurance for Retirees between the ages of 65 and 70**

- At least 60 days prior to the retiree/spouse reaching age 65, you must contact the Social Security Administration to coordinate Medicare A and B enrollment. For those retirees continuing with District benefits, the YCCD Benefits Office must have a copy of the Medicare card the month prior to the 65<sup>th</sup> birthday.
- For retirees who are eligible for District-paid benefits until age 70, the retiree must be enrolled in both Medicare A and B to avoid a penalty charge through the health plan administrator.
- If the retiree is eligible for benefits until age 70, the District will pay the over 65 (with Medicare) premium rate for the **retiree and spouse** until the retiree reaches age 70 or death, whichever occurs first. Should the Retiree's spouse be under age 65 upon the Retiree's Medicare eligibility, a monthly premium will be due from the Retiree until the Spouse becomes Medicare eligible or cancellation of spouse's coverage. Retiree is responsible for any monthly Medicare Part B fees.
- Medicare becomes the primary carrier and the selected District's health plan will be the secondary coverage.
- For retirees who are eligible for benefits until age 70, you do not need to enroll in Medicare's prescription coverage (Plan D). The District has determined that the prescription coverage offered through your selected health plan is equal to or better than the standard Medicare prescription coverage.
- Please note that District-paid medical benefits apply to the retiree and spouse only; should Tier 1 retiree have eligible dependents, the retiree will incur a portion of the premium cost. The retiree will also incur a portion of the health premium if the retiree is age 65 with Medicare and spouse is under 65.
- After age 70 for Tier 1 retirees, or age 65 for Tier 2 or 3 retirees, the retiree may continue to purchase the District's health coverage until death. Upon the death of the retiree, the surviving spouse, at his/her own expense and subject to carrier approval, may continue to participate in the District's medical benefits program until the surviving spouse's remarriage or death.
- It is your responsibility to notify the Benefits Office of any status changes, including address change, dependent status changes, divorce and marriage.

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