

State Retiree, Annuitant and Survivor Benefits Handbook Amendment

This document is an amendment to the State Retiree, Annuitant and Survivor Benefits Handbook released in October 2011. An amendment adds, modifies, deletes or otherwise changes a benefit listed in the Benefits Handbook. As changes occur, the online handbook will be modified to reflect the changes. Those updates and changes will be included in this amendment document as they occur. If you have a printed copy of the online handbook, you should refer to this amendment to ensure you have the most up-to-date information.

State Retiree, Annuitant and Survivor Amendment – 04/16/2012

The following is an amendment to the 2011 State Retiree, Annuitant and Survivor Benefits Handbook:

1. On pages 3, 33, 36, 45, 51, 56 and 57 the address for the Group Insurance Division has been changed to:
801 S. 7th Street, Springfield, IL
2. On page 8, in accordance with Public Act 97-0668, the following note regarding survivors was added under 'Eligible as Dependents':
“NOTE: Survivors may add a dependent only if that dependent was eligible for coverage as a dependent under the original member.”
3. On page 10, in the 'Initial Enrollment' section, the language indicating that immediate annuitants must opt out or waive coverage or they will continue to receive coverage and that deferred annuitants will be defaulted to enrollment into the Quality Care Health Plan if they do not return the enrollment forms has been changed.

The revised language reflects changes made in accordance with Public Act 97-0668 indicating an annuitant must affirmatively elect that they either want the coverage or want to opt out/waive the coverage. Annuitants who do not return the form will not be enrolled in the health, dental and vision coverage.

“Active employees who notify the retirement system of their intent to retire will be given a packet of insurance information prior to their retirement date. Included in the packet will be the Participation Election Form. This

form is used by the retirement system so that they will know the employee's intent to either continue their group insurance coverage or waive the coverage upon retirement. The employee must complete and return the Participation Election Form to the retirement system on or before the date of retirement in order to continue coverage without a break. Annuitants who elect the coverage, but would like to make changes to their coverage elections must also be complete the Group Insurance Enrollment/Change Form.

With the exception of Basic Life insurance, all coverage will be terminated effective the date of retirement for annuitants who have not returned the required Group Insurance Enrollment/Change Form (if applicable) and/or the Participation Election Form on or before their retirement date.

Annuitants who did not submit the forms by their retirement date, but would like the group insurance coverage, have 60 days from their retirement date to elect the coverage. These annuitants must complete and return the Participation Election Form and the Group Insurance Enrollment/Change Form. **Both forms must be submitted to the retirement system within 60 days of the retirement date in order to be eligible for the coverage.”**

4. On pages 10 and 11, annuitants and survivors are directed to read the 'Life Insurance Coverage' section to determine which life benefits they are eligible.

5. On pages 10 and 11, the following statement was added in reference to statement of health applications.
“Newly eligible dependents and survivors do not need to provide statement of health approval as long as the coverage is requested within 60 days of initial enrollment.”
6. The ‘Effective Date of Coverage Due to Initial Enrollment’ was modified to the following:
“Coverage for annuitants becomes effective on the date of commencement of the retirement/annuity benefit, the first of the month that the application for retirement was received or the first day of the month that the group insurance enrollment form was received, **whichever is later**.
Survivor coverage becomes effective (1) the day after the member’s death if the survivor is **currently a dependent** of the deceased annuitant, or (2) the first day of the month following the member’s death if **the survivor is not a dependent** at the time of the member’s death.
Dependents may be added to the member’s coverage within 60 days. Refer to the ‘Dependent Coverage, Enrolling Dependents’ in this section for more information.”
7. On page 13, in accordance with Public Act 97-0668, the following notes have been added under the Member Qualifying Change in Status chart:
*** For Survivors only:** Survivors may add a dependent only if that dependent was eligible for coverage as a dependent under the original member.
**** For Survivors only:** Survivors may not add a new spouse, nor may they add a civil union partner or their children.
8. On page 14 in the Spouse and Dependent Qualifying Change in Status charts, the following changes in status have been added:
LOA: Spouse enters nonpay status
LOA: Spouse returns to work from nonpay status
9. On page 17, the introductory paragraph on the page has been changed to clarify the types of coverage that will be terminated when a member opts out or waives coverage, as well as the types of coverage that remain in force. Also added were the opportunities for re-enrollment in the health, dental and vision coverage.
10. On page 17, in the ‘Opting Out of Coverage’ section, initial enrollment was removed as an option to opt out since members must now make an election to choose the health, dental and vision coverage, or waive the coverage, at the time they apply for their annuity benefit.
11. On page 17, in the ‘Opt Out with Financial Incentive’ section, a clarification was added that indicates that annuitants with less than 20 years of service are also eligible for the incentive.
12. On page 17, in the ‘Annuitant Waiver’ section, a qualifier was added that the dependent of a State-covered spouse/civil union partner must be a dependent for a year or more in order to continue coverage as a dependent once they become an annuitant.
13. On page 17, in the ‘Waiver Option’ section, initial enrollment was removed as an option to waive since members must now make an election to choose the health, dental and vision coverage, or waive the coverage at the time they apply for their annuity benefit.
14. On pages 18 and 19 a footnote was added to clarify that the information under the TRS headings in the ‘State Contribution’ section applies only to TRS retirees that have qualifying State service and not to retired teachers enrolled in the Teachers’ Retirement Insurance Program (TRIP).

15. On page 42, in the 'Basic and Optional Life Coverage' section, under the 'Eligibility for survivors is below' heading, the Child Life amount was corrected to \$2,000 and the Spouse Life amount of \$5,000 was added.

16. On pages 49 and 50 in the 'Medicare Part B Reduction' section, "in-network" was added to describe eligible charges.

Medicare Part B Reduction

"... This means that the State plan will only pay up to 20% of the total in-network eligible amount for each claim until Medicare Part B is in effect..."

17. On page 51 under the 'Private Contracts with Providers who Opt Out of Medicare' section, "in-network" was added to describe eligible charges.

Private Contracts with Providers who Opt Out of Medicare

"... If the service(s) would have normally been covered by Medicare, the QCHP plan administrator will only pay up to 20% of the in-network eligible charges; **the plan participant will be responsible for the remaining balance of the claim.**"

18. On page 56 in the Second-Level Internal Appeals section, the qualifier **QCHP only** was added to clarify that this level of appeal only applies to appeals regarding the Quality Care Health Plan.

II. Second-Level Internal Appeals (QCHP only)