

Life Plans



UNDERSTANDING POST-RETIREMENT HEALTH INSURANCE

Choosing a health insurance plan for yourself and your eligible dependents is one of your most important retirement decisions. The Chicago Teachers' Pension Fund offers retirees comprehensive health insurance plans designed to promote wellness and provide high quality coverage at a reasonable cost.

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THE BASICS



The Chicago Teachers' Pension Fund (CTPF) provides a comprehensive program of quality health care coverage for retired teachers and their eligible dependents.

You have many options for health insurance coverage for yourself and your family, and you will be given the opportunity to review and change your choices annually. This booklet provides an overview on the following:

- Continuation Coverage (COBRA) – when you retire, you may elect COBRA continuation coverage with your former employer
- CTPF Health Insurance Plans – CTPF offers a number of comprehensive health insurance plans for CTPF retirees
- Medicare – the federal health insurance program provides insurance for individuals who reach age 65 or have certain disabilities
- Health Insurance Premium Subsidy Program – CTPF annually subsidizes a portion of health insurance premium costs for eligible retirees

CONTINUATION COVERAGE (COBRA)

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), allows individuals to pay for the same health insurance coverage that they received when they were employed, usually for a period of 18 months.

Health insurance premiums are generally lower under COBRA than they would be under a CTPF plan. Individuals who choose to continue coverage under COBRA usually elect to maintain this option for the maximum time allowed, normally 18 months.

Under COBRA continuation coverage, you pay premiums directly to your former employer. The employer administers the program, determines eligibility, and processes applications. In order to maintain coverage, you must make monthly premium payments on time or your coverage may be terminated.

Contact your employer for additional information.



CTPF HEALTH INSURANCE PLANS

The health insurance plans available to CTPF retirees vary in the coverage level they provide. Premiums vary by the type of plan you choose. It is important to note that plans, benefits, and premiums may change annually.

The plans offered by CTPF are divided into two groups:

- Non-Medicare plans for retirees who do not qualify for Medicare
- Medicare supplemental and Advantage plans for retirees enrolled in and provide proof of Medicare Part A and Part B.

Specific information about all CTPF health insurance plans, including costs and benefits comparison charts, can be found in the *Open Enrollment Health Insurance Handbook*, published annually, available at www.ctpf.org or from Member Services.

Who can enroll in a CTPF plan?

RETIREES

Retirees whose final teaching service is with the Chicago Public or Charter Schools may qualify to enroll in a CTPF health insurance plan.

SURVIVORS

In the event of a member's death, a surviving spouse* and/or dependent children who receive a survivor pension may qualify for CTPF health insurance coverage. Survivors should contact CTPF as soon as possible to obtain the necessary forms so that coverage is not interrupted.

DEPENDENTS

A retiree's dependents may be eligible for CTPF health insurance. Retirees and their dependents must be covered by the same insurance carrier. Eligible dependents include:

- a legal spouse as defined by state of residence
- a party to a civil union*
- domestic partners^
- children who are not married or party to a civil union, under the age of 26, who are dependent on you for more than one-half of their support for the calendar year. *For the purpose of dependent eligibility, the term children includes: natural children, step children, legally adopted children, children for whom you have permanent legal guardianship, and disabled children.*
- veteran adult children who are not married or party to a civil union, under the age of 30
- children who are mentally or physically disabled from a cause originating prior to age 23, and who are financially dependent on you for more than one-half of their support and maintenance.

Dependent enrollment is contingent upon meeting the documentation requirements outlined in the *Open Enrollment Handbook*. Generally, eligible dependents may only be added to a plan during the annual Open Enrollment period (see page 6).

* Effective June 1, 2011, all pension benefits previously made available to a married person and his or her spouse, are now benefits available to the parties to a civil union. Parties to a civil union may be same- or opposite-sex couples. When the words spouse, survivor, family, immediate family, dependent, next of kin, or any words that denote the spousal relationship are used, those words mean and include a party to a civil union.

^ Effective January 1, 2012, domestic partners will no longer qualify as dependents.

When can I enroll in a CTPF plan?

In general, a retiree may only enroll in the CTPF health insurance program once in your lifetime.

INITIAL ENROLLMENT PERIOD

Retirees may initially enroll in CTPF coverage:

- within 30 days after the end of CPS or charter employer COBRA, unless coverage is terminated due to non-payment of premium.*
- within 30 days of the effective date of pension benefits
- when coverage is terminated by another group plan through no fault of your own
- when becoming eligible for Medicare

** If COBRA is terminated due to non-payment, you must wait until the next open enrollment period to enroll in a CTPF health insurance plan.*

ANNUAL OPEN ENROLLMENT PERIOD

During the annual Open Enrollment Period, retirees and/or survivors may enroll in a CTPF health plan, change their health insurance plan or carrier, or add a dependent to a health plan. Changes made during Open Enrollment become effective January 1.

SPECIAL ENROLLMENT PERIOD

In addition to the annual Open Enrollment Period, retirees have 30 days after a qualifying event to change health plans or add eligible dependents. Qualifying events may include:

- change in permanent address that affects the availability of an HMO or Medicare Advantage plan
- marriage, civil union, birth, adoption, or legal guardianship
- termination of a Primary Care Physician when enrolled in an HMO or POS plan

MEDICARE

Medicare is the federal health insurance program, administered by the Centers for Medicare and Medicaid Services (CMS), for individuals who:

- reach age 65 or older, or
- receive disability benefits for over 24 months, or
- have End-Stage Renal Disease (ESRD), or
- receive disability benefits for Amyotrophic Lateral Sclerosis (ALS)

Medicare helps cover specific services if you meet certain conditions.

MEDICARE PART A (HOSPITAL INSURANCE)

Part A insurance helps cover inpatient care in hospitals; care in skilled nursing facilities (non-custodial), hospice, and home health care.

MEDICARE PART B (MEDICAL INSURANCE)

Part B insurance helps cover doctors' services and outpatient care and some preventive services to maintain health and to keep certain illnesses from getting worse.

MEDICARE PART C (MEDICARE ADVANTAGE PLANS)

Part C insurance replaces the traditional Part A and Part B coverage. Part C plans are Medicare Advantage HMO, PPO, or POS plans run by private companies approved by Medicare. These plans may offer other coverage including prescription drugs.

MEDICARE PART D (PRESCRIPTION DRUG)

Medicare Part D helps cover the cost of prescription drugs.

MEDICARE COST

You may qualify for Part A at no cost or at a reduced cost. Everyone must pay for Part B coverage.

CTPF Medicare Plans

CTPF offers several different Medicare supplemental and Advantage plans for members. Supplemental plans are designed to fill the “gaps” in original Medicare coverage. Medicare Advantage plans completely replace standard Medicare benefits.

CTPF MEDICARE PLAN ENROLLMENT

Qualified individuals who want to enroll in a CTPF Medicare plan must be enrolled in Medicare Part A and Part B and provide proof of coverage. If you do not qualify for premium-free Part A coverage, CTPF requires you to purchase this coverage.

IMPORTANT NOTE ABOUT MEDICARE PART D

CTPF has determined that its prescription drug coverage is, on average, at least as good if not better than the standard Medicare prescription drug coverage. If you plan to enroll in a CTPF Medicare supplemental or Advantage plan, do not enroll in an additional Medicare Part D prescription drug plan or you will lose all health insurance coverage.

Applying for Medicare

Contact your local Social Security Administration (SSA) office to enroll in or initiate the purchase of Medicare Part A and Part B three months prior to your 65th birthday.

CTPF health plan enrollees must provide documentation for Medicare Part A and Part B prior to turning 65, or premiums will increase significantly.

PAYING FOR HEALTH INSURANCE

If you enroll in a CTPF health insurance plan, your premium is deducted from your monthly pension. If you pay Medicare Part A and/or Part B premiums, you may choose to have CTPF deduct these payments from your monthly pension.

If you pay premiums directly to your previous employer for COBRA, to Social Security for Medicare, or to a private insurer, you must make timely payments or you could lose your coverage.

Reducing Your Cost

CTPF retirees whose final teaching service is with the Chicago Public or Charter Schools may qualify for a partial subsidy of the health insurance premium cost. Surviving spouses and dependents who receive a survivor’s pension also qualify.

The subsidy is authorized annually by the CTPF Board of Trustees and is subject to change. The subsidy applies only to the member’s portion of the health insurance premium; dependent coverage costs are not eligible.



OPEN ENROLLMENT

Each fall CTPF hosts an Open Enrollment Period for health insurance. During open enrollment, retirees may enroll in a CTPF health insurance plan, change their health insurance plan or carrier, or add a dependent to a health plan. Changes made during this period go into effect on January 1 of the following year.

You will receive an *Open Enrollment Health Insurance Handbook* prior to the open enrollment period. CTPF also offers several annual seminars designed to explain plan options and changes. Information about the seminars is included in the *Open Enrollment Handbook*, in the Autumn issue of *PensionNews*, and at www.ctpf.org.



Additional Information

CTPF's *PensionNews* and www.ctpf.org provide important, timely information about health insurance programs and benefits. Other resources, listed below, provide additional information.

CTPF MEMBER SERVICES

312.641.4464

COBRA

Chicago Public Schools
Department of Human Resources
773.553.1142, www.cps-humanresources.org

MEDICARE

Center for Medicare and Medicaid Services (CMS)
800.MEDICARE (800.633.4227)

Social Security Administration
800.772.1213

DENTAL INSURANCE PLAN PROVIDERS

Dental insurance is not included in any CTPF health insurance plans. CTPF retirees may qualify for dental insurance through other agencies including:

- American Federation of Teachers, AFL-CIO
202.879.4400
- Chicago Teachers Union
312.329.9100
- Retired Teachers Association of Chicago
312.939.3327

CONTACT INFORMATION

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