

## Retiree/COBRA PRE-PAYMENT Option Form

**Employee's Name:** \_\_\_\_\_ **Employee ID#:** \_\_\_\_\_

**Termination Pay Period Ending:** \_\_\_\_\_

The Pre-Payment Option is designed for those terminating employees who participate in the **Pre-tax Plan** and wish to pay future retiree or COBRA benefits payments from their final paycheck on a pre-tax basis. This benefit is limited to benefits payments for the months remaining in the current plan year. No refund of pre-paid payments is available. This means that you should not select this option if there will be any chance you, a covered spouse, or all covered children will cease to need, or become ineligible for, State Employee benefits any time during the pre-paid period or if you or your spouse will become \*Medicare eligible before the end of your pre-pay period. \*Note – If you have not received your Medicare card but are eligible and in the application process, you may receive the lower Medicare rate through pre-paying; contact HCBDB for more information.

Avoid pre-payment if, during the period for which you would pre-pay, any of the following could occur:

1. Last dependent child could lose eligibility for coverage due to turning 26.
2. Spouse could lose eligibility due to divorce;
3. For COBRA members, you or your spouse could gain other employment which offers health care benefits and lose eligibility for State COBRA benefits as a result, or
4. For retired members, you or your spouse could obtain employment which offers health care benefits, so you no longer need State retiree benefits – including the possibility of re-employment with the State and regaining employee coverage.

**NOTE:** The elections made on the Retiree or COBRA Statement of Current Coverage Form (including choice of health plan) cannot be changed until the next Annual Change period, effective the first day of the next year.

**INSTRUCTIONS: In order to elect this pre-payment option, you must:**

- ✓ Complete the Employee Section of this Pre-Payment Option Form and return it to your agency
- ✓ Complete the Retiree Statement of Current Coverage Form or the COBRA Statement of Current Coverage Form and, if eligible, the Life Enrollment/Change Form

**This Pre-Payment Option Form must be submitted to your Agency Payroll Office prior to your termination date in order to have these deductions taken from your final paycheck.**

**Employee Complete:**

- I will elect continuation in the Employee Group Benefits Plan under the **COBRA** provision.
- I will elect continuation in the Employee Group Benefits Plan as a **RETIREE**.

I elect to have \_\_\_\_\_ months of my elected health care benefits payments withheld from my final paycheck (limited to remainder of current plan year and availability of funds in final paycheck).

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

For Agency Personnel Use Only: Determine the total additional amount to be withheld from the final paycheck. List the month/year of coverage, payment amount for each type of coverage, and total payment for each month (**do not list the grandfathered month**). Use the Medicare Eligible Medical Rates for Retirees when applicable. FSA contributions – you decide through what date you want to flex funds; HCBDB then deducts accordingly from your final paycheck.

<u>Month/Year</u>	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>	<u>Basic Life</u>	<u>FSA</u>	<u>FSA Admin Fee</u>	<u>Total Payment</u>
<b>TOTALS:</b>							