

State of Montana Benefit Plan Retirement FAQ

Do I qualify for State Plan Retiree Benefits?

You may continue coverage with the State of Montana Benefit Plan (State Plan) if you are covered under the State Plan at the time you leave active State employment, and you are eligible to receive a monthly retirement benefit under the applicable provisions of the Montana Public Employee Retirement Administration System, whether you draw a monthly benefit, elect the lump sum distribution, or postpone withdrawal of your benefit. You must enroll in the State Plan retiree option within 60 days of the date your active service ends to continue post-retirement coverage.

A Judge may continue coverage under the State Plan if the Judge is covered under the State Plan at the time, they leave active service, and they are eligible to receive a monthly retirement benefit under the Judges' Retirement System, whether they draw a monthly benefit, elect the lump sum distribution, or postpone withdrawal of benefits. They must enroll in the State Plan retiree option within 90 days of the date judicial service ends to continue post-retirement coverage.

A Legislator may continue coverage under the State Plan if the Legislator is covered under the State Plan at the time they leave active service, and they are eligible to receive a monthly retirement benefit under the applicable provisions of the Montana Public Employee Retirement Administration System, whether they draw a monthly benefit, elect the lump sum distribution, or postpone withdrawal of benefits. They must enroll in the State Plan retiree option within 90 days of the date active service ends to continue post-retirement coverage.

Can my spouse/domestic partner and/or dependent children remain on the State Plan when I retire?

If you are enrolled as a retiree in the State Plan, your eligible spouse/domestic partner and/or children can remain on the State Plan. Dependent children may remain on the State Plan through age 25. Survivors may remain on the retiree's State Plan coverage unless they become eligible for another group health plan.

What if I am, or my spouse, is 65 years or older?

If you enroll on the State Plan as a retiree and you, or your spouse/domestic partner, are eligible for Medicare regardless of age, the State Plan will become secondary to Medicare and your rates will automatically reduce to the retiree Medicare rates found at <http://benefits.mt.gov/Resources/Rates> the first of the month in which you, or your spouse, are Medicare eligible.

What coverage can I keep if I stay on the State Plan as a retiree?

If you are not Medicare eligible, you are required to maintain Core Benefits (Medical, Dental and Basic Life). If you are Medicare eligible, you are required to maintain Medical, but Dental becomes optional and you will no longer be eligible for Basic Life. Under both scenarios, Vision Hardware remains an optional benefit and must be re-elected annually during the annual Open Enrollment Period. All other coverage ends when your Active employee coverage terminates.

What happens to my life insurance when I retire?

If you elect to continue State Plan coverage during retirement and you are **not Medicare eligible**, your Basic Life coverage of \$14,000 will continue until you become Medicare eligible. All other life insurance coverage is terminated.

If you **are Medicare eligible**, all life insurance coverage is terminated.

Optional employee life, dependent life, and spouse life insurance coverage is eligible for conversion or portability. To convert or port life insurance coverage, contact The Standard Insurance Company **(800) 759-8702**

for details and cost. You have 31 days from the date your benefits end to contact The Standard Insurance Company about these options.

- *If you are under 65 and choose to continue the State's benefit plan as a retiree, you have the option to convert this coverage to a whole life policy.*
- *If you are under 65 and **DO NOT** choose to continue the State's benefit plan as a retiree, you have the option to port your life insurance and pay a similar rate through the Standard Life Insurance Company.*

How much will it cost to remain on State Plan benefits as a retiree?

As a retiree, you will no longer receive the State of Montana employer contribution and you will be responsible for the full cost of the retiree coverage. For current rates, go to <http://benefits.mt.gov/Resources/Rates> Make sure you review the rates that are listed for the Retiree options.

When does my active employee State Plan coverage end?

Your State Plan coverage will end the last day of the month in which you were employed. If you were hired prior to August 1, 1998 and have had maintained State Plan coverage since that time, you may qualify for an additional month of State Plan coverage (known as the grandfathered month).

What will I receive from HCBD when I retire?

You may receive two packets of information. One packet will come from Allegiance and will have COBRA information that will allow you and your covered dependents to elect COBRA benefits for 18 months. Another packet will come from the Health Care & Benefit Division and will include information regarding your options to enroll in the State Plan retiree coverage if you are eligible. The retiree packet will have important information about the retiree option and an enrollment form that you will need to complete and return within the noted time period if you elect the retiree option. The COBRA packet will also have an enrollment form that will allow you to elect that option. Please be aware, COBRA and retiree options are very different, and you will want to carefully review the materials and make a decision that works the best for you and your dependents.

How do I pre-pay my monthly benefits?

You can prepay your State Plan Retiree Benefits from your last paycheck. Keep in mind, if you are a VEBA group member, you are not able to use any of your remaining sick or annual leave balance(s) to prepay benefits from your last paycheck. If your VEBA group election includes only sick leave you can prepay using the vacation leave remaining balance. You are only able to prepay for the current Plan year. This option should be discussed with your agency HR/Payroll.

What should I do before I retire?

Make sure you review all options available. The Health Care & Benefit website, www.benefits.mt.gov, has information that will be helpful in deciding whether to continue with State Plan coverage as a retiree. Also, make sure your agency has your most current address and email address. Many materials will be sent based off what address and email address is in the system. We don't want you to miss anything!

If I do not take the State Retiree Plan when I retire, may I do so at a later date?

No, if you do not elect State Plan coverage by the noted deadline (see first question), you will not have an option to enroll later.

This FAQ may help you as you consider the steps to retirement. ***NOTE: This FAQ is not comprehensive but is intended to provide a starting point for further research about your retirement plans and options. You are responsible for all aspects of the retirement process and are encouraged to seek the advice of your accountant, financial advisor and/or legal counsel.***