



EARLY RETIREMENT INCENTIVE INSURANCE BENEFITS Q & A

This information applies to eligible employees who retire after January 1, 1994, and prior to the end of the school year.

What Benefits Are Available?

Benefits available as part of the Early Retirement Incentive Program are explained in the Educators and Classified Negotiated Agreements. For specific information on insurance plan coverage, you may obtain free summary plan descriptions through request to the District Insurance Office.

Am I Eligible?

Verification of eligibility can be determined by calling the District Payroll Department at (801) 402-5207.

What Are My Options?

Enrollment with COBRA or the District Early Retirement Incentive Medical and Dental Plan, herein referred to as the Early Retirement Plan (ERP).

What Is COBRA?

“COBRA” stands for Consolidated Omnibus Budget Reconciliation Act of 1985. COBRA is the federal health care continuation law that allows each “qualified beneficiary” who loses employer-provided coverage due to a “triggering event” to continue coverage. COBRA coverage has limited duration. In most cases, the maximum COBRA period from the date of the triggering event is 18 months for the employee and 36 months for dependents. Please refer to the “COBRA Specific Notification” for more details.

What Is the Early Retirement Plan (ERP)?

The ERP allows the eligible retired employee to continue coverage with district sponsored health and/or dental insurance for ten years or until medicare eligibility, whichever occurs first. By electing participation in the ERP, retirees and their dependents are choosing an alternative to COBRA. Continuous health and/or dental coverage in the ERP must be maintained. Special provisions apply for dependent coverage continuation—see back of sheet.

If I Return to Active Employment, What Will Happen to My Early Retirement Plan?

Upon re-employment in an insurance eligible position, insurance benefits will be administered the same way as for all other active employees. Eligible re-employed retirees may use any unused participation time in the ERP when they terminate district employment. This includes the balance of the unused insurance benefit extension (to a maximum total of ten years) or until medicare eligible, whichever occurs first.

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If I Select COBRA, How Do I Pay?

Upon timely receipt of your COBRA enrollment form and initial payment, you will be enrolled with COBRA the date your coverage would otherwise terminate. Your enrollment information will then be submitted to the appropriate insurance company. You will be responsible for direct payment of premiums. Please refer to the “COBRA Specific Notification” for payment information.

If I Select the Early Retirement Plan, How Do I Pay?

Upon timely receipt of your enrollment form, you will be enrolled in coverage with the ERP the date your coverage would otherwise terminate. The District Accounting Department will be notified of your enrollment choice, and a payment plan will be initiated. If you are receiving a yearly stipend, insurance premiums will be automatically deducted from that amount. If you are not receiving a stipend, you will be responsible for direct payments of premiums. Premium payments are due the first of each month. If you fail to make a payment within thirty (30) days, coverage will terminate. Payments should be made payable to the Davis School District and sent to the District Accounting Department, P.O. Box 588, Farmington UT 84025-0588.

How Do I Enroll for Continued Benefits?

CONTINUED COVERAGE IS NOT AUTOMATIC. If you choose to participate in one of these programs, the appropriate form must be completed and returned within the specified time or your coverage will terminate the date your retirement begins. A DSD Early Retirement Incentive Medical and Dental Plan Enrollment Form and a COBRA Enrollment Form will be mailed to your last known address. Please refer to the individual forms for the appropriate enrollment process.

When Does Coverage Terminate Under the Early Retirement Plan (ERP)

ERP coverage for retiree, spouse, and/or dependents terminate when:

- The maximum period of coverage is reached or a disqualifying event occurs;
- Premiums are not paid when they are due;
- A term or provision of a benefit contract is violated; or
- Medicare entitlement is reached.

Will My Health ID Change?

Depending on the plan you elect, you may be assigned a new number and receive new cards. Remember to let ALL your health care providers know the new number to avoid a delay in processing claims or claims denial.

Briefly, How Do the Plans Compare?

Issue	Early Retirement Plan (ERP)	COBRA
Length of Coverage	<ul style="list-style-type: none"> • Ten years; • Until medicare eligible; or • Until the occurrence of a disqualifying event. In electing this alternative coverage, you waive COBRA and will not have any rights to COBRA continuation coverage once the alternative coverage ends. 	Employee is eligible for 18 months. (May be extended to 29 months if disabled.) Eligible dependents may qualify for extended coverage for a total of 36 months. See "COBRA Specific Notification".
Special provisions for dependent coverage continuation	<p>Eligible dependents may continue coverage for a limited period of time if they would otherwise lose coverage because:</p> <ul style="list-style-type: none"> • The retiree dies or becomes covered under medicare; • The retiree is divorced or legally separated; the dependent ceases dependent status. <p>If the event occurs during the initial 36 months period of coverage, dependents may continue for the remainder of the 36 months period or 12 additional months, whichever is longer. If the event occurs after the initial 36 months period of coverage, dependents may continue for a period of 12 months.</p>	<p>Dependent may qualify for an extended period of coverage of 36 months from the original date the 18 month period began if eligible dependents would otherwise lose coverage because:</p> <ul style="list-style-type: none"> • Employee dies or becomes covered under medicare • Employee is divorced or legally separated; • Dependent ceases dependent status; • Dependent is disabled under the Social Security Act.
Cost of Plan	Premium costs for this plan will be determined by the District Insurance Committee - same as active employees.	102% of premium.

What Will Happen to My Life Insurance?

Both your basic term life insurance and your supplemental term life insurance may be continued for the first three (3) years of your retirement period or to medicare eligibility, whichever occurs first. Premiums for the basic coverage, which provides a benefit of one times your annual salary and \$3,000 dependent coverage, will continue to be paid by the district.

If you are enrolled with supplemental term life insurance, you will be responsible for direct payment of premiums. Payments should be made payable to the Davis School District and sent to the District Accounting Department, P.O. Box 588, Farmington UT 84025-0588.

This is a summary only. It is not meant to replace or fully interpret provisions of your negotiated agreement, the DSD ERP or COBRA benefits. Please refer to your Negotiated Agreement, DSD ERP and COBRA Specific Notification for specific provisions regarding continued insurance benefits. If you have questions, please contact HR at 801-402-5636.