



City of Chicago

September 23, 2023 Pre-Retirement Meeting – Fire Fighters Healthcare Options in Retirement

Presented by Dan Ashley, Department of Finance - Chicago Benefits Office

Subject to change based on Local, State, and Federal rules and regulations; and Collective Bargaining Agreements (CBA).



Agenda Pre-Retirement Meeting

Healthcare Options In Retirement

- A. Introduction**
- B. Important Note**
- C. Overview: Healthcare Options in Retirement**
- D. Details: CBA Retiree Benefits**
- E. Details: PHSA/COBRA Benefits**
- F. Consider – Before You Retire**

Introduction

- **Only applies to sworn Fire Fighters; not applicable to those in civilian positions.**
- **The CBA retiree benefits described in this presentation are subject to the collective bargaining agreements.**
 - **They have changed in the past as part of that process.**
 - **They are subject to change in the future as part of that process.**

IMPORTANT NOTE

(Disclaimer)

All information in this presentation is current as of today's date.

- Retiree healthcare options may change in the future.
- Changes may apply to new retirees.
- Changes may apply to existing retirees.

Overview: Healthcare Options For Retirees

- 1) **Fire Fighters who qualify as CBA Retirees – benefits end when retiree reaches 65***
- 2) **PHSA/COBRA & others who don't qualify as CBA Retirees**
- 3) **Medicare After 65***

***Note: Details about “65” to follow**

Overview: Healthcare Options For Retirees

Different Pathways To Retiree Healthcare

- a) **Employee -> CBA Retiree -> Medicare**
- b) **Employee -> CBA Retiree -> Other Coverage**
- c) **Employee -> Medicare**
- d) **Employee -> Other Coverage -> Medicare**

Overview: Healthcare Options For Retirees

For Those In This Audience Who Don't Qualify* As CBA Retirees:

*You don't qualify as a CBA retiree if the provisions of your collective bargaining agreement do not provide you the benefit of CBA retiree status.

Examples include:

- Planning to retire 55-63 but do not qualify for CBA Retiree coverage
- Planning to retire before 55

Consult with your HR Department & your Union to see if you qualify as a CBA retiree

Details: CBA Retirees

What is a CBA Retiree?

- Fire Fighter whose employment is governed by a Collective Bargaining Agreement (CBA) with the Chicago Fire Fighters Union, Local No. 2
- Retire at age 55 or later
- Meets other special rules under your collective bargaining agreement
- Subject to your CBA
- Contribution as a % of annuity determined by your CBA
- Ends at 65. (More precisely: the end date is Medicare eligibility age: the 1st of month of your 65th birthday)

Details: CBA Retirees

What Does CBA Retiree Coverage Cost?

- Because this coverage is offered to you, as provided for in your Collective Bargaining Agreement (CBA), the terminology we use is “CBA retiree” coverage.
- Some CBA retirees make healthcare contributions:
 - Age 55 - 59 at retirement: contribute 3.5% of annuity
 - Age 60 - 62 at retirement: contribute 1.5% of annuity
 - Age 63 - 64 at retirement: no contribution
- Contributions have changed in the past and may change in the future. Contributions are determined by the collective bargaining process.

Details: CBA Retirees

CBA Retiree Coverage and Medicare Eligibility

- One important difference occurs if the retiree, spouse or dependent is Medicare eligible
- The healthcare coverage will pay benefits as if the dependent has Parts A & B
- In other words, the CBA healthcare coverage is only paid as a Medicare supplement for those who are Medicare eligible
- “Supplement” means the healthcare coverage tops-up many of the expenses that Medicare does not pay

Details: CBA Retirees

Action Items

If Dependents Are Medicare Eligible

- Medicare eligible retiree, spouse or dependent should sign up for Medicare both parts A and B
- Specifically:
 - A spouse who is eligible for Medicare needs to enroll in both parts A and B
 - A dependent child who has only Medicare Part A needs to enroll in Part B

Details: CBA Retirees

Spouse turns 65 before you retire

- **When a spouse becomes 65 the healthcare coverage coordinates with Medicare (plan pays second after Medicare)**
- **Spouse needs to enroll in Parts A and B**
 - **Three months before 65th birthday**
- **Prescription drug coverage is through the City's CBA retiree arrangement.**
 - **No need for Medicare eligible spouse to sign up for Part D**

Details: CBA Retirees

Is Your Spouse / Child Medicare Eligible?

- The City does not administer or give advice on your Medicare status.
- Call the Social Security office or visit www.ssa.gov to ask about other opportunities to obtain Medicare coverage if you are not Medicare eligible
- Call the Social Security office or visit www.ssa.gov for more specific information about your individual situation

Details: CBA Retirees

Does Your Spouse Have Other Insurance?

- The City's CBA retiree coverage coordinates with spouse's other insurance as a secondary payer
- The City's CBA retiree coverage will only pay what it would have paid if there was no other coverage

Details: PHSA/COBRA Benefits

A Brief Overview of:

- What is PHSA/COBRA?
- Why might I consider PHSA/COBRA?
- How does it work?
- How much does it cost?

What is PHSA/COBRA?

- PHSA/COBRA is an option to continue existing City health coverage (medical and dental HMO and PPO, and vision)

How long may I continue coverage?

- Usually for 18 months (29 or 36 months in some circumstances)

Which coverage is available to me?

- **Same coverage that you had pre-retirement**
 - **PPO/HMO Networks**
 - **Out of pocket cost**
 - **Other requirements**

Why consider PHSA/COBRA after Retirement?

- **PHSA/COBRA can help bridge the gap between retirement, and:**
 - **Medicare eligibility, or**
 - **Other health coverage options (e.g., spousal coverage, coverage through another job, etc.)**

How do I enroll in PHSA/COBRA?

- Upon retirement, a packet will be mailed to your home address on file with the City's Department of Human Resources.
- Read the packet as it explains your options, the cost, and your deadlines.
- Decide what coverage you wish to continue (medical, dental, and/or vision).
- Complete the form and mail the paperwork to the address listed.
- Mail in your initial payment to the Lockbox identified in the paperwork.
- Pay your bill on time every month. Online payments are strongly encouraged (www.cityofchicagobenefits.org). They are convenient and easy.

How Much Does PHSA/COBRA Cost?

- You pay the full cost of coverage, plus a 2% administrative charge. Cost changes each year.
- Price depends on HMO vs PPO and whether you elect single, employee +1, or family coverage.

How Much Will PHSA/COBRA Cost in the Future?

- The cost changes each year, usually on January 1.
- Check the website for the cost in 2023, 2024, and future years.

Where can I find the PHSA/COBRA Rates? Visit www.cityofchicago.org/benefits



The Chicago Benefits Office is responsible for the administration of medical, dental and related benefit programs for all eligible City of Chicago employees, annuitants and their eligible dependents.

Department of Finance

Chicago Benefits Office

333 South State Street - Room 400

Chicago, IL 60604-3978

8:30 am - 4:30 pm Monday - Friday

Benefits Service Center

www.cityofchicagobenefits.org

1-877-299-5111

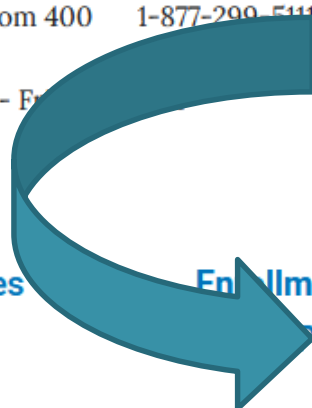
Monday - Friday

[Open Enrollment Guides](#)

[Plan Documents](#)

[Enrollment and Claim Forms](#)

[Pay, PHSA/COBRA, and Alternative Coverage Rates](#)



Review

- **PHSA/COBRA can help bridge the gap between retirement and your next source of health coverage (e.g., Medicare).**
- **It allows you to pay to continue coverage you had before retirement.**
- **It usually lasts for 18 months. It ends early if you become eligible for Medicare (whether you enroll in Medicare or not).**

Consider – Before you Retire Options at 65

- **If Medicare eligible:**
 - Sign up for both Parts A and B ¹
- **If not eligible for Medicare:**
 - Health insurance marketplace (public and private) ²
- **Working for another employer, or**
- **Your spouse works for another employer**

Note 1: Most people also sign up for supplemental coverage to cover what Medicare does not pay; examples: Medicare supplement, Part D prescription, Medicare Advantage

Note 2: COBRA is NOT an option at the time CBA retiree benefits end

Consider - Before you Retire

Do you qualify as a CBA Retiree?

Do you qualify as a CBA Retiree?

- Different rules depending on your particular collective bargaining agreement
- Bargaining agreement rules can change by agreement of the bargaining parties
- **ONE TIME** election at retirement. Cannot decide later.

For more information about whether you qualify as a CBA retiree:

- Contact your HR Department
- Contact your union

Consider – Before you Retire

Are you thinking about staying in the HMO as a CBA Retiree?

- HMO is Illinois only
- Primary care physicians are plentiful in Chicagoland, but downstate there are fewer doctors and hospitals.
- Emergency care is the only HMO coverage outside of Illinois; emergency coverage is limited to life-threatening events and all other care needs to be approved by your Illinois primary care physician
- Think about keeping the HMO if willing to return to the Chicago area for routine and non-urgent care
- Strongly consider PPO if moving downstate
- Strongly consider PPO if moving outside of Illinois



Consider – Before you Retire

Options For Those Not Medicare Eligible

- Working for another employer, OR your spouse works for another employer
- PHSA/COBRA
- BCBS is currently offering plans to City retirees. Contact BCBS to obtain the details on eligibility.
- Your unions and/or pension funds may have BCBS information and other information about any other potential options.
- Health Insurance Marketplace (public and private)

Consider - Before you retire

- Retiring before age 55? Not eligible for CBA Retiree Coverage?
- The City does not have a retiree healthcare plan for you.
- Other coverage options include:
 - PHSA/COBRA
 - Health Insurance Marketplace (private and public)
 - New employer
 - Coverage through spouse

Reminder

This is General Information

- This presentation provides general information about healthcare options
- This presentation provides information as of today's date. Healthcare options can change
- Your specific circumstances may differ from other employees considering retirement. This means:
 - The best solution for you may differ from the best solution for someone else who is considering retirement
 - You need to carefully consider what is best for you and for your own family

Resources

City PHSA/COBRA Rates

- www.CityofChicago.org/benefits

Benefits Service Center – City of Chicago

- 1-877-299-5111

Medicare

- www.Medicare.gov
- 1-800-633-4227 (1-800-MEDICARE)



For more information and details:
**City of Chicago Benefits Service
Center**

1-877-299-5111