



City of Chicago

September 27, 2025 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**
 - **PHSA/COBRA Benefits**
- E. 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.**
 - **This also means (see next slide)**

IMPORTANT NOTE

(Disclaimer)

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

- Retiree healthcare options may change in the future.
 - Any changes may apply to new retirees.
 - Any changes may apply to existing retirees.
 - Any changes may apply to both existing and new 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: "CBA Retiree" is explained next

** Note: Details about "65" to follow.....

Overview: 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
 - Retires 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)
- Coverage is offered to you as provided for in your Collective Bargaining Agreement (CBA), so the terminology we use is “CBA retiree” coverage.

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

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

Details: CBA Retirees

CBA Retiree Coverage – Upcoming Slides

- What does CBA Retiree Coverage Cost the Retiree?
- CBA Retiree Coverage and Medicare Eligibility
- Action Items for CBA Retirees
- What if your spouse is older than you are and becomes Medicare eligible before you?
- What if you have children who are Medicare eligible?
- What if your spouse has other insurance?

Details: CBA Retirees

What Does CBA Retiree Coverage Cost?

- **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 Medicare Parts A & B
- In other words, for those who are Medicare eligible, the CBA healthcare coverage is only paid as a Medicare supplement
- “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

- A 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 spouse's 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 HMO or PPO, dental HMO or 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 2025, 2026, 2027, and future years.

Where can I find the PHSA/COBRA Rates?

Visit www.cityofchicago.org/benefits



Quick Links

Enrollment and Eligibility
Annual Open Enrollment
Changing Your Benefits
Continuation of Coverage (COBRA)
Leaving City Employment
Going on or off Leave
Frequently Asked Questions



PHSA/COBRA

When coverage under the City's Healthcare Plan ends, medical, dental, and vision benefits may be continued for a limited period of time, depending on the circumstance, at the Participant's own expense for a temporary period. A qualifying event causing the loss of coverage must take place, and then the qualified individual must pay for these benefits, by the deadlines. See Plan document for more information.

- [2023 PHSA \(formerly "COBRA"\) Rates](#)
- [2024 PHSA \(formerly "COBRA"\) Rates](#)
- [2025 PHSA \(formerly "COBRA"\) 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 for the retiree at the time CBA retiree benefits end. (May be an option for a dependent).

Consider - Before you Retire

Do you qualify as a CBA Retiree?

Do you qualify as a CBA Retiree?

- Different rules depending on your 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; 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