

CHICAGO FIRE FIGHTERS UNION LOCAL 2

RETIREE HEALTHCARE

Jack Byrnes



Bill Oswald





CHICAGO FIRE FIGHTERS UNION LOCAL 2 RETIREE HEALTHCARE



Jack Byrnes – Benefits Consultant

Group Sponsored Healthcare is just another reason to stay active in Local 2 when you retire.

Local 2 will continue to be there for you when you need to elect coverage for yourself or your spouse.

Many members will not have to worry about this for many years down the road. The timeframe is different for everyone, based on age, date of retirement and provision within your contract on your date of retirement. The following are some key questions and milestones that need to be remembered:



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- **What is your date of retirement:** _____ **What is your age at retirement:** _____
- **Who is currently covered on your health insurance plan through the City:** ☐ Self ☐ Spouse ☐ Child(ren)
- **What coverage does your contract provide (if any) & at what cost:**
 - ☐ 55 - 60 to Medicare Age (3½% of annual annuity)
 - ☐ 60 - 63 to Medicare Age (1½% of annual annuity)
 - ☐ 63 to Medicare Age (Free)
 - ☐ Medicare Age + (Retiree must obtain own coverage for self and all dependents)

(Currently Medicare Age is 65 yrs. of age. If you retired with a healthcare provision in your contract it will terminate when you are officially on Medicare. This occurs on the 1st of the month preceding your 65th birthday. If your birthday is the 1st of the month, you will be on Medicare a month prior. If your contract allowed for a free or % provision your dependents coverage will stop on your Medicare age date.)



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CITY OF CHICAGO
Department of Finance - Chicago Benefits Office
PHSA (Formerly known as COBRA) RATES
EFFECTIVE JANUARY 1, 2025

ILLUSTRATIVE PURPOSES ONLY

TYPE OF PLAN	LEVEL OF COVERAGE		
	SINGLE EE	EE PLUS ONE	EE PLUS TWO OR MORE
BLUE CROSS BLUE SHIELD PPO - LMCC	\$1,018.68	\$1,874.48	\$2,451.56
BLUE ADVANTAGE HMO - LMCC	\$856.54	\$1,572.12	\$2,348.79
BCBS DENTAL HMO - LMCC	\$15.29	\$29.85	\$44.65
BCBS DENTAL PPO - LMCC	\$29.46	\$51.09	\$67.72
VISION ONLY - LMCC	\$3.20	\$6.41	\$9.61

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Retiree at age of 55 with a spouse without contractual coverage would incur the following over a 10-year period:

$\$1,874.48 \times 12 \text{ months} = \$22,488 \text{ per year}$

or

$\$22,488 \times 10 \text{ years} = \$224,880$

Based on PHSA rates from the City of Chicago for 2023. Exchange based plan may be less expensive but benefit level will be drastically different. PHSA rates are used to illustrative purposes only.

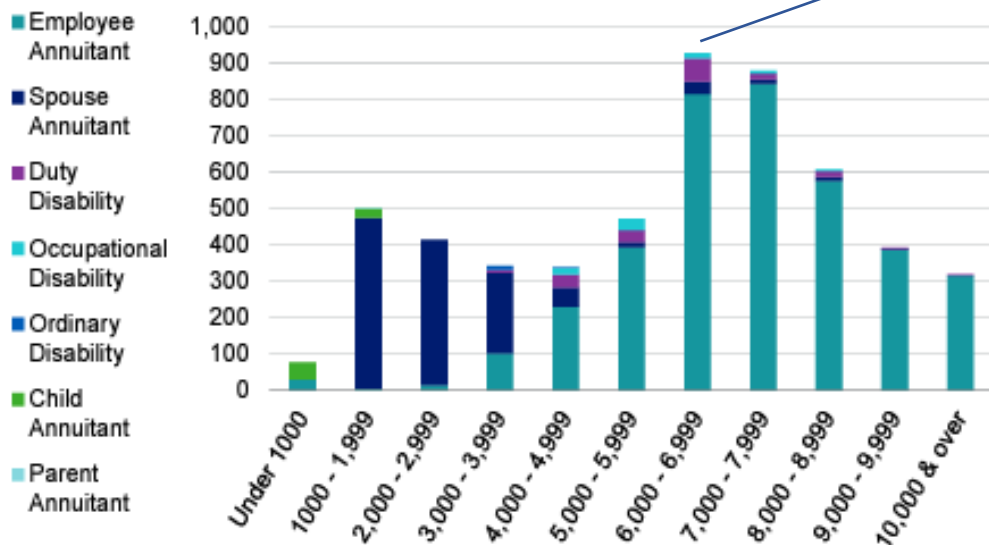


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PENSIONERS BY
MONTHLY AMOUNT



As of December 31, 2021, the average monthly benefit for service retiree members is \$7,346 per month or \$88,152 annually.

Actuarial Valuation and Review as of December 31, 2021, Firemen's Annuity and Benefit Fund of Chicago (Published June 2022)

Approximate Annual Cost for Insurance under current CBA

- 55 - 60 to Medicare Age (3½% of annual annuity) or \$3,085
- 60 - 63 to Medicare Age (1½% of annual annuity) or \$1,322
- 63 to Medicare Age (Free)

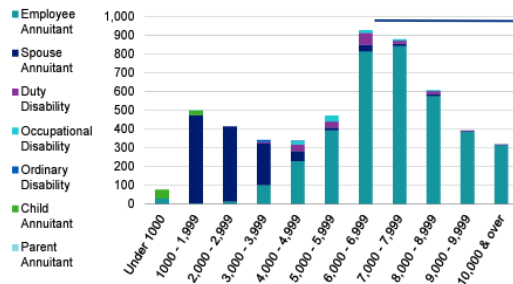


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PENSIONERS BY
MONTHLY AMOUNT



As of December 31, 2021, the average monthly benefit for service retiree members is \$7,346 per month or \$88,152 annually.

\$30,850 in premium from annuity over 10 years

Actuarial Valuation and Review as of December 31, 2021, Firemen's Annuity and Benefit Fund of Chicago (Published June 2022)

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- **Do I have the required credits with Social Security or Medicare:** ☐ Yes ☐ No

Confirm with Medicare that you will be eligible for coverage. Your credits apply to the time that you have paid in as well as a spouse within the dates in which you were married. Medicare will provide you with confirmation on your eligibility.

- **When should I contact Medicare:**

Contact Medicare 3 months prior to your 65th birthday.

- **When I go on Medicare who needs to obtain coverage on a Non-Medicare Plan:** ☐ Spouse ☐ Child(ren)

If a dependent needs to obtain coverage until he/she reaches Medicare Age, there are currently two options: (1) Pay full premium to the City of Chicago for their existing plan options or (2) shop for individual plans on the “open market”. Many aspects of health insurance will change in the years to come, and you will be subject to the plans and provisions that are being offered at that time. **Local 2** currently has a retiree benefits administrator (Retiree First) that will be there to help you navigate the options available to you at that time. This advocacy service is for **Local 2 retirees in good standing**.

- **What are my Medicare Supplement and Rx Choices:**

(1) Local 2 Group Sponsored Voluntary Plan (2) Plans being sold on the Individual market (3) Voluntary plans offered through City of Chicago. These options are available today but can change. Local 2 will be able provide you with the current options 3 months prior to your Medicare Age birthday.



CHICAGO FIRE FIGHTERS UNION LOCAL 2 RETIREE HEALTHCARE



Bill Oswald – Medical Liaison

Common questions regarding health-related issue:

- When a Member or spouse/dependent is injured and seeks out medical attention, you will receive a letter from a Coghlan Law Firm 312-357-9200. Do not ignore this letter. Fill out the form and send it in. This is a subrogation firm hired by the City of Chicago, if ignored, this will hold up your healthcare insurance claims.
- What happens if a Member passes away? Many are not aware that medical benefits for your spouse and dependents end, when Active, your beneficiary is entitled to the city issued group Met Life Insurance for \$75,000. When a Member retires, this benefit ends. Health Insurance continues for **Retired Members** until they become Medicare eligible at the age of 65 or when you are no longer a part of the employer's group plan. Healthcare benefits end for your spouse and dependents. Medicare eligibility begins on the 1st of the month. For example, your birthday is March 29th, your Medicare begins March 1st. If your birthdate is on the 1st of the month your Medicare begins the previous month example, birthdate March 1st, Medicare begins February 1st.



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Bill Oswald – Medical Liaison

Common questions regarding health-related issue:

- Transition from Active to Retired - when you retire, be aware there's a period of 4-6 weeks where you're not in the system. City currently working to reduce the time lag. Your coverage is retroactive to your retirement date in the event of an injury or medical visit. I would suggest making sure you have necessary medicine and doctor appointments prior to your retirement date. In the event you need a script and denied coverage, call me and I can request an emergency override with the benefits section .
- Questions regarding healthcare: Call me at Local 2 not the pension fund. The fund directs payments only.
- Any members husband and wife both on CFD/CPD?



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Common questions regarding health-related issue:

- If your doctor orders a CT, Pet Scan or MRI you must call **Telligen: 800-373-3727** to pre- certify the test and locate a center near you. The cost is fully covered
- Member turning 65 and becoming Medicare eligible, the application process begins 3 months prior.
Don't wait until the last minute.
- Routine labs, locate a free-standing lab not affiliated with a hospital so there's no cost to you. You may be in a hospital, and the doctor will send you for a test in the hospital, you will be charged.
- Ambulance Transport - when a member retires, the ambulance transport benefit applies to the Member and spouse only. Your eligible children would be covered under Blue Cross Blue Shield Healthcare plan. The City of Chicago has outsourced Ambulance billing to a company that has no knowledge of our CBA. You will receive a bill in mail. When you do follow instructions in General Order for Ambulance Transport Billing as this is a covered benefit.