

## A Member Retiring from a Participating System

If a member retires from a participating system and was enrolled in the four Optional Plans at his or her date of retirement, the member can continue coverage under all four Optional Plans or may reduce coverage to two plans on his or her date of retirement. The member cannot reduce to three Optional Plans outside of Open Enrollment.

If a member has the PEEHIP Hospital Medical Plan and one or more Optional Plans, he or she cannot drop the Optional Plan(s) until the Open Enrollment period. Also, a member cannot add any of the Optional Plans on the date of retirement. The state allocation will cover the full cost of two Optional Plans for retirees.

A member who is retiring from a participating system and is only enrolled in the Optional Plans at the date of retirement cannot add the Hospital Medical Plan until the Open Enrollment period.

### Retiree Examples

#### Example 1:

Mr. Smith retired from Jefferson County school system on January 1. Mr. Smith was enrolled in the four Optional Plans on his date of retirement. Mr. Smith can drop two of the Optional Plans on January 1, or Mr. Smith can retain all four Optional Plans and pay \$76.00 for the Optional Plans. Mr. Smith cannot add the PEEHIP Hospital Medical Plan nor is he allowed to drop only one Optional Plan until the Open Enrollment period.

#### Example 2:

Mrs. Scott retired from the University of Alabama (a non-participating system) on January 1. Mrs. Scott was enrolled in the Blue Cross and Blue Shield Health Insurance Plan with the University of Alabama. Therefore, Mrs. Scott can enroll in the PEEHIP plan on January 1, without waiting periods. If Mrs. Scott was enrolled in the family Blue Cross and Blue Shield plan with the University of Alabama, Mrs. Scott and her dependents would not be required to serve waiting periods on pre-existing conditions. However, if Mrs. Scott only had the single Blue Cross plan, Mrs. Scott could not enroll her family in the PEEHIP plan until the Open Enrollment period.

#### Example 3:

Mr. Johnson was employed with Birmingham City and retired on March 1. Mr. Johnson was enrolled in the family Dental and family Hospital Medical Plan with Birmingham City. On his date of retirement, Mr. Johnson would be required to continue his Dental Plan until the Open Enrollment period. Mr. Johnson could drop his PEEHIP Hospital Medical Plan on his date of retirement or at any other time by notifying PEEHIP in writing and the change would be effective the first day of the month following the notification.

#### Example 4:

When Mrs. Sellers was age 55, she terminated her employment with Auburn University with 11 years of service. When she turned age 60, she began drawing a retirement check and became eligible for the PEEHIP Hospital Medical Plan. Mrs. Sellers is eligible to enroll in the PEEHIP Hospital Medical Plan or PEEHIP Supplemental Plan effective the date of her retirement or she could wait until the Open Enrollment period. She would be required to serve a 270-day waiting period on pre-existing conditions if she retired outside of the Open Enrollment period and enrolled in PEEHIP on her date of retirement unless proof of previous coverage was received and approved by PEEHIP. She could

wait and enroll in PEEHIP during the Open Enrollment period and would not be required to serve the 270-day waiting period on pre-existing conditions.