

RETIREE COVERAGE QUESTIONS

As an employee of an Indiana municipality, you may be entitled to a significant benefit that is not available to employees in the private sector. Under Indiana law, certain municipal employees are entitled to continue medical coverage under the municipality's plan after retirement. These municipal employees include:

- Municipal retirees who have attained age 55 (but who are not yet eligible for Medicare), have 20 years of employment with a public employer (at least 10 years of which must be immediately preceding retirement), and have 15 years of participation in the retirement plan.
- Retired full-time firefighters, police officers, county police officers and sheriffs.
- Public safety employees receiving disability benefits under: 1925 Police Pension Fund, 1937 Firefighters' Pension Fund, 1953 Police Pension Fund, 1977 Police Officers' and Firefighters' Pension and Disability Fund, or Sheriff's disability fund.

Coverage offered to eligible retirees must be equal in coverage to that offered to active employees. For example, it would not be permissible for a municipality to restrict retirees only to a high-deductible plan if a municipality also offers a PPO. However, it is important to emphasize that Indiana law does not require municipalities to pay premiums for eligible retiree coverage.

As a general rule, eligible retirees must be enrolled in the municipality's health plan at retirement or enroll in coverage within 90 days of the retirement date. Coverage for eligible retirees generally terminates when the retiree becomes eligible for Medicare coverage. The spouse of an eligible retiree may generally remain on the plan until the spouse becomes eligible for Medicare even if the eligible retiree enrolls in Medicare first and drops off the plan. However, if the eligible retiree dies before the spouse becomes eligible for Medicare, coverage for the spouse generally terminates upon the earlier of: (a) the date the spouse becomes eligible for Medicare; (b) the date the spouse remarries; or (c) two years after the date of the eligible retiree's death.

As noted, coverage for eligible retirees generally terminates upon Medicare eligibility. However, these retirees and other individuals you know may request additional assistance in exploring post-age 65 options. The Henriott Group, which serves as the consultant for the Aim Medical Trust, has a certified Medicare specialist on staff who works with Trust members. Municipalities can contact Aim with questions about this service provided by the Trust.