

Approved Changes for Retiree Health Insurance

Current Employees

(10 or More Years Service effective July 1, 2011)

Employee Information Session – April 2010

Focus of Discussion

School Board decided to address each employee group separately....

Future Employees were defined as those eligible employees hired or rehired on or after July 1, 2009 – will be offered access to coverage upon retirement, but no Board contribution provided

Current Employees were defined as all eligible employees hired or rehired prior to July 1, 2009 – plans have been approved for employees with less than 10 years NNPS service and those with 10 or more years service as of July 1, 2011

Discussions for today will focus on:

Current Employees – with 10 or more years of NNPS service as of July 1, 2011

Current Employees with 10 or more years of NNPS service

- Eligibility will be established on the effective date of the Plan – July 1, 2011
- Transition Period established
 - *Employees in this group who retire from NNPS effective July 1, 2011 may do so under the current plan or the approved new plan*
 - *Employees in this group who retire from NNPS effective August 1, 2011 or later will do so under the approved new plan*

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Proposal Summary

Employees with 10 or More Years Service (Pre-ME)

Plan Elements – upon retirement from NNPS

- Access to coverage after 15 versus 10 years total NNPS service and 2 years enrolled in plan
- Access to active employee medical, dental and vision plans
- Percentage of Board contribution based on total NNPS service versus unused sick leave (slide 6)
- Options for unused sick leave at time of retirement from NNPS (slides 6, 7)
- Self-supporting rates phased in over 5 year period (slide 8)
- Catastrophic claims pooled with active employee plan (slide 8)
- Transition period regarding Board contribution for spouse and dependents (slide 9)
- Receive VRS health insurance credit if eligible

Approved School Board Contribution (Based on Years of NNPS Service)

Years of Credited Service	% of Board Contribution
<15	0
15	25
16	30
17	35
18	40
19	45
20	50
21	55
22	60

Years of Credited Service	% of Board Contribution
23	65
24	70
25	75
26	80
27	85
28	90
29	95
30	100

Note: Board contribution is determined annually based on budget

Options for Use of Sick Leave

Current Employees (10 or more years service)

Who Retire from NNPS Pre-ME

Unused sick leave at retirement may be used one of the following ways:

1. Redeemed for additional service for determining percentage of Board contribution

OR

2. Cashed in at rate of \$30/day (\$5,000 maximum)

OR

3. Redeemed for service credit under Newport News city retirement as permitted by city law

Use of Sick Leave at Retirement

- Unused sick leave at time of retirement from NNPS may be redeemed for additional NNPS service to be used only in determining the Board contribution and eligibility for access to medical insurance

Number of unused sick days	Additional years of service	Additional Board contribution
0 to 10	0	0%
11 to 40	1	5%
41 to 70	2	10%
71 to 100	3	15%
101 to 130	4	20%
131 to 160	5	25%

- Sum of Board contribution based on NNPS service and additional contribution based on redeemed sick leave cannot exceed 100%

Self Supporting Retiree Medical Plan

Current Employees (10 or more years service) Who Retire Pre-ME from NNPS

- Self supporting rates will be phased in over 5 year period from the effective date (July 1, 2011)
- Retiree catastrophic claims pooled with active employee plan

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Transition Period – Board Contribution for Spouse and Dependents

Current Employees (10 or more years service)
Retiring Before Reaching Medicare Eligibility (Pre-ME)

7/1/11  7/31/14

Board contribution for employees retiring within this period may continue to cover spouse and dependents (until retiree attains ME), so long as they were enrolled 24 months prior to retirement. Board Contribution will be based on enrolled employee and dependent coverage (current formula).

Eligibility for VRS health credit continues

8/1/14 

Employees who retire this date or later, may continue to enroll dependents in the Pre-ME Retirement plan (until retiree attains ME); however, School Board Contributions will be based on employee only coverage.

Eligibility for VRS health credit continues

Proposal Summary

Employees with 10 or More Years Service (Post-ME)

Plan Elements

- Direct billing from Anthem to retiree for Medicare supplement
- May remain in active dental and vision plans
- Transition plan for Board contributions

Transition Period for Post-ME Board Contribution Current Employees (10 or more years service)

7/1/11 → 6/30/14

Employees who retire from NNPS at ME or retirees (Pre-ME) who become ME in this period retain their Pre-ME Board contribution percentage (applied to retiree only for duration of their retirement)

Eligibility for VRS health credit continues

7/1/14 → 6/30/24

Employees who retire from NNPS at ME or retirees (Pre-ME) who become ME in this period receive flat dollar amount Board contribution for duration of their retirement

Eligibility for VRS health credit continues

7/1/24 →

Employees who retire from NNPS at ME or retirees (Pre-ME) who become ME this date or later, receive no Board contribution but continue to have access to active employee medical, dental and vision plans

Eligibility for VRS health credit continues

Questions ?

- Question/Concern forms may be completed and forwarded to HR
- E-mail to ask.benefits@nn.k12.va.us