



## 2022 Retiree Benefits Summary

*This overview provides highlights of AACPS retiree benefits. Details are provided annually in the Retiree Healthcare Enrollment Guide.*

### Healthcare

#### *Eligibility-Governed by Board Policy GAO and Administrative Regulation GAO-RA*

Retirement from employment from AACPS after submitting an application for service or disability retirement from the Maryland State Retirement Agency. Includes coverage for retiree and qualified dependents: spouse, children under age 26, disabled children regardless of age who were approved prior to age 26 (pending ongoing vendor approval).

#### *Funding*

The rate of employer subsidy varies by date retiree was employed by AACPS and years of service. (See *Funding of Retiree Healthcare* below.)

### Waived Healthcare

Retirees who waive AACPS healthcare coverage at retirement due to availability of other coverage may elect AACPS coverage at a later date provided they have at least 15 years of AACPS service.

### Funding of Retiree Healthcare

#### *Retirees who were employed with AACPS before September 15, 2002, regardless of years of AACPS service:*

- Medical—AACPS pays 75% of the cost, 25% is deducted from the retiree's pension payment.
- Dental—AACPS pays 75% of the cost, 25% is deducted from the retiree's pension payment.
- Vision—AACPS provides no funding, 100% is deducted from the retiree's pension payment.

#### *Retirees employed with AACPS after September 15, 2002 receive funding based on years of service with AACPS.*

- Employees with less than ten years of AACPS service are ineligible for retiree healthcare (except in the case of a disability retirement when 25% funding is provided).
- Employees with 10 years AACPS service receive 25% funding of the cost of medical/Rx, 75% is deducted from retiree's pension.
- Employees with 15 years of AACPS service receive 50% funding of the cost of medical/Rx, 50% is deducted from retiree's pension.
- Employees with 20 or more years AACPS service receive 75% funding of the cost of medical/Rx, 25% is deducted from retiree's pension.
- No AACPS funding is provided for retiree dental or vision coverage. Retiree pays 100% of cost.

### Medical—Including Prescription Plan

#### *Retirees under age 65 may select from three plans offered:*

- Retirees living in the Baltimore, Washington, Northern Virginia area are offered the HMO plan or the Triple Option plan.
- Retirees living outside the Baltimore, Washington, Northern Virginia area are offered the Triple Option plan or the Preferred Provider Plan (PPN).
- All retirees electing a medical plan will be provided prescription coverage through CVS Caremark.

#### *Retirees age 65 and Older or Medicare Disabled—Medicare Required*

Medicare is the primary payer of Medical claims and prescription drugs after age 65. Therefore, Medicare Parts A and B are required and must be in effect when a retiree turns 65 after retirement or at retirement if the retiree turned 65 while employed. If a retiree is awarded Social Security Disability Income, he or she must accept Medicare Part B when offered and notify us immediately. Retiree MUST TAKE ACTION to enroll in Medicare Part B (Part A is automatically issued upon reaching age 65). A penalty may be imposed if enrollment is delayed. The cost for Medicare Part B is based on income and deducted from the retiree's Social Security benefit, or is billed quarterly by Social Security if the retiree defers taking Social Security until a later date.

#### *Retirees on Social Security Disability Income—Medicare Required*

Those who are receiving Social Security disability income must accept Medicare Parts A and B if offered, even if the retiree is younger than 65. The Cost of Medicare Part B is based on income and deducted from the Retiree's Social Security benefit.

#### *Retirees may select from three Medicare Supplemental plans offered:*

- Retirees living in the Baltimore, Washington, Northern Virginia area are offered the HMO plan, the Triple Option plan, or Medi-Comp Plan.
- Retirees living outside the Baltimore, Washington, Northern Virginia area are offered the Triple Option plan (Levels 2 and 3 or the Medi-Comp Plan.
- Retirees age 65 and older (or Medicare disabled), who elect participation in an AACPS over-65 medical plan are provided prescription coverage through SilverScript, Caremark's Medicare Part D prescription plan. Enrollment is automatic and initiated by AACPS. Retirees considered "High Income" by the Social Security Administration may pay an additional

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surcharge per month which is deducted from the retiree's Social Security payment or billed quarterly by Social Security if the retiree defers taking Social Security until a later date.

Retirees enrolled in medical plans may access mental health benefits through CareFirst Assist.

## Dental

Retirees may select a dental plan from three plans offered: a dental HMO plan (for residents of the MD, DC, PA, Northern Virginia area), a PPO plan, and a Traditional plan.

## Vision

Davis Vision discount program is included with enrollment in the HMO and Triple Option Plans at no extra cost. Additionally, a vision benefit (Select Vision) is available for annual eye exams and annual eyewear reimbursement for a modest monthly cost.

## Open Enrollment

AACPS provides retirees with an Open Enrollment opportunity each fall, distributing plan information and rates for the upcoming calendar year via mail. Information is also posted on [www.aacps.org/retireehealthcare](http://www.aacps.org/retireehealthcare).

## Employee Assistance Program (EAP)

The EAP provides counseling and resources for personal and family concerns for retirees and their household members for eighteen months after retirement date. Services are free and confidential.

## Flexible Spending Accounts

Retirees of AACPS have three months after their retirement date to submit a request for reimbursement of qualified expenses incurred while employed. An FSA may be continued through the end of the calendar year, in which the employee retired, through COBRA.

## Term Life Insurance

There are two options regarding your Met Life coverage after retirement.

### Conversion Option

- An option to convert current life insurance (both basic life and voluntary life coverage) to an individual Whole Life insurance policy, issued without medical exam. Rate based on age at time of conversion, maintained through life of policy.
- No option to increase or decrease the amount of coverage held.
- AD&D coverage cannot be converted.
- Reductions and termination of plan depend upon term of policy chosen.

## Portability Option

- An option to continue Group Term Life coverage without medical exam, paying non-preferred rates, or paying preferred rates after answering medical questions. Preferred and non-preferred rates are based on age at retirement, increasing with age, and may differ from rates paid while an AACPS employee.
- Coverage can be increased with submission of Evidence of Insurability (EOI) and decreased, as needed.
- AD&D coverage can be ported
- Reductions and termination are standardized—employee coverage reduces 60% at age 70, terminates at age 100.

## Long Term Care Insurance

Retirees may convert their Long-Term Care insurance to an individual plan with Unum within 90 days of retirement. Rates remain the same as employee rates.

Retirees may apply for Long Term Care insurance at any time in retirement. Pending Evidence of Insurability, premium rates are the same as for employees.

## AACPS Leave Pay Out Plan

Retirees are eligible to have unused sick leave, annual leave or personal business leave paid out upon retirement, in accordance with applicable negotiated agreements or Terms of Employment. Payouts of \$1,000 or more are deposited into an employer-sponsored 403(b) Plan, free of FICA, Federal or state taxes. Once funds are deposited, they are immediately available for:

- 1) cash out of all or a portion of the amount (subject to Federal and state tax, and if under age 55 a 10% penalty)
- 2) transfer to another tax-favored Plan such as a IRA or another vendor 403(B) Plan, or
- 3) remain invested within the Leave Payout Plan investment options. The Leave Payout Plan is administered by AIG Retirement Services.

## Deferred Compensation/ Supplemental Retirement Plan

AACPS Supplemental Retirement Plan (403(b) and/or 457(b)). Retirees should visit [aacps.org/supplementalretirement](http://aacps.org/supplementalretirement) for information about obtaining a Severance from Employment Certificate to submit with any request for a distribution after retirement.