



San Diego Unified School District

EUGENE BRUCKER EDUCATION CENTER
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HUMAN RESOURCE SERVICES DIVISION
Benefits Operations

July 1, 2009

To: Retiring Employees

This letter is provided to you for informational purposes only. Should you retire, you will receive an official letter in the mail. For clarity, it is presented in a question and answer format.

WHEN WILL MY DISTRICT-PAID COVERAGE TERMINATE?

Coverage under the district-sponsored medical, dental, vision, and life insurance plans in which an employee is enrolled terminates at the end of the month in which the last day of paid service in an eligible monthly salaried position occurs. For example, if an employee's last day of paid service occurs anytime in June, the medical, dental, vision and life insurance coverage terminates June 30th.

CAN I CONTINUE MY COVERAGE AFTER RETIREMENT?

Certain district-sponsored health and life insurance plans may be continued on a self-pay basis. There are two programs under which benefit plans are offered to individuals who meet specified requirements; however, not all plans are available for continuation under both of these programs.

1. The "District Program" is available to employees who separate by reason of retirement and who, immediately upon separation, begin to receive a monthly benefit from the Public Employees' Retirement System (PERS) or the State Teachers' Retirement System (STRS). It is important to note that under this program coverage may be continued for the retiree's lifetime.
2. The federally-mandated program known as the "COBRA Program", offers continuation for a limited period of time.

IS THE COVERAGE UNDER EACH OF THESE PROGRAMS THE SAME THAT I HAD AS AN ACTIVE EMPLOYEE?

The plans available under each of these programs provide the same coverage that active employees have. (**Exception:** Some differences do occur in benefits and the provider network for retirees and/or their spouses who are enrolled, in and receiving Medicare benefits. Also, benefits may vary slightly for retirees who reside outside Southern California.)

Retirees and/or spouses enrolled in Medicare A and B, please note that provided you reside in a Secure Horizons service area in Southern California, there is an additional plan option available to you upon retirement. You may, upon retirement (or during a future open enrollment period), enroll in the Medicare Risk plan offered through Secure Horizons/PacifiCare. (For couples where either the retiree or spouse has Medicare A and B, but the other partner does not, the non-Medicare retiree/spouse will receive PacifiCare HMO benefits.)

Under a Medicare Risk plan, the Medicare A or B participant must “sign over” Medicare benefits to the Plan. All care must be received from and authorized by the member’s designated primary care physician. No additional Medicare benefits are payable outside the Plan. The Kaiser Medicare Risk plan is also an option.

For Kaiser and Secure Horizons/PacifiCare information packets, please call the Employee Benefits Operations Office (619) 725-8130. (Enrollment processing for a Medicare Risk plan requires at least 30 days.)

PacifiCare Senior Supplement is also available to members age 65 and over who have Medicare A & B. Members have the freedom to obtain medical care from any physician or hospital that accepts Medicare. You do not assign your Medicare to any plan.

Please note that the district reserves the right, through the collective negotiations process with the employee organizations/associations to modify, amend, or eliminate plans and carriers at any time in the future.

ARE THERE DIFFERENCES IN THE TWO PROGRAMS THAT I SHOULD BE CONCERNED ABOUT?

Yes, there are some important program provisions that need to be taken into consideration when deciding under which program a particular benefit plan should be continued; such as, length of the continuation period, rate structure, and/or eligibility requirements. These provisions were established as a result of federal or state law, collective bargaining agreements or district policy. Attachment A summarizes some of the provisions of each of the programs, and should be studied carefully. Enclosed is a letter which contains detailed information about the COBRA program.

HOW CAN I DETERMINE WHICH PROGRAM IS BEST FOR ME?

Please study Attachment A which provides a summary of some of the important provisions of each program. Please note that all benefits plans do not have to be continued under the same program. Vision coverage is offered under the COBRA program only; therefore, a retiree may choose to continue vision coverage under the COBRA program and medical coverage under the District program. In accordance with the “loss of other coverage” provision of Education Code Section 7000, it is permissible for a retiree to continue a **medical** plan under the COBRA program and at the end of the maximum continuation period, change to the District program.

Retirees who continue coverage, may participate in the annual open enrollment period, and may change to and from medical and/or dental plans which are offered under the same program; i.e., change from the PacifiCare HMO plan under the District program to Kaiser under the District program.

HOW MUCH WILL THE COVERAGE COST AND WILL THE DISTRICT PAY ANY PORTION OF THE COST FOR ME?

Attachments B, C, and D list the costs of the Medical plans for 2009. COBRA rates can be found on Attachment E. These costs are subject to change each calendar year. For retirees who meet specified requirements, the District will make a contribution toward the cost of medical coverage. See Attachment H, "Eligibility Provisions - Special Fund." At the following link <http://www.sandi.net/personnel/hr/benefits/benefits.htm> . Negotiated contributions are based on your bargaining unit, please select the appropriate Attachment H.

Monthly Dental Plan Rates

<u>Dental Plan</u>	<u>Retiree Only</u>	<u>Retiree and Spouse</u>
Delta Dental PPO	\$38.37	\$65.23
DeltaCare USA	\$20.35	\$31.79
Western Dental	\$17.60	\$35.21

AFTER YOU SUBMIT THE RESIGNATION/RETIREMENT/SEPARATION NOTICE, THE FOLLOWING SHOULD OCCUR:

1. The Employee Benefits Operations Office will send you the official notification letter regarding continuation of benefits.
2. This letter contains a Response/Application Form and a COBRA application on which you should indicate your decision with regard to continuing coverage under each of the plans offered.
3. If you do not choose to continue coverage, please sign the Response/Application Form in the appropriate place and return it to the Employee Benefits Operations Office.
4. If you want to continue coverage, please indicate which benefits plans you want to continue. Return the Response/Application Form and/or COBRA notice sixty days from the date of the notification to the Employee Benefits Operations Office. You must respond within the date indicated on the COBRA notice.
5. After your form is processed, you will receive a payment statement indicating the amount and the due date for your following payment.
6. You must always make payment by the due date. (The first payment is due upon termination of benefits as an active employee.) If you do not make payments when due, your coverage will terminate at the end of the period for which you last made payment. If coverage is allowed to terminate, it cannot be reinstated.

ADDITIONAL INFORMATION:

Under certain conditions, continuation of life insurance coverage at no cost may be available to individuals who are totally disabled at the time paid service ceases. Contact the Employee Benefits Operations Office for information and for appropriate forms which must be sent to the life insurance company for approval.

Electronic payment is a service that should make your premium payment less cumbersome. We encourage you to elect this option. If you wish to participate, please sign the enclosed Authorization Agreement for Pre-Authorized Debit, attach a voided check to the authorization form, and return it with your payment.

If you need additional information, please contact the Employee Benefits Operations Office located in Room 1150-A at the Eugene Brucker Education Center. The telephone number is (619) 725-8130, Monday through Friday 8:00 a.m. – 5:00 p.m.

RA: fg 03/09

SUMMARY OF BENEFITS CONTINUATION PROGRAMS FOR RETIREES

	<u>District Program</u>	<u>COBRA Program (1)</u>																
1. Employees who may participate	Certificated and classified employees who retire from the district and immediately begin to receive a monthly benefit from PERS or STRS.	Certificated and classified employees who cease active employment with the district.																
2. Dependents who may participate	Retiree's legal spouse, registered same sex domestic partner, registered opposite sex domestic partner where one member is over the age of 62 and/or eligible children may participate in the medical plan. Retiree's legal spouse or registered same sex domestic partner or registered opposite sex domestic partner where one member is over the age of 62 may participate in the dental plan. (2)	Retiree's legal spouse and/or eligible children may participate in the medical and/or dental plan.																
3. Maximum length of time coverage may be continued	Retiree's lifetime.	18 months from the retiree's last day of paid service in an eligible monthly salaried position. (In certain instances, coverage may be continued for 29 months.																
4. Frequency of payment	Monthly.	Monthly.																
5. District contribution	The district will make a contribution toward the cost of medical coverage for retirees who meet specified requirements. (3)	The district will make a contribution toward the cost of medical coverage for retirees who meet specified requirements. (3)																
6. Open enrollment (November each year)	Retiree may change plans and/or add dependents.	Each enrollee may change plans and/or add dependents.																
7. Conversion	<p>Some of the district-sponsored group benefits plans provide an option to convert to an individual policy when coverage under the group plan ceases. Under a conversion plan, if application is received within specified time limits, a policy must be issued without regard to health status. However, conversion plan rates and benefits may differ greatly from the group plan, and you are urged to compare the conversion plan with other individual plans available to you before making a decision. The district-sponsored group benefits plans which offer conversion and the telephone numbers to call for information and rates are shown below.</p> <p>Application for conversion must be made within thirty-one (31) days from the date group coverage terminates. The voluntary employee, spouse and child(ren) life insurance plans also offer portability.</p> <table border="0"> <tr> <td>PacifiCare HMO</td> <td>1.800.624.8822</td> </tr> <tr> <td>PacifiCare POS</td> <td>1.800.913.9133</td> </tr> <tr> <td>Kaiser Health Plan</td> <td>1.800.464.4000</td> </tr> <tr> <td>Delta Dental PPO</td> <td>1.866.499.3001</td> </tr> <tr> <td>DeltaCare USA</td> <td>1.800.422.4234</td> </tr> <tr> <td>Western Dental</td> <td>1.800.992.3366</td> </tr> <tr> <td>Hartford Life Insurance Company</td> <td>1.619.725.8130</td> </tr> <tr> <td>Prudential Life Insurance Company (AD&D)</td> <td>1.619.725.8130</td> </tr> </table>		PacifiCare HMO	1.800.624.8822	PacifiCare POS	1.800.913.9133	Kaiser Health Plan	1.800.464.4000	Delta Dental PPO	1.866.499.3001	DeltaCare USA	1.800.422.4234	Western Dental	1.800.992.3366	Hartford Life Insurance Company	1.619.725.8130	Prudential Life Insurance Company (AD&D)	1.619.725.8130
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(1) Enclosed COBRA letter provides written notification of continuation coverage available under COBRA. This notification is required by federal law.

(2) May continue only if employee continues coverage.

(3) See Attachment H for Eligibility Provisions - Special Fund.