

NYSHIP Coverage in Retirement

The purpose of this document is to help our members determine what steps need to be completed to ensure their NYSHIP Health Insurance continues into retirement and/or is available to a member in retirement. Typically, there are three scenarios and one less common (but more complicated) scenario:

1. A member currently has NYSHIP and wants to continue coverage in retirement.
2. A member who currently receives the buyout and is married to an individual who has NYSHIP through BMCHSD or is a spouse/domestic partner of an individual through a non-BMCHSD employer.
3. A member who currently receives the buyout and is a spouse/domestic partner of an individual who has insurance other than NYSHIP through a non-BMCHSD employer.
4. An enrolled employee who terminates employment before retirement age is eligible to continue coverage under NYSHIP as a vestee.

Scenario 1: A member currently has NYSHIP and wants to continue coverage in retirement. This individual must meet NYSHIP's four criteria to maintain coverage in retirement.

1. **Be in a class or category of employee that is eligible for coverage in retirement.** BMUST members qualify because our contract with BMCHSD allows this.
2. **Complete your employer's minimum service requirement.** NYSHIP requires at least five years of benefits-eligible service.
3. **Satisfy requirements for retiring as a member of a retirement system.** The employee is eligible to retire or has retired as a member of a retirement system administered by the State of New York or one of its political subdivisions including the New York State and Local Retirement System, New York State Teachers' Retirement System.

4. **Be enrolled in NYSHIP.** You must be enrolled in NYSHIP as an enrollee or a dependent at the time of your retirement. Enrollment in NYSHIP may be through The Empire Plan, a NYSHIP HMO or the Opt-out Program.

Scenario 2: A member who currently receives the buyout and is married to an individual who has NYSHIP through BMCHSD or is a spouse/domestic partner of an individual through a non-BMCHSD employer.

1. Same requirements as in **Scenario 1**
2. The employee meets the following:
 - a) Is enrolled in the New York State Health Insurance Program as an enrollee or dependent.
 - b) Participates in the buyout.

Scenario 3: A member who currently receives the buyout and is a spouse/domestic partner of an individual who has insurance other than NYSHIP through a non-BMCHSD employer.

1. This individual needs to meet the four criteria from **Scenario 1**.
2. The employee meets the following:
 - a) Is enrolled in an alternate employee health plan offered by the agency at the time of retirement.
 - b) Participates in the buyout.

Scenario 4: An enrolled employee who terminates employment before retirement age is eligible to continue coverage under NYSHIP as a vestee if the enrollee:

1. Is a member of a retirement system administered by and operated by the State of New York or a civil division thereof and has satisfied the minimum requirements established by the retirement system for vesting the right to a retirement allowance.
2. Is a member of a class or category for which the employing agency either is required to provide coverage in retirement or has elected administratively or through collective negotiations to provide such coverage.
3. Has met the employer's minimum service requirement, other than age, for continuation of health insurance coverage into retirement.

NYSHIP Coverage as a Vestee:

1. To retain eligibility for coverage as a retiree, a vestee must continue coverage under NYSHIP as an enrollee or a dependent of an enrollee while in vested status with **no lapse in NYSHIP coverage**. There are three ways to continue coverage while in vested status:
 - a) By paying the NYSHIP premium to the Participating Agency (BMCHSD) – no employer contribution, member pays 100% of the premium.
 - b) By maintaining NYSHIP coverage as a dependent (e.g., through spouse or domestic partner). For instance, if the member retires prior to their being eligible to collect a TRS pension because they have not met the age requirement (in their retirement year) but otherwise qualifies for retirement.
 - c) By maintaining NYSHIP coverage as an active employee through another Participating Agency or Participating Employer.
 - d) **Important Note:** A vestee whose coverage lapses will **not** be permitted to reinstate coverage, either during vested status or after retirement.

NYSHIP Cost as a Vestee:

1. Cost of Coverage While in Vested Status (not retirement age)
 - a) Eligible employees who continue coverage as enrollees in NYSHIP during vested status must pay the full monthly premium.
 - b) All required payments by the vestee must be made to his or her former employing agency. If an enrollee in vested status fails to remit the required health insurance payments, their coverage **must** be cancelled.

NOTE: Any questions or concerns can be best answered by Renée Jones at Central (x1013). Renée handles the insurance for the district and is best qualified to answer these questions.