RETIREMENT PLANNING SESSION
BENEFIT INFORMATION

The following general information is being provided to you as a guideline if you are planning or thinking about retirement. Please refer to your compensation agreement or collective bargaining agreement for specific details regarding benefits available to you at retirement.

CONTINUATION OF HEALTH INSURANCE COVERAGE
The Federal law known as COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) requires that terminated employees, or those who lose employer provided health insurance coverage because of reduced work hours, have the right to continue purchasing group insurance coverage from their former employer for a limited period. Former employees (including retirees) must pay the total cost of the group rate insurance under which they were covered while working, plus up to two percent to cover administrative expenses.

Two acts of the Pennsylvania State Legislature go beyond COBRA to provide additional coverage opportunities for former school employees:

✓ Act 110 (1988) requires school employers in Pennsylvania to give retirees and their dependents the right to continuing coverage in the group health plan to which they belonged as employees. The coverage may continue until they are eligible for Medicare benefits (usually age 65) or until they are covered by another group health insurance plan.
✓ Act 43 (1989) amended Act 110 by defining those retirees eligible for continuation of group coverage as those who:
  o Have been granted a disability retirement benefit by PSERS; or
  o Have retired with at least 30 years of credited service; or
  o Have retired under normal retirement status.

PSERS PREMIUM ASSISTANCE PROGRAM
Some PSERS retirees qualify for a special benefit enacted by the Pennsylvania State Legislature. Premium assistance provides reimbursement of up to $100 per month to eligible retirees who pay for the cost of their basic health insurance premiums.

To be eligible to receive up to $100 per month for premium assistance, you must:
  o Have 24.5 years of credited service; OR
  o Class TC and Class TD - Be 62 years of age or older on your date of termination AND retire with at least 15 years of credited service; OR
  o Class TE and Class TF - Be 65 years of age or older on your date of termination AND retire with at least 15 years of credited service; OR
  o Be receiving a PSERS disability retirement benefit; AND
  o Be covered under the PSERS Health Options Program or a Pennsylvania school district plan; AND
  o Have an out-of-pocket premium expense for basic health/medical insurance coverage through PSERS or your former school employer.
STEPS TOWARDS RETIREMENT

- Contact PSERS 9-12 months prior to your anticipated retirement date to request an estimate.
- Schedule an exit interview with PSERS once you have decided to retire.
- Request Health Option Program materials from PSERS.
- Submit a retirement letter to DASD within the time frame stated in your agreement.
  - Sample letters are available on the DASD website.
- Open 403(b) account with approved vendor, if applicable, prior to last employment date.
- Notify Social Security Administration at least 3 months prior to your retirement.
- Meet with the DASD Benefits Specialist to review impact on your benefits.
- Complete COBRA / Benefit Continuation Information.

CONTACT LIST

Public School Employees’ Retirement System (PSERS), Centraleast Region Service Center
www.PSERS.state.pa.us
888-773-7748, ext. 5475

Health Options Program (HOP)
www.hopbenefits.com
800-773-7725

Social Security Administration (SSA), West Chester Office
www.ssa.gov
800-772-1213
1101 West Chester Pike
West Chester, PA  19382

Medicare & Medicaid Services
www.medicare.gov
800-633-4227

Downingtown Area School District
Human Resources Department
www.dasd.org
610-269-8460
610-873-0964 (fax)
540 Trestle Place
Downingtown, PA  19335

This summary does not create a contract or agreement in any kind and is not intended to change, alter, or extend the provisions of the Pennsylvania Public School Employees’ Retirement Code (Code) or any collective bargaining agreement. In the event of a conflict between this summary and/or the Code and collective bargaining agreement, the provisions of the Code or collective bargaining agreement shall prevail. Neither the Downingtown Area School District nor its representatives are bound by any representation contained in this summary.