

MANAGEMENT DIRECTIVE

Commonwealth of Pennsylvania Governor's Office

Subject: Retired Employees Health Program	Number: 530.24 Amended
Date: September 13, 2016	By Direction of:  Sharon P. Minnich, Secretary of Administration
Contact Agency: Governor's Office of Administration, Office for Human Resources and Management, Bureau of Employee Benefits and Services, 717.787.9872	

This directive establishes policy, responsibilities, and procedures for the Retired Employees Health Program (REHP). Marginal dots are excluded due to major changes.

- 1. PURPOSE.** To establish policy, responsibilities, and procedures for the organization and administration of the REHP, and for the RPSPP as it relates specifically to disability retirement.
- 2. SCOPE.** This directive applies to employees of all departments, boards, commissions, and councils (hereinafter referred to as the "commonwealth") who are enrolled or eligible to enroll in the retiree health benefits provided by the Office of Administration. It also contains provisions that apply to dependents and survivor spouses.
- 3. OBJECTIVES.** The REHP and RPSPP provide health benefits to eligible retirees, their dependents, and survivor spouses in accordance with applicable laws and collective bargaining agreements.
- 4. DEFINITIONS.**
 - a. Act 120 of 2010.** The law which mandated the establishment of new pension benefit tiers applicable to most employees who became members of the State Employees' Retirement System (SERS) on or after January 1, 2011, and the Public School Employees' Retirement System (PSERS) on or after July 1, 2011.
 - b. Active Employees Health Program (AEHP).** The health insurance program provided by the PEBTF for commonwealth employees.

- c. **Active Pay Status.** The condition in which an employee is eligible for pay.
- d. **Approved Retirement System (ARS).** A retirement program not specifically named in this directive that is approved under Pennsylvania law as a valid retirement program for employees eligible for REHP coverage.
- e. **Birthday Rule.** A method to determine which health insurance plan is primary when a dependent child is covered by more than one plan. Unless a court decree states otherwise, the plan of the parent whose birthday falls earlier in the calendar year is the primary plan. If both parents have the same birthday, the plan that has covered the dependent child the longest is the primary plan.
- f. **Contribution Rate Coverage.** REHP coverage where the retiree must pay retiree contributions toward the cost of coverage; formerly known as majority paid coverage.
- g. **Coordination of Benefits.** A method by which two or more health insurance plans coordinate their respective benefits so that the total benefits paid does not exceed 100% of the total allowable expenses incurred.
- h. **Decline.** To refuse REHP coverage at the time of retirement.
- i. **Disability/Disabled.** (Note: the definition of this term is not the same as the definition under the Americans with Disabilities Act):
 - (1) **General.** Inability of an employee to perform assigned duties due to injury or illness.
 - (2) **State Employees' Retirement Code (Section 5308(c)).** This Code defines the eligibility for a disability annuity including "An active member...shall... be entitled to a disability annuity if he becomes mentally or physically incapable of continuing to perform the duties for which he is employed..."
- j. **Eligibility Points.** Points which are used in the determination of eligibility for retirement benefits as defined in Section 5307 of the *State Employees' Retirement Code*. Eligibility points are accrued by an employee who is enrolled in SERS, PSERS or ARS during active employment or an employee who has been reemployed from USERRA leave or a member who dies while performing USERRA leave. Employment is limited to active employment with the executive, judicial, or legislative branches of the commonwealth, and commissions, boards, departments and authorities which are eligible to participate in the Group Life Insurance Program. For employees participating in an ARS for which eligibility points are not calculated, eligibility points, for the purpose of this directive, will be determined by the employee's agency using the criteria outlined in this directive.
- k. **Employee.** An individual employed by an agency that is eligible to participate in the REHP, or for purposes of disability retirements only, an individual employed by an agency that is eligible to participate in the REHP or RPSPP.
- l. **Final Average Salary.** The highest average compensation received during any three non-overlapping periods of four consecutive calendar quarters.

- m. Final Gross Annual Base Salary.** Employee's final gross base pay rate expressed as an annual salary. Overtime, bonuses and any other additional reimbursements are excluded from this calculation.
- n. Fully State Paid.** REHP coverage where the retiree is not required to pay contributions toward the cost of the coverage. This is no longer an option for most employees who retired on or after July 1, 2005.
- o. Group Life Insurance Program (GLIP).** Term life insurance coverage that is available to permanent commonwealth employees pursuant to *Act 42 of 2007*.
- p. Intervening Military Service.** Military service that interrupts employment with an agency.
- q. Least Expensive Plan (LEP).** A health plan that is offered to retirees who were hired on or after August 1, 2003, with no additional buy-up costs.
- r. Member.** A retiree, spouse/domestic partner, dependent or survivor spouse with REHP coverage.
- s. Non-Intervening Military Service.** Military service that preceded service with an agency. Military service includes all active military service for which an employee has received a discharge other than an undesirable, bad conduct or dishonorable discharge.
- t. Opt In.** To enroll in REHP medical and/or prescription coverage after opting out.
- u. Opt Out.** To end REHP medical and/or prescription coverage after the coverage has become effective.
- v. Pennsylvania Employees Benefit Trust Fund (PEBTF).** The health and welfare fund that administers health care benefits to eligible employees and retirees.
- w. PEBTF - Eligible Position.** A position held by an employee who is receiving or is eligible to receive health care benefits administered by the PEBTF.
- x. Public School Employees' Retirement System (PSERS).** The retirement system covering most retired public school employees.
- y. Resignation.** The voluntary termination of employment.
- z. Retiree.** An employee, other than a Pennsylvania State Police enlisted member, who is retired with an active SERS or PSERS pension status or who retired and is receiving pension payments through an ARS.
- aa. Retiree Contributions.** Contributions toward REHP coverage based on a percentage of the retiring employee's final gross base salary or final average salary, or as otherwise determined by a collective bargaining agreement. Retirees who were hired on or after August 1, 2003 will pay an additional buy-up cost to enroll themselves or a dependent in a non-LEP plan.

- bb. Retired Employees Health Program (REHP).** The health insurance plan covering eligible retirees.
- cc. Retired Pennsylvania State Police Program (RPSPP).** The health insurance plan covering eligible Pennsylvania State Police enlisted retirees.
- dd. State Employees' Retirement System (SERS).** The pension plan covering most retired employees.
- ee. State Police Health Benefits Program (SPHBP).** The health insurance plan covering active Pennsylvania State Police enlisted employees.
- ff. Superannuation Age.** For classes of service other than Class A-3 and Class A-4, any age upon accrual of 35 eligibility points or age 60, except for an enforcement officer, a correction officer, a psychiatric security aide or a Delaware River Port Authority policeman, age 50, and, except for a member with Class G, Class H, Class I, Class J, Class K, Class L, Class M or Class N service, age 55 upon accrual of 20 eligibility points. For Class A-3 and Class A-4 service, any age upon attainment of a superannuation score of 92, provided the member has accrued 35 eligibility points, or age 65, or for park rangers or capitol police officers, age 55 with 20 years of service as a park ranger or capitol police officer, except for an enforcement officer, a correction officer, a psychiatric security aide or a Delaware River Port Authority policeman, age 55. A vestee with Class A-3 or Class A-4 service credit attains superannuation age on the birthday the vestee attains the age resulting in a superannuation score of 92, provided that the vestee has at least 35 eligibility points, or attains another applicable superannuation age, whichever occurs first.
- gg. Survivor Spouse Coverage.** Purchased coverage which is available to the spouse or domestic partner of a deceased retiree who had maintained the medical and prescription benefits at the time of death.
- hh. Three Year Rehire Rule.** Previously accrued eligibility points can only be applied toward REHP coverage if the employee has accrued at least three eligibility points from the most recent date of employment or re-employment.
- ii. Uniformed Services Employment and Reemployment Rights Act (USERRA).** The federal law which sets forth requirements relating to the employment and reemployment rights of members of the uniformed services.
- jj. \$5/\$10 State Paid Coverage.** REHP coverage where the commonwealth pays either \$5 or \$10 towards the cost of REHP coverage.

5. POLICY.

- a. Eligibility Requirements.** A retiree is eligible for the REHP if he or she meets all of the following criteria:
 - (1)** Was a permanent full-time employee or permanent part-time employee (working 50% or more) in a PEBTF-eligible position for the 12 months preceding separation from commonwealth employment. The employee also must meet at least one of the following criteria:

- (6) For employees that separated prior to July 1, 2003 and elected not to retire until a later date (i.e. vested their retirement benefit), eligibility and benefits (such as benefit levels and retiree contributions) will be based on the benefit levels and retiree contributions in force at the time of the separation.
 - (7) For employees that separate(d) on or after July 1, 2003 and elect(ed) not to retire until a later date (i.e. vested their retirement benefit), benefits (such as benefit levels and retiree contributions) will be based on the benefit levels and retiree contributions in force on the date of retirement.
 - (8) If a retiree who was eligible or enrolled in the REHP returns to commonwealth employment, REHP eligibility upon subsequent retirement will be based on the rules applicable on the date of the latest retirement.
 - (9) Employees who are enrolled in SERS, PSERS or an ARS in an Age 60 (65 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group who change to an Age 50 (55 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group will be required to remain in the new position for one year before qualifying for the REHP at Age 50 (55 for employees subject to *Act 120 of 2010* and for ARS employees hired on or after January 1, 2011) superannuation age.
 - (10) Employees who are enrolled in SERS, PSERS or an ARS in an Age 50 (55 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group who change to an Age 60 (65 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group who qualified for Contribution Rate Coverage prior to the change do not lose eligibility they earned for Contribution Rate Coverage. Employees who have not qualified for Contribution Rate Coverage prior to the change must now qualify as an Age 60 (65 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group.
 - (11) REHP coverage will not be available to any active commonwealth employee; including employees receiving retirement/pension payment through SERS, PSERS or ARS.
- b. Requirements for Contribution Rate Coverage.** The commonwealth shall pay a portion of the cost of coverage for retirees who retire under Section 5.a. of this directive and who have elected coverage and meet the requirements for Contribution Rate Coverage.
- (1) Eligibility for Contribution Rate Coverage for employees requires one of the following:
 - (a) 25 or more eligibility points; or

- (b) An employee who leaves state employment prior to, at or after superannuation age and is subsequently rehired and then retires at or after superannuation age must have at least 20 eligibility points in SERS, PSERS, or ARS; or
 - (c) A combination of 20 eligibility points and superannuation age; or
 - (d) Disability retirement, in SERS, PSERS, or ARS. Note: If an employee who had previously qualified for disability retirement based on an approved disability retirement returns to commonwealth employment, and later retires under other than a disability retirement, he or she must meet the qualifications that apply to non-disability retirements.
 - 1 Retirement under ARS with at least five eligibility points as a commonwealth employee should be considered as disability retirement if the retiree is granted disability life insurance for total and permanent disability under the commonwealth's Group Life Insurance Program.
 - 2 Employees seeking disability retirement should contact their agency (for ARS members), SERS or PSERS, as appropriate, for specific details and instructions.
- (2) For employees who transfer from an agency that participates in the REHP to an agency that is eligible to participate in the commonwealth's Group Life Insurance Program, but does not participate in the REHP (See Enclosure 1): if the employee met the eligibility requirements under Section 5.a.(1) and (2) and 5.b.(1) at the time of the transfer, the employee will be eligible for Contribution Rate Coverage upon retirement.
 - (3) For employees who transfer from an agency that is eligible to participate in the commonwealth's Group Life Insurance Program, but does not participate in the REHP, to an agency that participates in the REHP: the employee must be employed for three years from his or her most recent date of transfer and meet the requirements in Section 5.a.(1) and (2) and 5.b.(1).
 - (4) For employees who transfer from an agency that participates in the REHP to an employer that does not participate in the REHP or is not eligible to participate in the Group Life Insurance Program: if the employee met the eligibility requirements under Section 5.a.(1) and (2) and 5.b.(1) at the time of transfer, the employee will be eligible for Contribution Rate Coverage upon retirement.

c. Requirements for \$5/\$10 State Paid Coverage.

- (1) A retiree who did not meet the requirements for a \$10.00 state share in July 1974, but who has been grandfathered into that group, will continue to receive the \$10.00 per month state share.

- (2) For any other SERS, PSERS, or ARS retiree who did not meet the requirements for Fully State Paid or Contribution Rate coverage, the state will contribute \$5.00 per month toward the cost of the coverage and the retiree is responsible for the remaining cost of the coverage. To qualify for the \$5.00 state contribution, employees who entered SERS or ARS membership prior to January 1, 2011 (PSERS prior to July 1, 2011) must have at least five eligibility points when retiring prior to superannuation age and at least three eligibility points when retiring at or after superannuation age. Employees who entered SERS or ARS membership on or after January 1, 2011 (PSERS on or after July 1, 2011) must have at least ten eligibility points when retiring prior to superannuation age and at least three eligibility points when retiring at or after superannuation age.

d. Requirement for Survivor Spouse Coverage. Survivor Spouse Coverage may be elected under the following circumstances:

- (1) An active employee who was enrolled in PEBTF coverage and was eligible for REHP coverage dies and the spouse/domestic partner was enrolled as an eligible dependent under the active employee's PEBTF coverage; or
- (2) A retiree enrolled in REHP coverage dies and the spouse/domestic partner was enrolled as an eligible dependent under the retiree's REHP coverage.

e. Eligibility Points Requirements.

- (1) When determining REHP eligibility, eligibility points earned on or after July 1, 2007 will be limited to service as a commonwealth employee with an agency eligible to participate in the commonwealth's Group Life Insurance Program. Employees hired on or after July 1, 2007 who earned eligibility points under SERS, PSERS, or ARS with another employer will not have those eligibility points counted for purposes of eligibility for REHP coverage, unless they had employment with the commonwealth with an agency eligible to participate in the commonwealth's Group Life Insurance Program prior to July 1, 2007. If it is determined by SERS, or the appropriate Human Resources office for PSERS or ARS members, that a commonwealth employee with an agency eligible to participate in the commonwealth's Group Life Insurance Program is eligible for additional eligibility points for military service, such eligibility points will be included in the determination of eligibility for REHP coverage.
- (2) Up to five years of non-intervening military service shall be counted in determining eligibility for the REHP; intervening military service and USERRA leave shall also be counted in determining eligibility for the REHP if the service is purchased upon the end of military duty and within the timeframe provided by SERS.

f. Disability Benefits, Employment, and Retiree Health Care for Retiring Employees With a Disability.

- (1) Benefits available to an employee with a disability are authorized by collective bargaining agreements, memoranda of understanding, and issuances of the Directives Management System.

(2) Paid or unpaid absence may be requested and approved in accordance with applicable collective bargaining agreements, memoranda of understandings, and issuances of the Directives Management System when an employee with a disability:

(a) Is unable to work, or

(b) Has an application for disability retirement pending.

(3) Application for Disability Retirement.

(a) An employee may apply for disability retirement while on a paid or unpaid absence; however, the application must be received by a SERS Regional Counseling Field Office location for SERS members, or at the appropriate HR office for PSERS or ARS members, before employment is terminated.

(b) Once a disability retirement application has been submitted to SERS for SERS members, or the appropriate HR office for PSERS or ARS members, the employee must select one of the following options:

1 An employee may resign. The resignation cannot be withdrawn without approval of the agency head; or

2 An employee may request to use paid or unpaid absence and resign later; however, the resignation must be effective no later than the end of the pay period in which SERS, or the HR office for PSERS or ARS members, gives notice of approval of disability retirement benefits. The resignation cannot be withdrawn without approval of the agency head.

(4) Disability Retirement Decision.

(a) The effective date of disability retirement benefits (i.e. monthly pension annuity) may not necessarily coincide with an employee's resignation. SERS, in concert with the HR Service Center (HRSC) and the employee's agency human resource office, establishes the effective date for the disability retirement and resignation for SERS members. For PSERS or ARS members the appropriate HR office establishes the effective date for the disability retirement and resignation. Disability retirement benefits are effective the later of:

1 The date the SERS, or appropriate HR office for PSERS or ARS members, medical examiner determines the employee became disabled based on the medical evidence submitted for review; or

2 The first day the employee is no longer eligible to receive pay (i.e., regular pay or paid absence).

- (b) If the disability retirement is approved, whether permanent or temporary, while the employee is on a paid or unpaid absence, then the employee's resignation is to be effective no later than the end of the pay period in which SERS, or the appropriate HR office for PSERS or ARS members, gives notice of approval of the disability retirement. The employee may not request an earlier resignation date or delay the resignation. All guaranteed rights of return expire.
 - (c) If the disability retirement is disapproved and the employee is on paid or unpaid absence, the employee may continue on approved absence or resign. If the employee does not request additional leave or additional leave is not approved and the employee does not return to work with a medical release in accordance with applicable policy, action may be initiated to terminate employment.
- (5) **Disability Retirement REHP and RPSP Effective Date.** Provided the retiree has met all of the eligibility requirements outlined in Section 5.a, REHP coverage will be effective on the later of:
- (a) The effective date of the disability retirement (e.g. monthly pension annuity); or
 - (b) The date the individual is no longer covered under the AEHP, including leave without pay without benefits.
 - (c) If the effective date of the disability retirement is retroactive more than one year, REHP coverage can only be made effective retroactive one year due to claims processing guidelines. Retirees who have purchased other medical or prescription coverage or had eligible medical or prescription claims during the time between the effective date of the disability retirement and the effective date of the REHP will be eligible for reimbursement provided the retiree is able to submit the necessary documentation.
- (6) Reference the enclosure for examples on applying the policy for disability retirement (Enclosure 2).

g. Decline/Opt Out Requirements.

- (1) Retirees may decline REHP coverage under the following circumstances:
 - (a) Retirees who retire on or after June 1, 2007 may decline REHP coverage. A retiree must attest that he or she has other healthcare coverage and complete the applicable enrollment/change forms. The retiree will be permitted to enroll at a later date. There is no time limit on this later enrollment.
 - (b) The initial declination of REHP coverage does not count toward the limit on reenrollments in the REHP.
 - (c) Retirees who declined REHP coverage prior to June 1, 2007 do not have the option of enrolling at a later date.

- (2) Retirees, dependents and survivor spouses may opt out of REHP coverage under the following circumstances:
- (a) Effective January 1, 2013 retirees and survivor spouses who chose to opt out must opt out of both medical and prescription coverage. There is an exception for retirees and survivor spouses enrolled in PACE/PACENET, TRICARE or VA coverage, who may opt out of prescription coverage only. A retiree or survivor spouse must attest that he or she has other healthcare coverage and complete the applicable enrollment/change forms. The retiree or survivor spouse has one opportunity to opt in at a later date. There is no time limit on the opt in.
 - (b) Retirees and survivor spouses who opted out of REHP coverage prior to June 1, 2007 do not have the option of opting in at a later date.
 - (c) Once a retiree or survivor spouse has opted out and then elected to opt in, the retiree or survivor spouse may opt out again but CANNOT opt in for a second time, unless either opt out is due to, or in conjunction with, the retiree's or survivor spouse's enrollment for coverage under the PEBTF, RPSPP or SPHBP as an employee or dependent.
 - (d) Retirees and survivor spouses who choose to opt out from REHP coverage are subject to the following requirements:
 - 1 Dependents may not be enrolled in any coverage under which the retiree is not enrolled (this does not apply to a survivor spouse/domestic partner who receives single coverage only).
 - 2 The effective date of the opt out is the later of the date on the Retiree Change Form or the end of the month in which the requested opt out date occurs if the survivor spouse or retiree or any dependent is enrolled in Medicare.

h. Dual Enrollments.

- (1) If a retiree is eligible for enrollment in the REHP and the retiree's spouse/domestic partner is enrolled in the AEHP, there shall not be a duplication of medical coverage. A retiree who elects to be enrolled under his/her spouse's/domestic partner's AEHP plan for medical and supplemental must decline REHP coverage.
- (2) A retiree may be covered as a dependent under the AEHP until his or her spouse/domestic partner is no longer covered under the AEHP. When the spouse/domestic partner is no longer covered under the AEHP, the retiree may enroll in the REHP, either under his or her own contract or as a dependent under the spouse's/domestic partner's REHP contract.
- (3) Two married/domestic partner retirees may enroll as a retiree or as a dependent of the spouse/domestic partner, but not as both. Other eligible dependents may be covered as the dependent of one of the retirees, but not both.

- (4) The birthday rule is used to determine primary coverage for coordination of benefits, but does not apply when determining on which retiree's contract to enroll dependent children.

i. Retiree Contribution Requirements.

- (1) **Retired July 1, 2007 through June 30, 2011.** Effective January 1, 2012, non-Medicare eligible employees who retired on or after July 1, 2007 through June 30, 2011, who meet the age and service requirements for Contribution Rate Coverage and who elect REHP coverage shall contribute three percent of the employee's final average salary at the time of retirement, as determined by the methodology utilized by the State Employees' Retirement System to calculate pension benefits, provided said methodology results in a lower retiree contribution rate than results from the use of final gross annual base salary; in situations where use of final gross annual base salary yields a lower contribution rate, final gross annual base salary shall continue to be used. Medicare eligible employees who retired on or after July 1, 2007 through June 30, 2011 shall contribute a percentage equal to 1.5 percent of the lesser of the final average salary or final gross annual base salary effective January 1, 2012.
- (2) **Retired on or after July 1, 2011.** Non-Medicare eligible employees who retired on or after July 1, 2011, who meet the age and eligibility points requirements for Contribution Rate Coverage in the REHP and who elect coverage under the REHP shall contribute three percent of the employee's final annual gross base salary from July 1, 2011 through December 31, 2011. Beginning on January 1, 2012, for non-Medicare eligible employees who retired on or after July 1, 2011, the amount paid shall be based on the retiring employee's final average salary. Effective January 1, 2012, Medicare eligible retirees who retired on or after July 1, 2011 shall contribute an amount equal to 1.5 percent of the final average salary.
- (3) Employees covered under a collective bargaining agreement when they retire should refer to the applicable collective bargaining agreement to determine the specific parameters that control their Contribution Rate Coverage.
- (4) If an employee whose Contribution Rate Coverage is based on final annual salary voluntarily transferred to a lower paid position or decreased the number of hours worked less than one year prior to retirement, the employee's final annual gross base salary shall be based on the employee's gross annual base salary prior to the decrease in pay or decrease in hours.
- (5) Retirees who were hired on or after August 1, 2003, and who are enrolled in a plan other than a Least Expensive Plan (LEP), are subject to a monthly LEP premium in addition to the retiree contribution rate. Retirees subject to the LEP provision and enrolled in family coverage will continue under the LEP premium for as long as one or more dependents are not covered under Medicare.

- j. **Reservation of Rights.** This document is not a contract for benefits and should in no way be considered a grant of any rights, privileges or duties on the part of the commonwealth, its agents or the PEBTF. The commonwealth, as sponsor of the REHP, reserves the right at any time to amend or modify any and all benefits under the REHP, including, but not limited to, eligibility requirements, retiree contribution rate, LEP provisions, etc., without prior notice to or consent of retirees or their dependents.

6. RESPONSIBILITIES.

a. **Office of Administration, Secretary of Administration** shall:

- (1) Issue all directives (i.e., management directives, manuals, and other related policy) regarding the REHP.
- (2) In conjunction with the Executive Deputy Secretary of the Budget, approve annual agency biweekly contribution rates for the REHP.

b. **Office of Administration, Office for Human Resources and Management, Bureau of Employee Benefits and Services** shall:

- (1) Prepare policy recommendations and, where appropriate, recommend issuance of, amendments to or revisions to Executive Board Resolutions, collective bargaining agreements, management directives or legislation related to the REHP.
- (2) Respond to questions posed by the PEBTF and SERS concerning benefits available, collective bargaining agreement provisions related to retiree health care, and claims problems.
- (3) Monitor income and expenditure reports concerning the REHP provided by the Office of the Budget (OB), Office of Comptroller Operations, Bureau of Commonwealth Payroll Operations and PEBTF, and resolve any unanticipated income or expenditure variations.
- (4) Determine the monthly cost of coverage for Survivor Spouse Coverage and \$5/\$10 State Paid Coverage on an annual basis and forward to the PEBTF and SERS.

c. **State Employees' Retirement System** shall:

- (1) Verify that a retiring SERS-covered employee, and any dependents, meets the eligibility requirements to enroll in the REHP.
- (2) Process the enrollment form for the retiring employee and any eligible dependents and forward the enrollment data to the PEBTF.
- (3) For disability retirement applicants:
 - (a) Provide an estimate of disability retirement benefits.

- (b) Advise an employee who is actively working at the time the application for disability retirement is made, that he or she may not continue to work and must either resign or utilize paid or unpaid leave as referenced in Paragraph 5.f.3.b.
- (c) Advise an employee that if he or she is approved for disability retirement the employee's resignation must be effective no later than the end of the pay period in which SERS gives notice of approval of the disability retirement as referenced in Paragraph 5.f.3.b.
- d. **OB, Executive Deputy Secretary of the Budget** shall, in conjunction with the Secretary of Administration, approve annual agency biweekly contribution rates for the REHP.
- e. **HRSC and Agency Human Resources Offices** shall:
 - (1) Verify that a retiring employee covered under PSERS or ARS, and any dependents, meets the eligibility requirements to enroll in the REHP.
 - (2) Process and record data from the REHP enrollment form for the retiree and any eligible dependents, and forward the data to the PEBTF.
 - (3) If disability retirement is approved: send a letter to employee regarding resignation within 10 business days; update SAP with appropriate coding to reflect the status of group insurance benefits as a result of an employee's absence or termination; and notify the Bureau of Employee Benefits and Services of the disability retirement applications.
- f. **Employees** shall:
 - (1) Complete the required REHP enrollment form for themselves and any eligible dependents, through SERS if SERS-covered, or the HRSC if covered under PSERS or ARS, to enroll in the REHP.
 - (2) Complete the required change form for themselves and any eligible dependents, through SERS if SERS-covered, or the HRSC if covered under PSERS or ARS, to opt out of the REHP.
 - (3) If appropriate, initiate a request for paid or unpaid absence and disability retirement.

7. PROCEDURES.

a. **SERS Retirement Counselor.**

- (1) Verify that the retiring employee possesses the required eligibility points to enroll in the REHP.
- (2) Process and record data from the REHP enrollment form or the REHP change form for the retiree and any eligible dependents, and forward the data to the PEBTF.

b. Agency Human Resources Offices or HRSC.

- (1) Verify that a retiring employee covered under PSERS or ARS meets the eligibility requirements to enroll in the REHP.
- (2) Forward the enrollment forms to the PEBTF.

Enclosure 1 – List of Agencies Eligible to Participate in the Group Life Insurance Program & REHP

Enclosure 2 – Examples of Disability Retirement Application Processes

This directive replaces, in its entirety, *Management Directive 530.24*, dated July 25, 2013.

List of Agencies Eligible to Participate in the Group Life Insurance Program REHP

Personnel Area		Eligible* to Participate in GLIP	Participating in REHP
3	Treasury Department	YES	YES
10	Department of Aging	YES	YES
11	Department of Corrections	YES	YES
12	Department of Labor and Industry	YES	YES
13	Military Affairs	YES	YES
14	Office of Attorney General	YES	YES
15	General Services	YES	YES
16	Education	YES	YES
17	Public Utility Commission	YES	YES
18	Revenue	YES	YES
19	Department of State	YES	YES
20	Pennsylvania State Police	YES	YES (except for L1 or L3)
21	Human Services	YES	YES
22	Fish and Boat Commission	YES	YES
23	Game Commission	YES	YES
24	Community & Economic Development	YES	YES
25	Board of Probation and Parole	YES	YES
26	Liquor Control Board	YES	YES
27	Milk Marketing Board	YES	YES
28	Lt. Governor's Office	YES	YES
30	Historical and Museum Commission	YES	YES
31	PEMA-Emergency Management Agency	YES	YES
32	Civil Service Commission	YES	YES
33	PENNVEST	YES	YES
35	Dept of Environmental Protection	YES	YES
37	Environmental Hearing Board	YES	YES
38	Dept of Conservation and Natural Resources	YES	YES
39	PHEAA	YES	YES
40	State Ethics Commission	YES	YES
41	Senate	YES	NO
42	House	YES	NO
43	PA Health Care Cost Contain Cncl	YES	YES
44	Legislative Reference Bureau	YES	NO
45	Local Government Commission	YES	NO
46	Joint State Government Commission	YES	NO
47	Legislative Budget & Finance Comm	YES	NO
48	Legislative Data Processing Center	YES	NO
49	Joint Legislative Air & Water Pollution Control & Cons. Comm.	YES	NO
57	Judiciary	YES	NO

Personnel Area		Eligible* to Participate in GLIP	Participating in REHP
65	PA Gaming Control Board	YES	YES
67	Department of Health	YES	YES
68	Agriculture Department	YES	YES
70	SERS	YES	YES
71	PA Municipal Retirement System	YES	YES
72	Public School Employes' Retirement System	YES	YES
74	Department of Drug and Alcohol Programs	YES	YES
75	Banking and Securities	YES	YES
78	Department of Transportation	YES	YES
79	Insurance Department	YES	YES
81	Executive Offices	YES	YES
82	Supreme Court - Eastern PA	YES	NO
84	PA E-Health Partnership Authority	YES	YES
89	Thaddeus Stevens	YES	YES
90	State System of Higher Education	YES	YES
92	Auditor General	YES	YES
98	State Public School Building Authority	YES	YES
99	Governor's Office	YES	YES
720	ICA	YES	YES
743	Capitol Preservation Committee	YES	NO
748	Senate Leadership OPNS - R	YES	NO
749	Senate Appns Comm - R	YES	NO
751	House Special Leadership	YES	NO
752	House Special Leadership - R	YES	NO
753	House Appns Comm - D	YES	NO
754	Independent Regulatory Review Commission	YES	NO
757	Administrative Off - PA Courts	YES	NO
791	Turnpike Commission	YES	NO
951	House Appropriations Comm - R	YES	NO
978	PA Housing Finance Agency	YES	NO
979	University of Pittsburgh	YES	NO
8101	Human Relations Commission	YES	YES
8102	Juvenile Court Judges Commission	YES	YES
8801	Phila. Regional Port Authority	YES	YES
8802	Port of Pgh. Commission	YES	YES
9011	Indiana University	YES	NO
9021	Bloomsburg University	YES	NO
9022	California University	YES	NO
9023	Cheyney University	YES	NO
9031	Clarion University	YES	NO
9041	East Stroudsburg University	YES	NO

Personnel Area		Eligible* to Participate in GLIP	Participating in REHP
9051	Edinboro University	YES	NO
9061	Kutztown University	YES	NO
9062	Lock Haven University	YES	NO
9063	Mansfield University	YES	NO
9064	Millersville University	YES	NO
9065	Shippensburg University	YES	NO
9066	Slippery Rock University	YES	NO
9067	West Chester University	YES	NO
*some agencies are eligible for the GLIP, but choose not to participate			

Examples of Disability Retirement Application Processes

Example 1 – Disability retirement application while on paid or unpaid absence

6/1/15 Paid absence begins

- Employee continues to be eligible for benefits

9/1/15 Unpaid absence with benefits begins

- Employee continues to be eligible for benefits
- PEBTF bills the employee for applicable employee contributions, and if the employee fails to pay the contribution, employee's benefits will end

9/5/15 Application for disability retirement filed

- Employee continues to be eligible for benefits
- SERS notifies the HR Service Center or Agency of application

10/1/15 Disability retirement approved retroactive to first unpaid day

- Employee resigns effective 10/1/15, since employee cannot retroactively resign even though the disability retirement date is retroactive
- SERS notifies the HR Service Center or Agency of approval
- Active benefits end 10/1/15
- REHP/RPSPP benefits begin 10/2/15
- Employee may apply for disability life insurance

Example 2 – Disability retirement approved after employee resigns

3/1/15 On unpaid absence with benefits

- Employee continues to be eligible for benefits
- PEBTF bills the employee for applicable employee contributions, and if the employee fails to pay the contribution, employee's benefits will end

9/1/15 Unpaid absence without benefits begins

- Benefits end 8/30/15
- COBRA and life insurance continuation notices are sent

9/1/15 Application for disability retirement filed

- SERS notifies the HR Service Center or Agency of application

10/1/15 Resignation notice received from employee

11/1/15 Disability retirement approved retroactive to 3/1/15

- REHP/RPSPP benefits begin 9/1/15 (when active benefits ended)
- PEBTF refunds COBRA premiums paid

Example 3 – Disability retirement application submitted while employee is working

6/1/15 Application for disability retirement filed

- SERS provides employment continuation options to employee
- Employee continues to be eligible for benefits
- SERS notifies the HR Service Center or Agency of application

6/10/15 HR counsels employee about employment continuation options

- Since employee is currently working and has no medical information to substantiate an absence, employee requests to use annual leave and agency approves
- Employee continues to be eligible for benefits

9/1/15 Annual leave exhausted

- Employee requests and is granted additional unpaid absence (AO)
- PEBTF direct bills the employee for September AEHP benefits

10/1/15 Employee fails to pay for September AEHP benefits

- Benefits retroactively terminated to 8/30/15
- Life insurance continuation notice is sent
- No COBRA notice is sent since the AEHP benefits were terminated for non-payment

1/1/16 Disability retirement approved retroactive to 9/1/15

- Employee resigns effective 1/1/16, since employee cannot retroactively resign even though the disability retirement date is retroactive
- REHP/RPSPP benefits begin 9/1/15 (the later of the disability retirement date, or the date AEHP benefits ended)