

University of Maine System

ADMINISTRATIVE PRACTICE LETTER

**SUBJECT: HEALTH INSURANCE FOR RETIREES AND FORMER EMPLOYEES ON
LONG TERM DISABILITY**

Retirement is separation from University of Maine System service at the normal retirement age of 65 or older, or at age 55 or older with at least ten (10) years of continuous regular, full-time equivalent service or with vesting in the University of Maine System Basic Retirement Plan for Classified Employees. Effective July 1, 2010 a separation from service shall be considered retirement only at age 55 or older with at least ten (10) years of continuous regular, full-time equivalent service or with vesting in the University of Maine System Basic Retirement Plan for Classified Employees.

Employees who retire from University service may retain Group Health Plan coverage. This coverage is also extended to those former employees in the plan receiving benefits under the System's long term disability insurance, in accordance with the applicable collective bargaining agreement at the time of termination.

Retirees shall pay the full health plan premium unless they are eligible for the premium contribution described below.

University of Maine System retirees at or above the normal retirement age of 65 who have at least ten years of continuous full-time regular University service after age 45 immediately prior to retirement and who have remained in the System health plan will be provided group health coverage with the following premium contributions. This coverage is also extended to those former employees in the plan receiving benefits under the System's long term disability insurance.

- a. For retirees who retire on or after 1/1/17 (9/1/17 for faculty), Medicare eligible retirees will pay a flat 20% of their individual premium. The individual premium will be based only on the minimum service required to retire – which is at least 10 years of full-time regular equivalent continuous service immediately preceding retirement.

In addition to the above, LTD recipients with dates of disability on or after 1/1/16 may continue their health coverage for a maximum of 24 months.

For retirees who retire on or after July 1, 2010 and before January 1, 2017 (or before September 1, 2017 for AFUM members only), the retiree will pay a share of the premium for personal coverage based on years of completed continuous, full-time equivalent regular service prior to retirement:

10 and less than 20 - 15% of premium
20 and less than 30 - 10% of premium
30 or more - 7% of premium

- b. The retiree shall pay one-half of the cost for coverage of any eligible dependents.

For retirees at or above the age of 65 who have at least ten years of continuous full-time regular service immediately prior to retirement and who retire before July 1, 2010, the retiree's cost and one-half of the cost for eligible dependents will be paid by the University. Surviving spouses of University employees and retirees may continue coverage in the group health plan.

Surviving spouses shall pay 50% of the full premium if the employee/retiree had completed ten or more years of service and shall pay 100% of the premium if the employee/retiree completed less than ten years of service.

Eligibility and premium contribution levels shall also apply to eligible part-time employees in "Benefits Regular," "Shared Appointment," or "Partial/Phased Retirement" status who completed ten or more years of continuous, full-time equivalent, regular service immediately prior to retirement. An employee who has completed ten or more years of full-time service who then reduces to part-time regular status also meets the criteria for retiree medical coverage. Part-time faculty are eligible at age 65 if they completed ten or more years of full-time equivalent service immediately prior to retirement.

Eligibility to continue health insurance and premium contributions shall also apply to retirees who make a one-time election to cease coverage under the UMS Group Health Plan and then later elect to receive coverage again, provided that the election of coverage occurs no later than ninety (90) days after the retiree becomes eligible for Medicare and that the retiree documents continuous coverage for self and dependents during the period for which they were not covered in the UMS Group Health Plan.

APPROVED BY THE CHIEF FINANCIAL OFFICER AND TREASURER ON 3/16/2020