

# PERSPECTIVES

Retired  
Member  
Edition

## Deciding on health care insurance at retirement

There are four points to consider when deciding which health insurance plan to choose at retirement:

### Cost

Consider the cost of the various plan options available to you compared to the benefits offered. Keep in mind that the cost of any health plan will likely increase annually.

### Health Plan Type

Decide what type of health plan works best for you and your family. Options include a managed care plan, preferred provider organization (PPO) plan, and indemnity plan. Keep in mind that where you live will determine the plan or plans you are eligible for. Managed care plans or preferred provider plans work through specific networks of physicians and hospitals and usually have limited geographic coverage areas.

### Coverage

Be sure to check how long the plan option you choose will be available to you and/or your family members and what your options would be if or when that coverage terminates. For example, if you are considering insurance through your spouse’s employer plan, does that plan cover children who are in college?

### Options

Understand the options available through the PERS Health Insurance Program. Non-Medicare retirees usually find better coverage at a lower cost by remaining insured through their employer plans following retirement. Even though the PERS Health Insurance Program is available to all eligible PERS retirees and dependents, the non-Medicare plans may not offer benefits comparable to your employer retiree plans.

## PERS’ Retiree Health Insurance Program helps manage costs

The Oregon PERS Retiree Health Insurance Program provides both medical and dental insurance plan options and long term care insurance for Oregon PERS retirees. These plans offer coverage for retirees, their spouses, and eligible dependents.

The retiree can select from one of four health care providers: Clear Choice Health Plans, Kaiser Permanente, ODS, and Providence Health Plan.

New retirees can enroll up to 90 days after their effective retirement date. Other PERS retirees can enroll at any time if they have been covered under another group health plan for 24 consecutive months immediately preceding enrollment in a PERS health plan.

Also, a retiree can enroll up to 90 days after the date of his/her initial Medicare eligibility.

Premium subsidies may be available for retirees who have eight or more years of PERS pension service.

For more information, visit the PERS Health Insurance Program website at: <http://www.pershealth.com/> or call 800-768-7377 or 503-224-7377 in the Portland area.

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# PlanSponsor magazine recognizes Oregon PERS

*PlanSponsor* magazine has recognized the Oregon Public Employees Retirement System (PERS) for closing its \$17 billion pension funding gap. The national publication has named PERS as its 2007 Public Plan Sponsor of the Year. The announcement was made in the cover story of the magazine's February issue.

"Public plan sponsors have a unique set of challenges," noted Nevin E. Adams, Editor-in-Chief of *PlanSponsor* magazine. "OPERS made tough decisions and confronted the issues head on."

The magazine recognized both the successful PERS reforms and the \$60 billion retirement fund investment by the Office of the State Treasurer and the Oregon Investment Council.

In 2003 the PERS system was facing a \$17 billion unfunded actuarial liability. Because of PERS reform, good investment returns, and pension obligation bond investments PERS now has a \$1.75 billion surplus.

Governor Ted Kulongoski noted, "This is a great honor for Oregon. It recognizes our collective effort to reform our public retirement system to deliver fairness and sustainability for both Oregon taxpayers and PERS members, while maintaining a defined benefit program."

"Oregon has a long history of innovative and prudent investing,"

said State Treasurer Randall Edwards, whose staff manages the PERS fund for the Oregon Investment Council. "I'm proud of the state for receiving this honor, and I credit a great team effort by the Oregon Investment Council and the investment staff in the State Treasurer's Office."

In its cover story, *PlanSponsor* quoted a number of financial experts who said Oregon had found a way to preserve traditional pension benefits while at the same time making hard choices to keep the plan viable.

Ron Schmitz, Chief Investment

Officer for the State Treasurer's Office, said, "We have a willingness to be a pioneer. I guess that is part of being an Oregonian."

"America's workforce faces some daunting challenges in the years to come," noted Adams. "It is a pleasure to be able to acknowledge the efforts of plan sponsors such as the Oregon Public Employees Retirement System in helping them prepare for a financially secure retirement."

Each year, *PlanSponsor* magazine chooses a plan sponsor that demonstrates leadership in providing a more secure retirement for workers.

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## Retiree Focus Group formed

PERS had a great response to our request in a recent issue of *Perspectives* for volunteers to serve on a Retiree Focus Group. Because of logistics, we had to limit participation to 10 retirees. We selected a cross-section of retirees from PERS' three employer groups: state, local government, and school districts. We also tried to create a geographically diverse group.

Originally, PERS intended to have two smaller focus groups: one for those who retired more than three years ago and the other for those who retired less than three years ago. We combined the groups after deciding the year of retirement was an artificial distinction.

The focus group will provide feedback so we can make our website, retirement forms, and publications easier to understand and use. The group's feedback will be a valuable tool to help PERS improve its customer service.

We will provide information about the efforts of the Retiree Focus Group in future *Perspectives* issues and on the PERS website (<http://oregon.gov/PERS>).

A hearty "thank you" to the many retirees who were willing to participate in the Retiree Focus Group.

# Notify PERS

Please remember that PERS must be notified of the death of a member, alternate payee, and/or beneficiary receiving PERS benefits.

Send a copy of the death certificate to:

PERS P.O. Box 23700  
Tigard, OR 97281-3700

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## Long term care meetings continue. Pre-registration is not required.

Long term care is the type of care received when someone needs assistance with daily living activities, either at home or in a facility. This can be due to an accident, an illness, or advancing age. The need for long term care is not limited to the elderly. Anyone who cannot function independently may need the protection of long term care insurance. Accidents and unexpected illness can happen at any time and at any age. These meetings explain the options available to PERS retirees and do not require pre-registration.

Date	Location	Meeting Time	Seats
May 9	Ramada Medford 2300 Crater Lake Hwy. Medford	2:00 - 3:00 p.m.	50
May 10	Klamath County Fairgrounds 3531 S. 6th St. Klamath Falls	9:30 - 10:30 a.m.	50
June 7	Roth's Hospitality Center 1130 Wallace Rd. NW Salem	9:30 - 10:30 a.m.	50
July 12	Rivershore Grill 1900 Clackamette Dr. Oregon City	9:30 - 10:30 a.m.	50
Aug 9	Roth's Hospitality Center 1130 Wallace Rd. NW Salem	9:30 - 10:30 a.m.	50

## Long term care insurance can help with expenses and personal needs

Have you ever thought about what you would do if you lost the ability to take care of yourself? Americans are living longer today than ever before. As we age, our needs change, and we may need assistance in our daily activities.

For many, the expense of long term care could have a significant impact on their financial security.

PERS offers long term care insurance to its retirees and eligible dependents through UnumProvident. The long term care plan is flexible and offers you a variety of options. You can customize the plan to meet your needs.

If you are interested in learning more about this insurance, UnumProvident provides informational meetings for PERS retirees.

These meetings are held around the state and are listed above.

# Work after retirement for Tier One/Tier Two members

If you decide to work for an Oregon public employer after retiring, Oregon statutes and rules impose certain reemployment restrictions on retired Tier One/Tier Two members.

These restrictions don't apply to employment with a private or non-PERS covered employer; you can work for any number of hours for a private or non-PERS employer without affecting your PERS retirement benefits.

If you are a PERS Tier One/Tier Two retiree receiving a monthly retirement allowance (instead of having retired and taking the total lump-sum option), you can work for one or more Oregon PERS public employers for no more than 1,039 hours in a calendar year unless your work meets certain exceptions.

Exceptions to this limit that may allow you to work more hours are explained below. Working under these exceptions after retirement will not affect your benefit and you will not accrue any additional retirement benefits for this work.

First, if you are receiving Social Security benefits but have not reached full retirement age for Social Security, your maximum hours in a calendar year is either 1,039 hours or the number of hours

at your rate of pay that would not exceed the Social Security earnings limitation.

Those limits are set annually by the Social Security Administration and are effective once PERS adopts the new limits into its administrative rule, OAR 459-017-0060. Check the most recent version of that rule for the applicable limits.

If you are receiving Social Security benefits and have reached full retirement age for Social Security, you can work an unlimited number of hours without affecting your PERS benefits.

Second, certain PERS-covered employers are allowed to hire retired members for an unlimited number of hours.

To be eligible to work under these exceptions, the retired member must not have taken a reduced, early retirement. The exceptions apply to a retired member that is employed as (or by) a:

- teacher or administrator by a school district or education service district that has its administrative office located within a county with a population of not more than 35,000 inhabitants,
- sheriff of a county with a population of fewer than 75,000 inhabitants,

- municipal police department of a city with less than 15,000 inhabitants,

- state or county for work in a correctional institution located in a county with less than 75,000 inhabitants, or

- Oregon State Police for work in a county with less than 75,000 inhabitants, or

- reemployed by the Black Butte Ranch Rural Fire Protection District, the Black Butte Ranch Service District or the Sunriver Service District, or

- any participating employer where the retired member is employed to temporarily replace an employee serving in the National Guard or in a reserve unit of the United States Armed Forces who is called to federal active duty.

If you are employed in two or more public sector jobs and one of them does not meet these exclusions, the hours worked for all public employers count toward the 1,039 hour limit and you must stop working in the non-exempt position(s) before exceeding the limit if you do not want your PERS retirement benefit affected.

Please note that hours are deemed to be worked in the month which the service was performed, not in the year in which the hours were reported.