

Opt-Out Credit



Attention:

The Health Insurance Opt-Out Credit is designed for employees and retirees who don't need the State's health insurance now or in the future because they are enrolled in other health insurance that is as good as or better than what the State provides.

General Information about the Health Insurance Opt-Out Credit

If you are an employee or retiree who has comparable health insurance to what the State provides, you are eligible to waive your Texas Employees Group Benefits Program (GBP) health insurance and sign up for the Health Insurance Opt-Out Credit to apply toward certain optional coverage.

The Opt-Out Credit is a cost savings program passed during the 79th Legislative Session which provides an incentive to participants to waive their GBP health

insurance in order to have a monthly credit. Participants can then apply that credit toward dental and/or Voluntary Accidental Death and Dismemberment (AD&D) premiums under the GBP. These are the GBP's most popular non-taxable benefits that do not require evidence of insurability (EOI) to enroll. The credit is available as of September 1, 2006.

Voluntary AD&D is not available to retirees unless they return to work at an employer who participates in the GBP and they enroll in the

GBP as an active employee.

Your drug benefits are a part of your health benefit. If you opt-out of your health plan, you are also giving up your prescription coverage.

Participants waiving coverage will no longer have the Basic Term Life coverage of \$5,000 for active employees or \$2,500 for retirees that is connected to the health coverage under HealthSelect or an HMO.

The amount of the Opt-Out Credit depends on your status

Full-time Employees	Part-time Employees	Retirees
Can use a credit of up to \$60 to apply toward dental and/or Voluntary Accidental Death and Dismemberment (AD&D)	Can use a credit of up to \$30 to apply toward dental and/or Voluntary Accidental Death and Dismemberment (AD&D)	<ul style="list-style-type: none"> ● Retirees eligible for GBP health coverage and the state contribution of 100 percent toward their health premium can use a credit of up to \$60 toward dental coverage. ● Retirees eligible for GBP health coverage and the state contribution of 50 percent toward their health premium can use a credit of up to \$30 toward dental coverage. ● Retirees cannot apply the Opt-Out Credit to Voluntary AD&D unless they return to work at an employer who participates in the GBP and they enroll in the GBP as an active employee.

To get the Opt-Out Credit, you must meet *all* the criteria for your group listed below

Full-time Employees	Part-time Employees	Retirees
You must be eligible for the state contribution toward your GBP health insurance—100 percent for full-time employees.	You must be eligible for the state contribution toward your GBP health insurance—50 percent for part-time employees.	You must be eligible for the state contribution toward your GBP health insurance—100 percent for full-time retirees or 50 percent for part-time retirees.*
You must be able to certify that you have comparable health insurance coverage (e.g., through another employer health plan).	You must be able to certify that you have comparable health insurance coverage (e.g., through another employer health plan).	You must be able to certify that you have comparable health insurance coverage (e.g., through another employer health plan).

* Employees who retired January 31, 2006 or after and were classified as part-time at any time during the three months prior to their retirement date are considered 'part-time retirees.' If part-time retirees are eligible for health insurance, they receive the part-time 50 percent state contribution for their health premium and 25 percent for their dependents' health premiums.

If you use the Opt-Out Credit for dental coverage under the State of Texas Dental Choice Plan, you will continue your level of benefits. If you already have reached Year 3, the maximum level of coverage, you will continue at the maximum level of benefits. If you were at the Year 1 or Year 2 level, your benefits will increase to the next level.

Have you waived coverage in the past? If you can certify that you

have comparable health insurance coverage, you are eligible for the Opt-Out Credit during Summer Enrollment or if you experience a qualifying life event during the plan year.

For more information, go to the ERS website, www.ers.state.tx.us. To sign up for the Opt-Out Credit, go to ERS OnLine on the ERS website. You can also call ERS toll-free at (877) 275-4377 or (512) 867-7711 in Austin.

You cannot participate in the Health Insurance Opt-Out Credit if you are not eligible for the state contribution toward your health insurance premium, such as a COBRA participant, surviving family member, or an adjunct faculty member.

You should carefully consider any decision to decline health insurance

coverage. You may never be able to enroll in the state health plan again, depending on your health condition. Participants who waive health coverage and later wish to enroll in HealthSelectSM of Texas must prove insurability—also called proof of good health or evidence of insurability (EOI)—and acceptance is not guaranteed. Your drug benefits are a part of your health benefit. If you opt-out of your health plan, you are also giving up your prescription coverage.



Employees Retirement System of Texas ☆ www.ers.state.tx.us
 (512) 867-7711 in Austin, (877) 275-4377 toll-free