

FAQs - HOUSE BILL 81

1. Who can I call if I have questions about HB 81?

The Pension Office can answer questions about HB 81 and can be reached at 739-4208 or 800-722-7300.

Health FAQs

2. I am a current state employee. Will HB 81 affect how much I pay for my health care coverage?

Yes, but not until July 1, 2012. Under HB 81, changes to the State share for each health insurance plan would apply to all current employees, as well as new employees and retirees as of July 1, 2012. A chart showing the difference between what the employee currently pays and what the employee is expected to pay effective July 1, 2012 based on current rates is attached.

3. What will the State pay for health insurance for state employees after July 1, 2012?

Under current law, the State pays the full price for the First State Basic plan, and the employee pays the difference between the cost of the First State Basic plan and the plan they select.

Pursuant to HB 81, effective July 1, 2012, there will be a fixed cost share established for each of the plans offered by the State, including the First State Basic Plan. As a result, effective July 1, 2012, the State will now pay 96% of the total cost of the First State Basic plan, 95% of the total cost for a new Consumer-Directed Health plan, 93.5% of the total cost of the HMO plans, and 86.75% of the total cost of the PPO plan. Again, a rate sheet is attached for your benefit.

4. I am a retiree and currently receive a State of Delaware pension but am not yet eligible for Medicare. Does HB 81 affect how much I will pay for my health insurance?

Under current law, State of Delaware pensioners not yet eligible for Medicare pay the difference between the cost of the First State Basic plan and the plan the pensioner elects. Effective July 1, 2012, the same cost shares referenced in number 3 would apply to pensioners not eligible for Medicare. Again, the attached chart shows the expected difference between what the pensioner currently pays and what the pensioner would pay based on current rates.

5. I am a retiree and currently receive a State of Delaware pension and am also currently receiving Medicare. Does HB 81 affect how much I will pay for my health insurance?

No. HB 81 only affects Medicare-eligible employees who retire on or after July 1, 2012. As a result, if an employee retires before July 1, 2012 and is eligible for 100% State share based on their date of hire and years of service, once the employee becomes Medicare eligible, the State would pay 100% of the cost of the Medicare supplement plan. The same rule would apply to pre-July 1, 2012 retirees who become Medicare eligible after July 1, 2012.

For employees who retire after July 1, 2012 and are or become Medicare eligible, HB 81 would reduce the State share of the employee's Medicare supplement coverage by 5%. For example, if an employee retires after July 1, 2012 and is eligible for the full State share based on their date of

hire and years of service, the State would pay 95% of the cost of the Medicare Supplement plan, and the employee would pay 5% of the cost. Based on FY 2011 rates, that equates to approximately \$20 per month.

6. Will HB 81 affect the number of years of service it takes to be eligible for retiree health care and the State share of retiree health?

Employees who were hired prior to January 1, 2007 will be eligible for the State share as it currently exists.

For employees hired after January 1, 2007, HB 81 would slightly increase the number of service years it takes to vest for specific percentages of the State share, but just like under current law, employees with less than 5 years of service as of January 1, 2012 can vest for 100% of the State share of retiree health at 20 years of service.

7. Is Double State Share being eliminated for new employees as of January 1, 2012?

Yes. Double State Share would be eliminated for new employees hired after January 1, 2012, as well as employees/pensioners if they become benefit eligible or marry another benefit eligible state employee/pensioner after January 1, 2012.

8. Will Double State Share change for those who are currently enrolled?

Yes. Effective July 1, 2012, employees/pensioners who are Double State Share eligible will have to pay a \$25 charge per month for the health plan they select. If the employees enroll in Employee and Spouse or Family plans, a single \$25 per month charge would apply. If the employees enroll in separate plans, (for example - two Employee Only plans or one Employee Only plan and one Employee and Children plan,) a \$25 per month charge would apply to each plan. In the event, the Employee Only plan premium is less than \$25 per month, the Employee Only premium would be charged.

Pension FAQs

9. I am a current state employee. Do the pension changes in HB 81 affect me?

No. The changes to the State's pension plan in HB 81 only affects new state employees hired on or after January 1, 2012.

10. I am a current retiree. Do the pension changes in HB 81 affect me?

No. The changes to the State's pension plan in HB 81 only affects new state employees hired on or after January 1, 2012.

11. If I have a break in service with the State and come back to work on or after July 1, 2012, am I considered a new employee for pension eligibility rules?

The answer depends on what choices you made regarding your pension contributions upon your termination from employment. If you withdraw your pension contributions and do not repay the

pension plan, you are considered a new employee upon your rehire and would be subject to HB 81. If you repay the withdrawal or do not take your pension contribution out of the fund, you will not be considered a new employee, and your original date of hire will be used for pension purposes.

12. I am a current state employee. Will the overtime I earned be included in the calculation of my pension?

Yes. Overtime will be included in pension creditable compensation if you were hired by the State before January 1, 2012.

13. Will employees hired after January 1, 2012 have overtime included in their pension calculation?

No. Pursuant to HB 81, employees hired on or after January 1, 2012 will not have overtime included in their pension calculation. Employees hired on or after January 1, 2012 will not have to make contributions to the pension fund on their overtime wages.

14. I am a teacher. Will my Extra Pay for Extra Responsibility (EPER) still be included in my pension creditable compensation?

The use of EPER payments in calculating your pension would not change under HB 81.

ATTACHMENT

State of Delaware Group Health Insurance Program

New Rates Effective July 1, 2011

	Total Monthly Rate	State Pays	Employee/ Pensioner Contributions	Employee/ Pensioner Percentages
First State Basic Plan <i>(includes prescription drug coverage at the same level as all other plans)</i> <i>Administered by Blue Cross Blue Shield of Delaware</i>				
Employee	\$514.56	\$514.56	\$0.00	0.0%
Employee & Spouse	\$1,064.66	\$1,064.66	\$0.00	0.0%
Employee & Child(ren)	\$782.20	\$782.20	\$0.00	0.0%
Family	\$1,330.86	\$1,330.86	\$0.00	0.0%
Aetna CDH Gold <i>Administered by Aetna</i>				
Employee	\$532.56	\$514.56	\$18.00	3.4%
Employee & Spouse	\$1,104.26	\$1,064.66	\$39.60	3.6%
Employee & Child(ren)	\$813.70	\$782.20	\$31.50	3.9%
Family	\$1,402.86	\$1,330.86	\$72.00	5.1%
BlueCARE® CDH Gold <i>Administered by Blue Cross Blue Shield of Delaware</i>				
Employee	\$532.56	\$514.56	\$18.00	3.4%
Employee & Spouse	\$1,104.26	\$1,064.66	\$39.60	3.6%
Employee & Child(ren)	\$813.70	\$782.20	\$31.50	3.9%
Family	\$1,402.86	\$1,330.86	\$72.00	5.1%
Aetna HMO <i>Administered by Aetna</i>				
Employee	\$537.22	\$514.56	\$22.66	4.2%
Employee & Spouse	\$1,132.64	\$1,064.66	\$67.98	6.0%
Employee & Child(ren)	\$821.80	\$782.20	\$39.60	4.8%
Family	\$1,413.30	\$1,330.86	\$82.44	5.8%
BlueCARE® HMO <i>Administered by Blue Cross Blue Shield of Delaware</i>				
Employee	\$537.66	\$514.56	\$23.10	4.3%
Employee & Spouse	\$1,136.22	\$1,064.66	\$71.56	6.3%
Employee & Child(ren)	\$822.62	\$782.20	\$40.42	4.9%
Family	\$1,417.62	\$1,330.86	\$86.76	6.1%
Comprehensive PPO Plan <i>Administered by Blue Cross Blue Shield of Delaware</i>				
Employee	\$587.46	\$514.56	\$72.90	12.4%
Employee & Spouse	\$1,219.04	\$1,064.66	\$154.38	12.7%
Employee & Child(ren)	\$905.38	\$782.20	\$123.18	13.6%
Family	\$1,523.98	\$1,330.86	\$193.12	12.7%

State of Delaware Group Health Insurance Program

New Rates Effective July 1, 2012

	Total Monthly Rate	State Pays	Employee/ Pensioner Contributions	Employee/ Pensioner Percentages	Employee/ Pensioner Contribution Change
First State Basic Plan <i>(includes prescription drug coverage at the same level as all other plans)</i> <i>Administered by Blue Cross Blue Shield of Delaware</i>					
Employee	\$514.56	\$493.98	\$20.58	4.0%	\$20.58
Employee & Spouse	\$1,064.66	\$1,022.07	\$42.59	4.0%	\$42.59
Employee & Child(ren)	\$782.20	\$750.91	\$31.29	4.0%	\$31.29
Family	\$1,330.86	\$1,277.63	\$53.23	4.0%	\$53.23
Aetna CDH Gold <i>Administered by Aetna</i>					
Employee	\$532.56	\$505.93	\$26.63	5.0%	\$8.63
Employee & Spouse	\$1,104.26	\$1,049.05	\$55.21	5.0%	\$15.61
Employee & Child(ren)	\$813.70	\$773.02	\$40.69	5.0%	\$9.19
Family	\$1,402.86	\$1,332.72	\$70.14	5.0%	(\$1.86)
BlueCARE® CDH Gold <i>Administered by Blue Cross Blue Shield of Delaware</i>					
Employee	\$532.56	\$505.93	\$26.63	5.0%	\$8.63
Employee & Spouse	\$1,104.26	\$1,049.05	\$55.21	5.0%	\$15.61
Employee & Child(ren)	\$813.70	\$773.02	\$40.69	5.0%	\$9.19
Family	\$1,402.86	\$1,332.72	\$70.14	5.0%	(\$1.86)
Aetna HMO <i>Administered by Aetna</i>					
Employee	\$537.22	\$502.30	\$34.92	6.5%	\$12.26
Employee & Spouse	\$1,132.64	\$1,059.02	\$73.62	6.5%	\$5.64
Employee & Child(ren)	\$821.80	\$768.38	\$53.42	6.5%	\$13.82
Family	\$1,413.30	\$1,321.44	\$91.86	6.5%	\$9.42
BlueCARE® HMO <i>Administered by Blue Cross Blue Shield of Delaware</i>					
Employee	\$537.66	\$502.71	\$34.95	6.5%	\$11.85
Employee & Spouse	\$1,136.22	\$1,062.37	\$73.85	6.5%	\$2.29
Employee & Child(ren)	\$822.62	\$769.15	\$53.47	6.5%	\$13.05
Family	\$1,417.62	\$1,325.47	\$92.15	6.5%	\$5.39
Comprehensive PPO Plan <i>Administered by Blue Cross Blue Shield of Delaware</i>					
Employee	\$587.46	\$509.62	\$77.84	13.25%	\$4.94
Employee & Spouse	\$1,219.04	\$1,057.52	\$161.52	13.25%	\$7.14
Employee & Child(ren)	\$905.38	\$785.42	\$119.96	13.25%	(\$3.22)
Family	\$1,523.98	\$1,322.05	\$201.93	13.25%	\$8.81