

Health Insurance Allowance for retired Tier I and Tier II members

The Health Insurance Allowance may be used toward your insurance premiums for the SDCERA-sponsored plan(s) you choose, or toward your insurance premium(s) paid to providers you elect outside of SDCERA-sponsored plans.

Retired Tier I and Tier II members (General and Safety) with at least 10 years of SDCERA service credit are eligible for the Health Insurance Allowance (HIA). Eligibility for this benefit and the amount of your allowance are also determined by Medicare enrollment, whether you receive a disability retirement benefit, and your years of eligible SDCERA service credit.

Generally, you must have at least 10 years of SDCERA service credit to be eligible for the minimum allowance. The maximum allowance is available for members with 20 or more years of SDCERA service credit. Reciprocal service credit and purchased service credit from work in a prior public agency do not count toward the total service credit used to determine your allowance. When you are eligible for Medicare, generally in the month you reach age 65, the monthly Health Insurance Allowance becomes \$300, and you may be eligible for a partial reimbursement of your Medicare Part B premium.

Members who were granted a disability retirement and determined to be totally disabled are eligible for the maximum allowance. Members with less than 10 years of service credit who were granted a disability retirement and determined to be partially disabled are eligible for the minimum allowance. (If you have 10 or more years of service credit, use the chart on the next page to determine the amount.)

The HIA may be used toward your insurance premiums for the SDCERA-sponsored plan(s) you choose, or toward insurance premium(s) paid to providers you elect outside of SDCERA-sponsored plans. Refer to the *Health Insurance Reimbursement Program* fact sheet for additional details and verification requirements if you choose to use your allowance toward a plan other than an SDCERA-sponsored plan.

Review this chart to determine your monthly allowance:

| Years of SDCERA service credit* | Monthly Allowance if not eligible for Medicare | Monthly allowance if eligible for Medicare |
|---------------------------------|--|--|
| Less than 10 | 0 | 0 |
| 10 | \$200 | <p style="text-align: center;">\$300</p> <p style="text-align: center;">In addition to the allowance, \$93.50 may be reimbursed to use toward the cost of the monthly Medicare Part B** premium.</p> |
| 11 | \$220 | |
| 12 | \$240 | |
| 13 | \$260 | |
| 14 | \$280 | |
| 15 | \$300 | |
| 16 | \$320 | |
| 17 | \$340 | |
| 18 | \$360 | |
| 19 | \$380 | |
| 20 or more | \$400 | |

* *Members who retired on or before September 30, 1991, with at least 10 years of SDCERA service credit may be eligible for the maximum allowance. Members who receive a retirement benefit based on a disability are eligible for an allowance regardless of years of service credit.*

** *To be reimbursed, you must provide the SDCERA Health Plans Service Center with a copy of both sides of your signed Medicare card showing Part B coverage. Reimbursement begins in the month the SDCERA Health Plans Service Center receives your documentation.*

The allowance may not be used toward expenses for vision insurance, office visits, prescription copayments, dependents' premiums or to cover any additional medical expenses you may incur. The allowance is not intended to increase your retirement benefit, but to offset the cost associated with medical and/or dental insurance plan premiums. If you have an allowance (or any portion of an allowance) that you are unable to use, it remains unused. Any HIA amount you receive is nontaxable income.

The Health Insurance Allowance and Health Insurance Reimbursement programs are considered a Health Reimbursement Account (HRA) under the federal Patient Protection and Affordable Care Act. If you participate in an HRA program, you are subject to the annual Patient Centered Outcomes Research Institute (PCORI) fee; this fee is determined annually by the federal government. You may purchase coverage offered through the Exchanges; however, receiving reimbursement from SDCERA will make you ineligible to receive federal subsidies for that insurance. SDCERA's health program administrative fee of \$4.85 is applied to monthly Health Insurance Reimbursement payments.

Upon your death, your HIA may be transferred to your spouse if he or she is receiving a monthly continuance of your retirement benefit. If you are a retired Tier I or Tier II Member and are also a surviving spouse eligible for a deceased Member's HIA, SDCERA will activate the account that provides the greater allowance.

This fact sheet provides disclosure of certain terms and conditions of SDCERA membership and benefits available to members. It is designed to give you this information as simply and accurately as possible as of the date of issuance of this fact sheet. SDCERA is governed by the County Employees Retirement Law of 1937 (Government Code Section 31450 et seq.) and by the California Public Employees' Pension Reform Act of 2013 (Government Code Section 7522 et seq.) as they have been adopted and implemented by the San Diego County Board of Supervisors and the SDCERA Board of Retirement. The SDCERA Health Insurance Allowance is not a vested or guaranteed benefit of SDCERA. The County Employees Retirement Law does not require SDCERA to provide any post-retirement health insurance payments or plans. If there is any inconsistency between this fact sheet and the governing law, the law will govern. Decisions relating to the plan will be made after reference to the statutes and any resolutions, regulations and policies governing administration of SDCERA as they exist at the same time of the decisions.