



# Health Benefits Coverage – Enrolling as a Retiree

Information for:  
State Health Benefits Program  
School Employees' Health Benefits Program

## ELIGIBILITY

The Retired Group of the State Health Benefits Program (SHBP) or School Employees' Health Benefits Program (SEHBP) offers medical, prescription, and dental coverage to certain retiring members and their eligible dependents. Members must have been full time employees who were eligible for health insurance coverage until their retirement date.

**Note:** Part-time State employees and part-time faculty members enrolled in the SHBP/SEHBP under the provisions of P.L. 2003, c. 172 (Chapter 172) should refer to the *Health Benefits Coverage for Part-Time Employees* Fact Sheet for information regarding retired health benefit coverage eligibility.

Eligible members include:

- State employees, employees of State universities/colleges and autonomous State agencies and commissions, as well as local government employees who were covered by, or eligible for, the SHBP and who are eligible for a retirement benefit from a New Jersey State-administered retirement system immediately following termination of employment.
- Members of the Teachers' Pension and Annuity Fund (TPAF) and school board or county college employees enrolled in the Public Employees' Retirement System (PERS) who retire with 25

years or more of service credit in the retirement system\* or who retire on a Disability Retirement, even if their employer did not cover its employees under the SEHBP. This also includes those who elect to defer retirement with 25 or more years of service credit in the retirement system.

- Members of the TPAF and PERS who retired from a participating board of education, vocational/technical school, or special services commission, with less than 25 years of service credit, as long as the employer continues to participate with the SEHBP.
- Upon turning age 65, members of the TPAF and PERS who retired with less than 25 years of service credit from a non-participating board of education, vocational/technical school, or special services commission who have continuously participated in the health benefits plan of their former employer since their retirement and are enrolled in Medicare Parts A and B.
- Participants in the Alternate Benefit Program (ABP) who were covered by, or eligible for, the SHBP/SEHBP as active members.
- Certain local police officers or firefighters with 25 years or more of service credit in the retirement system\* or retiring on a Disability Retirement if the employer does not provide any payment or

compensation toward the cost of the retiree's health benefits, in accordance with P.L. 1997, c. 330 (Chapter 330). A qualified retiree may enroll at the time of retirement or when eligible for Medicare.

## ENROLLMENT

Participating employers will continue to cover you in the active employee group for one month beyond your termination of employment. Eligible members whose employer does not participate in the SHBP or SEHBP will be enrolled as of their retirement date provided that you remain on payroll up until your retirement date.

Most eligible members enrolled in coverage as active employees will automatically be enrolled as retirees; If you are Medicare-eligible, you must enter your Medicare proof in [my.njbenefitshub](https://my.njbenefitshub.com) so that your account does not pend in the auto enroll process. Exceptions to the auto enroll process include those members who have: changed their retirement date; waived coverage as an active employee; some Disability Retirements; full-pay retirees; or members who retire from non-participating employer locations. Members in any of these categories must apply for coverage online using [my.njbenefitshub](https://my.njbenefitshub.com) to be enrolled. [Mynjbenefitshub](https://my.njbenefitshub.com) can be accessed via your [myNewJersey](https://my.nj.gov) account or by navigating to [my.njbenefitshub.nj.gov](https://my.njbenefitshub.nj.gov) If you are waiving cover-

\*See the "Combining Service Credit from More than One Retirement System" section.

age because of other coverage, you must do so online using mynjbenefitshub at the time of retirement in order to be eligible for enrollment if/when you lose the other coverage. If you do not submit an application online using mynjbenefitshub within 60 days of your retirement date, you will not be permitted to enroll at a later date, unless you are subsequently approved for a Disability Retirement (see the “Disability Retirement” section.)

If you are not eligible for employer-paid coverage, the premium will be deducted from your monthly retirement check, or you will be billed on a monthly basis if the amount of your retirement check is not enough to cover your premium.

If you are eligible for health care coverage at retirement, you are eligible to enroll in dental care coverage online using mynjbenefitshub (see the *Dental Plans — Retirees* Fact Sheet).

## Disability Retirement

Members who apply for a Disability Retirement and whose employer participates with the SHBP/SEHBP will be eligible for retiree group coverage under the SHBP/SEHBP while the retirement application is being processed. Members will be billed for the full cost of their health benefits pending the approval of their Disability Retirement. Members who work for the State or a Board of Education and who have attained 25 years or more of service will not be billed for any premiums until a decision is made. Members of participating locations entitled to employer-paid or retirement system-paid health insurance will receive a refund of any of the health benefits premiums they paid to the program for coverage after the effective date of retirement, minus any premiums that are owed by the retiree.

Members will receive a letter from Businessolver offering retired health benefits and instructions on how to create an account through mynjbenefitshub. The member must login to mynjbenefitshub to enroll into health benefits.

## Multiple Coverage is Prohibited

State law prohibits two members who are each enrolled in SHBP/SEHBP plans from covering each other. Therefore, an eligible individual may enroll in the SHBP/SEHBP as an employee or retiree, or be covered as a dependent, but cannot be both. Eligible children may only be covered by one participating subscriber.

**Example:** *A husband and wife both have coverage based on their employment. One may choose Family coverage, covering the spouse and children as dependents, making them ineligible for any other SHBP/SEHBP coverage; or one may choose Single coverage and the spouse may choose Parent and Child(ren) coverage.*

**Note:** If you are eligible for SHBP/SEHBP Retired Group coverage but have other coverage through your spouse/partner, you must waive the coverage online using mynjbenefitshub (see the “Waiving Coverage if Covered by Another Plan” section). Otherwise you will be considered terminated from the SHBP/SEHBP and you will not be permitted to re-enter the program.

## Medicare Coverage is Required if Eligible

Upon retirement, if you and/or your dependent are age 65 or have been on Social Security Disability for 24 months or more, you are required to enroll in Medicare Parts A and B. If you have not enrolled in both parts of Medicare, you should contact Social Security to apply 90 days prior to your retirement date.

In most cases, the Centers for Medicare and Medicaid Services (CMS) will advise the SHBP/SEHBP of your enrollment. If you are retiring from a non-participating location, or receive correspondence from the SHBP/SEHBP requesting proof of your Medicare enrollment, you are required to provide a photocopy of your Medicare ID card, or a letter of confirmation from Social Security stating the effective dates of Medicare Parts A and B and your Health Insurance

Claim Number (HICN) or Medicare Beneficiary Identifier (MBI) number.

If you and/or your dependents become eligible for Medicare and do not enroll in Parts A and B, your SHBP/SEHBP coverage will be terminated. Once terminated, your coverage will only be reinstated prospectively after the appropriate documentation is received.

If you are paying the full cost of your SHBP/SEHBP coverage, that cost generally decreases when you and/or your dependents enroll in Medicare Parts A and B because most medical plans charge lower premiums for Medicare-eligible members.

## Medicare Part D

Retired members of the SHBP or SEHBP who are enrolled in Medicare are automatically enrolled in the OptumRx Medicare Part D Prescription Drug Plan (PDP).

You may waive the OptumRx Medicare PDP only if you are enrolled in another Medicare Part D plan. To waive coverage, you must submit a written request along with proof of other Medicare Part D coverage to the New Jersey Division of Pensions & Benefits (NJDPB).

If you enroll in another Medicare Part D plan, you will lose your prescription drug benefits provided by the SHBP/SEHBP; however, your medical benefits will continue.

**Note:** If you are enrolled in a Medicare Advantage Plan, you can only waive your prescription drug coverage for another group Medicare Part D plan. If you waive coverage for an individual Medicare Part D plan, your SHBP/SEHBP Medicare Advantage Plan will be terminated.

If you have previously waived your prescription drug coverage for another Medicare Part D plan, and you wish to re-enroll in the OptumRx Medicare PDP, you must send proof of your termination from the other

Medicare Part D plan. Acceptable proof is a letter from the other Medicare Part D plan confirming the date upon which you are disenrolled. We must receive this proof within 60 days of the termination from the other Medicare Part D plan.

## **PAYMENT OF COVERAGE COSTS**

The State and certain employers have negotiated to pay some or all of the cost of SHBP/SEHBP coverage for retirees who meet specific service credit or retirement criteria outlined in the following sections. The retiree's cost is based on the full monthly pension amount before any deductions, including equitable distribution due to a Qualified Domestic Relations Order (QDRO).

SHBP- or SEHBP-eligible retirees who do not qualify for State-paid or employer-paid coverage must pay the full cost of their health benefits coverage. Premiums are deducted from your monthly pension checks. If the monthly retirement allowance is not sufficient to cover the premium, you will be billed monthly.

**Note:** For PERS and TPAF members, purchases of U.S. Government Service or Out-of-State Service made after November 1, 2008, cannot be used to qualify for State-paid or employer-paid post-retirement health benefits.

### **State Employees and Employees of State Universities/Colleges**

If you had 25 or more years of service credited in one pension system before July 1, 1997 (the effective date of P.L. 1996, c. 8 (Chapter 8)), the State of New Jersey agreed to pay the full health benefits cost in retirement.

If you had 25 or more years of service credit or had an approved Disability Retirement between July 1,

1997, and June 27, 2011 (the effective date of P.L. 2011, c. 78 (Chapter 78)), you are governed by the terms applicable on the date you attained 25 years of service credit or your Disability Retirement became effective.

Under Chapter 78, if you had 20 years of service credit by June 28, 2011, and retire with at least 25 years of service credit, your health benefits cost will be 1.5 percent of your monthly retirement allowance. If you attain 20 years of service credit after June 28, 2011, and retire with at least 25 years of service credit, you will pay a contribution toward post-retirement medical coverage based on the applicable percentage of premium as determined by your annual retirement allowance.\*

If you retire on a Disability Retirement after June 28, 2011, your health benefits cost will be 1.5 percent of your monthly retirement allowance.\*

Retirees covered under certain negotiated labor agreements who attained 25 years after July 2, 2019, will pay either a percentage of retirement allowance or a percentage of premium as determined by annual retirement allowance, dependent on the plan selected.

**Medicare Part B Reimbursement** — If you had 25 or more years of service credited in one pension system before July 1, 1997, the State of New Jersey agreed to reimburse you at retirement for the standard cost of any Medicare Part B premiums paid by you and/or your spouse, civil union partner, or same-sex domestic partner. If you attained 25 years of service credit after July 1, 1997, any reimbursement of Medicare Part B premiums paid by you and/or your spouse/partner may be limited by the terms of the bargaining unit agreement in place at the time of your retirement or by legislation (Chapter 8) – most

State retirees in this group have Medicare Part B reimbursement capped at \$46.10. State employees who began employment after July 1, 1995, or who became eligible for health benefits after that date, will not be eligible for Medicare Part B reimbursement.

### **School Board and County College Employees**

If you had 25 or more years of service credit or retired on a Disability Retirement before June 28, 2011 (the effective date of Chapter 78), the State of New Jersey, by law, pays the health benefits costs for school board and county college employees at retirement.

Under Chapter 78, if you are a school board or county college employee with 20 or more years of service credit by June 28, 2011, upon obtaining 25 years of service credit, your health benefits costs will be State-paid at retirement.

If you attain 20 years of service credit after June 28, 2011, and retire with 25 years of service credit, you will pay either a percentage of retirement allowance or a percentage of premium as determined by annual retirement allowance, dependent on the plan selected.\*\*

**Medicare Part B Reimbursement** — If you retire with 25 or more years of service credit or on a Disability Retirement, the standard cost of Medicare Part B premiums will be paid by you and/or your spouse/partner and reimbursed.

### **ABP Participants**

Participants in the ABP employed by State universities/colleges and county colleges follow the same guidelines as explained in the preceding sections. If there will be a cost to the retiree, it will be based on 50 percent of the highest salary earned in the five years prior to retirement. ABP members from State locations (State colleges and universities) who are

\*Members represented by Union IBEW33 or Union IFPTE who retired on a Disability Retirement after January 1, 2017, must pay a contribution toward post-retirement medical coverage based on the applicable percentage of premium as determined by your retirement allowance.

\*\*For SEHBP members who attain 20 years of service after June 28, 2011, and retire on a Disability Retirement, your health benefits costs will be State-paid.

on long term disability will pay 1.5 percent of 50 percent of their highest salary earned in the five years prior to retirement until age 70. ABP members from education locations (county colleges) who are on long term disability will have no cost for their retired health benefits until age 70. At age 70, ABP long term disability ends and the member becomes a retiree, at which time the cost of health benefits will be reevaluated based on years of service. See the “Combining Service Credit from More Than One Retirement System” section for more information regarding the attainment of 25 years.

## Local Government Employees

Some local employers agreed, under the provisions of P.L. 1999, c. 48 (Chapter 48) or P.L. 1974, c. 88 (Chapter 88), to pay for all or some of the cost of health benefits for retirees under certain conditions. Check with your employer to determine whether your employer adopted the provisions of these laws.

For local employees who retire on an approved Disability Retirement, or who had 20 or more years of service credit by June 28, 2011, and later retire with 25 or more years of service credit, the healthcare contribution in retirement is governed by the resolution filed by the local employer with the NJDPB pursuant to N.J.S.A. 52:14-17.38. For employees hired after May 21, 2010, who are approved for long-term disability insurance coverage, the minimum contribution toward health benefits coverage in retirement is 1.5 percent.

Under Chapter 78, if you attain 20 years of service credit after June 28, 2011, and retire with 25 years of service credit, your cost is based on the contract as of the date you attained 25 years if your employer adopted Chapter 88. If your employer adopted Chapter 48, you will pay a percentage of the premium based on your annual pension allowance.

**Medicare Part B Reimbursement** — Employers that adopted Chapter 88 also agreed to reimburse those employees for the Medicare Part B premiums paid by the member and/or their spouse/partner (see the “Eligible Dependents” section). Some employers that adopted Chapter 48 also agreed to reimburse Medicare Part B premiums. Check with your employer to determine eligibility for Medicare B reimbursement.

## Chapter 330

To qualify for Chapter 330 coverage, you must have retired from a law enforcement or firefighter position with 25 or more years of pension service credit, or on a Disability Retirement, from an employer who does not provide any payment towards retiree health coverage or reimbursement of Medicare Part B premiums. You need not be covered by the SHBP while employed to qualify for enrollment. Those eligible for coverage under Chapter 330 may pay a percentage of a premium (the State will pay a flat amount equal to 80 percent of the lowest cost plan and the retiree will pay the difference) or 1.5 percent of his/her annual pension, whichever is larger. For more information see the *Health Benefits Retired Coverage Under Chapter 330* Fact Sheet.

## **COMBINING SERVICE CREDIT FROM MORE THAN ONE RETIREMENT SYSTEM**

If you meet the eligibility requirements for enrollment in the SHBP or SEHBP at retirement, you may combine nonconcurrent service credit from more than one State- or locally-administered retirement system\* to meet the 25-year minimum for State- or employer-paid coverage.

To qualify for coverage based on combined service in more than one retirement system, you must:

- Retire and be receiving a retirement benefit from each retirement system membership;

- Have 25 or more years of nonconcurrent pension service credit in total;
- Be eligible for SHBP or SEHBP coverage from your last employer; and
- Notify the Health Benefits Bureau that you have an aggregate of 25 or more years of nonconcurrent service in more than one public retirement system in New Jersey.

Upon notification, the Health Benefits Bureau must verify your service with the different retirement systems before the nonconcurrent service credit can be applied to meet the 25-year minimum for State- or employer-paid coverage.

A retiree from the State, or from a participating local employer who has agreed by resolution to pay for the coverage of their retirees, must be eligible for SHBP coverage immediately prior to retirement from the last contributing employer in the retirement system.

A school board or county college retiree must be eligible for SEHBP coverage immediately prior to retirement or separation from the school board or county college. The school board or county college must have been your last contributing employer.

## **Notification if You Qualify Due to Service in Two or More Retirement Systems**

If you retire from a position with the State or an employer who participates in the SHBP or SEHBP, you will receive a health benefits offering letter for Retired Group coverage. When you respond to the offering letter, you must indicate that you have over 25 years of service in two or more State- or locally-administered retirement systems. You must identify the retirement systems in order for us to verify your service credit.

If you retire from a position with a school board or county college that does not participate in the

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\*Service time from enrollment in the Defined Contribution Retirement Program (DCRP) is not eligible to qualify for health benefits coverage at retirement.



SEHBP, the Health Benefits Bureau will not know to send you an offering letter. You must contact the Health Benefits Bureau to notify us you have over 25 years of service in two or more retirement systems. Be sure to identify the retirement systems in order for us to verify your service credit.

## ELIGIBLE DEPENDENTS

Your eligible dependents are your spouse, civil union partner or same-sex domestic partner, and your children who are under age 26. Documented proof of eligibility for dependent coverage is required at the time of enrollment. For definitions of eligible dependents and required documentation, see our website: [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)

**Note:** Eligible children may only be covered by one SHBP/SEHBP participating subscriber (see the “Multiple Coverage is Prohibited” section).

### Coverage for Over Age Children to Age 31

P.L. 2005, c. 375 (Chapter 375), provides for medical and/or prescription drug coverage for natural, step, and adopted children over age 26 and under age 31. For more information, see the *Health Benefits Coverage of Children until Age 31 under Chapter 375* Fact Sheet.

## CHANGES TO DEPENDENT COVERAGE

It is your responsibility to notify the Health Benefits Bureau of any change in family status. If family members are not properly enrolled, claims will not be paid. You may submit an online application through mynjbenefitshub to add dependents within 60 days of a change in family status. Examples of a change of status qualifying event include marriage, civil union, birth, adoption of a child, or a change in your spouse’s/partner’s employment that significantly affects the health benefits coverage provided by your spouse’s/partner’s employer. When the application is received through mynjbenefitshub within the 60-day

window, the family member will be enrolled retroactively to the date of eligibility.

If the online application to add a dependent is not received within 60 days of the qualifying event, the effective date of coverage will be the first of the month following 60 days from the submission of the online application through mynjbenefitshub. For example, if you are married on January 5, but do not submit an online application adding your spouse to health benefits coverage until March 15, the coverage effective date for your spouse will be June 1.

You may remove family members from coverage at any time (but not retroactively). Decreases in coverage are processed on a timely basis. It is your responsibility to remove dependents who are no longer eligible for coverage online through mynjbenefitshub.

### Divorce or Dissolution of a Civil Union or Domestic Partnership

Coverage for your spouse ends at the end of the month in which you divorce. If you dissolve a civil union or domestic partnership, coverage for your partner ends at the end of the month in which the partnership terminates. Any covered children who will no longer be eligible dependents following the divorce or dissolution must also be removed.

## CHANGING PLANS

You may submit an online application through mynjbenefitshub to change your plan when the rate increases, or at any time provided that you have been with that same health plan for at least 12 months.

### WAIVING COVERAGE IF COVERED BY ANOTHER HEALTH PLAN

You may waive Retired Group health benefits coverage and retain your right to enroll at a later date if you are covered as an employee through other employment or as a dependent of your spouse/partner in

another group health plan. Coverage must be waived online through mynjbenefitshub.

If you lose your other coverage, you may enroll/re-enroll in health benefits coverage within 60 days of your loss of the other coverage. Proof of loss of the other coverage is required. Re-enrollment must be submitted online through mynjbenefitshub.

## Chapter 330

If you are a member of the Police and Firemen’s Retirement System (PFRS) and will be enrolling under the provisions of Chapter 330, you must waive any other coverage you have through active employment. See the *Health Benefits Retired Coverage Under Chapter 330* Fact Sheet.

## WHEN HEALTH BENEFITS COVERAGE ENDS

Coverage under Retired Group health benefits will terminate if:

- You formally request the termination in writing or you request a cancelation of the coverage online through mynjbenefitshub (reinstatement is generally not permitted).
- Your premiums are not paid;
- Your plan discontinues services in your area and you do not submit an online application to the Health Benefits Bureau to change to another plan;
- Your employer withdraws from the SHBP or SEHBP (does not apply to retirees who qualified for State-paid coverage, i.e., former employees of local school districts or county colleges, and municipal police officers or firefighters who qualify under the provisions of Chapter 330);
- You or your dependents fail to enroll when eligible in Part A and Part B of Medicare;

- You cease to receive retirement benefits; or
- You die (see the “Surviving Spouse/Partner Coverage” section).

## **SURVIVING SPOUSE/PARTNER COVERAGE**

Coverage of your spouse/partner terminates at the end of the month in which you die. However, your spouse or partner will be sent a letter offering continuation of coverage in the plan of his/her choice at his/her own cost. If your spouse or partner elects to continue SHBP/SEHBP coverage, he/she will be re-enrolled, without a break in coverage, upon the timely receipt of the completed online application through mynjbenefitshub. If your spouse or partner will receive a monthly pension check large enough to cover the premium, the premium will be deducted from the pension payment. If your spouse or partner will not receive a pension check, or if the pension check is not large enough to cover the cost, your spouse or partner will be billed monthly for the premiums.

Some local employers have agreed to pay for the coverage of spouses or partners of deceased retirees; check with your employer to see if they provide this benefit. The State does not pay for the coverage of spouses or partners of deceased retirees.

## **ADDITIONAL INFORMATION**

Obtain personalized information about your health benefits coverage through the Member Benefits Online System (MBOS), available on our website.

Obtain general health benefits information by calling the NJDPB’s Automated Information System at (609) 292-7524.

For questions about SHBP/SEHBP enrollment, plan changes, premium costs, or adding or deleting dependents, contact the NJDPB’s Office of Client Services at (609) 292-7524; or by email at: [pensions.nj@treas.nj.gov](mailto:pensions.nj@treas.nj.gov)

For questions about participating providers, coverage of specific procedures, claims, or for replacement ID cards, contact your medical plan.

Horizon/NJ DIRECT ..... 1-800-414-SHBP (7427)

Aetna Medicare  
Advantage Plans ..... 1-866-234-3129

OptumRx  
for Non-Medicare Retirees ..... 1-866-220-6512

OptumRx  
for Medicare-enrolled Retirees ..... 1-844-368-8765

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