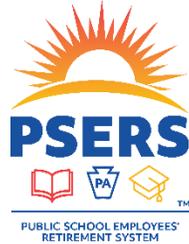


*Commonwealth of Pennsylvania  
Public School Employees' Retirement System*



*PSERS Health Options Program Eligibility and  
Enrollment Policy*

**As adopted by  
the Board of Trustees  
on December 10, 2013  
and amended on October 9, 2020  
Effective  
January 1, 2014**

Adopted: 12/10/2013  
Revisions adopted 10/9/2020  
Date Last Reviewed by Chief Counsel: 1/7/2022

**Public School Employees' Retirement Board**  
**PSERS Health Options Program Eligibility and Enrollment**  
**Policy**

*Preface*

WHEREAS, the Public School Employees' Retirement System (PSERS) provides pension and other benefits to public school employees in accordance with the Public School Employees' Retirement Code;<sup>1</sup> and

WHEREAS, the Public School Employees' Retirement Board (PSERB) is empowered by the Retirement Code with the exclusive control and management of PSERS;<sup>2</sup> and

WHEREAS, the PSERB may sponsor a participant-funded group health insurance program for annuitants, spouses of annuitants, survivor annuitants and their dependents;<sup>3</sup> and

WHEREAS, the PSERB may promulgate regulations regarding the prudent and efficient operation of the program, including the determination of the benefits structure<sup>4</sup> and determination of enrollment procedures.<sup>5</sup>

NOW THEREFORE, the members of the PSERB establish the following PSERS Health Options Program Eligibility and Enrollment Policy (Policy):

**I. Policy Definitions**

**A. *Annuitant:*** Any Member on or after the effective date of retirement until his annuity is terminated.

**B. *Eligible Person:*** As authorized by the Retirement Code; annuitants, spouses of annuitants, survivor annuitants and their dependents (§8502.2(a)).

**C. *Dependent:***

1. Unmarried children under age 19, including: natural children, stepchildren, legally adopted children, and children legally placed for adoption.
2. Unmarried children age 19 to 23, who are enrolled as full-time students in an accredited college or university or in a technical or specialized school and who are not regularly employed by one or more employers on a full-time basis.
3. Unmarried children disabled by a mental and/or physical disability prior to reaching the maximum age limit, who meet all of the following conditions:

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<sup>1</sup> 24 Pa. C. S. §8101 et seq.

<sup>2</sup> 24 Pa. C. S. §8521(a).

<sup>3</sup> 24 PA. C. S. §8502.2(a)

<sup>4</sup> 24 Pa. C. S. §8502.2(a)(2)

<sup>5</sup> 24 Pa. C. S. §8502.2(a)(3)

- a. Incapable of self-sustaining employment
  - b. Dependent on the Annuitant for support
  - c. Lives with the Annuitant
- D. **Member:** Active member, inactive member, annuitant, or vestee.
- E. **PSERB:** The Public School Employees' Retirement Board.
- F. **PSERS:** The Public School Employees' Retirement System.
- G. **Qualifying Event:** An event, as more specifically described herein, that allows an Eligible Person to enroll in or change options under the PSERS Health Options Program.
- H. **Retirement Code:** The Public School Employees' Retirement Code, 24 Pa.C.S. §8101 *et. seq.*
- I. **Survivor Annuitant:** The person or persons last designated by a Member under a joint and survivor annuity option to receive an annuity upon the death of such Member.
- J. **Spouse:** A person who is married to another in a legally recognized union between a man and a woman.

## II. Policy Objectives

The PSERS Health Options Program is a voluntary group health insurance program providing Eligible Persons with access to basic hospital, medical and major medical coverage in plans approved by PSERB. The object of this Policy is to encourage enrollment among Eligible Persons that have a financial relationship with PSERS while allowing current participants to continue their health insurance coverage.

## III. PSERS Health Options Program Eligibility and Enrollment Policy

Pursuant to these objectives, the PSERB establishes the following PSERS Health Options Program Eligibility and Enrollment Policy:

- A. The following **Eligible Persons** may enroll in the PSERS Health Options Program with a Qualifying Event.
  - 1. **Annuitant:** An Annuitant is eligible to enroll in the PSERS Health Options Program provided their premium is deducted from their monthly retirement benefit. If the Annuitant's monthly retirement benefit is less than the amount

of the premium, premiums must be paid directly and timely to the PSERS Health Options Program.

2. ***Survivor Annuitant:*** Upon the effective date of Member's retirement, the last designated Survivor Annuitant is eligible to enroll in the PSERS Health Options Program provided that Survivor Annuitant's premium is deducted from the Annuitant's monthly benefit. Upon the Member's death, a Survivor Annuitant is eligible to enroll in the PSERS Health Options Program if they are receiving a monthly annuity from PSERS. A Survivor Annuitant converting their PSERS annuity into a lump sum payment, who is already enrolled in the PSERS Health Options Program, may continue to participate in the program provided they make direct and timely premium payment to the PSERS Health Options Program. A Survivor Annuitant, not already enrolled in the PSERS Health Options Program, converting their PSERS annuity into a lump sum payment may not enroll in the program.
  3. ***Spouse:*** The Spouse of the Annuitant is eligible to enroll in the PSERS Health Options Program provided their monthly premium is deducted from the Annuitant's monthly retirement benefit. The Spouse of a deceased Annuitant, who is already enrolled in the PSERS Health Options Program, may continue to participate in the program upon the death of the Annuitant provided they make direct and timely premium payments to the PSERS Health Options Program. A Spouse of a deceased Annuitant may enroll in the PSERS Health Options Program if they, as a beneficiary, are receiving a monthly annuity for PSERS. A Spouse of a deceased Annuitant who is not receiving a monthly annuity from PSERS, as a beneficiary, may not enroll in the program.
  4. ***Dependent of Annuitant or Survivor Annuitant:*** The Dependent of an Annuitant or Survivor Annuitant is eligible to enroll in the PSERS Health Options Program provided their monthly premium is deducted from the Annuitant's or Survivor Annuitant's monthly retirement benefit. The Dependent of a deceased Annuitant may continue to participate in the PSERS Health Options Program upon the death of the Annuitant or Survivor Annuitant until such time as they attain the maximum age limitation of a Dependent, provided they make direct and timely premium payments to the PSERS Health Options Program. A Dependent of a deceased Annuitant may enroll in the PSERS Health Options Program if they, as a survivor annuitant, are receiving a monthly annuity from PSERS. A Dependent of a deceased Annuitant who is not receiving a monthly annuity from PSERS may not enroll in the program.
- B. The following ***Qualifying Events*** provide the specified Eligible Persons with a 180-day window to enroll in the PSERS Health Options Program. The 180-day

window commences on the date of the Qualifying Event (except for members attaining age 65, which is described under item 3 below).

1. Upon the Annuitant's retirement or loss of health care coverage under a school employer's health plan, the following Eligible Persons may enroll in the PSERS Health Options Program regardless of whether the Annuitant enrolls in the PSERS Health Options Program:
  - a. Annuitant
  - b. Survivor Annuitant
  - c. Spouse
  - d. Dependent of Annuitant
  - e. Dependent of Survivor Annuitant
  
2. Upon the involuntary loss of health care coverage<sup>6</sup> under a non-school employer's health plan the following Eligible Persons may enroll in the PSERS Health Options Program regardless of whether the Annuitant enrolls in the PSERS Health Options Program:
  - a. Annuitant, provided the Annuitant loses coverage.
  - b. Survivor Annuitant, provided the Survivor Annuitant loses coverage. If the Annuitant is enrolled in the PSERS Health Options Program and the Survivor Annuitant loses coverage and enrolls in the PSERS Health Options Program the Annuitant may change options.
  - c. Spouse, provided the Spouse loses coverage. If the Annuitant is enrolled in the PSERS Health Options Program and the Spouse loses coverage and enrolls in the PSERS Health Options Program the Annuitant may change options.
  - d. Dependent of Annuitant, provided the Dependent of the Annuitant loses coverage. If the Annuitant is enrolled in the PSERS Health Options Program and the Dependent of Annuitant loses coverage and enrolls in the PSERS Health Options Program the Annuitant may change options.
  - e. Dependent of Survivor Annuitant, provided the Dependent of the Survivor Annuitant loses coverage. If the Annuitant is enrolled in the PSERS Health Options Program and the Dependent of Survivor Annuitant loses coverage and enrolls in the PSERS Health Options Program the Annuitant may change options.
  
3. If an Annuitant, Survivor Annuitant, or Spouse attains age 65 or becomes eligible for Medicare, the following Eligible Persons may enroll in the PSERS

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<sup>6</sup> An Eligible Person may elect COBRA coverage provided by the non-school employer. If COBRA coverage is elected, the 180 day window begins when the individual voluntarily or involuntarily terminates COBRA coverage.

Health Options Program regardless of whether the Annuitant enrolls in the PSERS Health Options Program. Eligible Persons will have a seven-month period to enroll in PSERS Health Options Program. The seven-month window includes the calendar month of birth, the three months prior to the month of birth and the three months following the month of birth:

- a. Annuitant
  - b. Survivor Annuitant
  - c. Spouse
  - d. Dependent of Annuitant
  - e. Dependent of Survivor Annuitant
4. Upon a change in family status as described below, the following Eligible Persons may enroll in the PSERS Health Options Program:
- a. Annuitant and Spouse divorce,
    - i. Annuitant may enroll in the PSERS Health Options Program or change options
    - ii. Spouse's PSERS Health Options Program coverage terminates.
  - b. Death of Annuitant,
    - i. Survivor Annuitant may continue participation and change options or enroll in the PSERS Health Options Program provided premiums are deducted from the Survivor Annuitant's monthly benefit.
    - ii. Spouse may continue participation and change options in the PSERS Health Options Program provided the Spouse was enrolled at the time of the Death of the Annuitant.
    - iii. Spouse may newly enroll in the PSERS Health Options Program provided the spouse, as a beneficiary, receives a monthly benefit and premiums are deducted from the Spouse's monthly benefit.
    - iv. Dependent of Annuitant may continue participation.
    - v. Dependent of Survivor Annuitant may continue participation.
  - c. Death of Survivor Annuitant,
    - i. Annuitant may change options if the Survivor Annuitant was participating in the PSERS Health Options Program.
  - d. Death of Spouse,
    - i. Annuitant may change options if the Spouse was participating in the PSERS Health Options Program.
  - e. Death of Annuitant's Dependent,

- i. Annuitant may change options if the Dependent was participating in the PSERS Health Options Program.
  - f. Death of Survivor Annuitant's Dependent,
    - i. Annuitant or Survivor Annuitant may change options if the Dependent was participating in the PSERS Health Options Program.
  - g. Marriage of Annuitant,
    - i. Annuitant may change options only if the new Spouse enrolls in the PSERS Health Options Program.
    - ii. Spouse (new) may enroll in the PSERS Health Options Program.
  - h. Annuitant adopts Dependent,
    - i. Annuitant may change options if the new Dependent enrolls in the PSERS Health Options Program.
    - ii. Dependent (new) may enroll in the PSERS Health Options Program.
  - i. Dependent loses eligibility under the PSERS Health Options Program,
    - i. Annuitant may change options if a Dependent enrolled in the PSERS Health Options Program loses coverage.
- 5. If an Annuitant becomes newly eligible for Premium Assistance due to a change in legislation, the following Eligible Persons may enroll in the PSERS Health Options Program:
  - a. Annuitant,
  - b. Survivor Annuitant, if the Annuitant enrolls in the PSERS Health Options Program,
  - c. Spouse, if the Annuitant enrolls in the PSERS Health Options Program,
  - d. Dependent of Annuitant, if the Annuitant enrolls in the PSERS Health Options Program,
  - e. Dependent of Survivor Annuitant, if the Annuitant enrolls in the PSERS Health Options Program.
- 6. Upon a loss of coverage due to the termination of a plan approved for Premium Assistance or moving out of the service area of a plan approved for Premium Assistance, the following Eligible Persons may enroll in the PSERS Health Options Program:
  - a. Annuitant, provided the Annuitant loses coverage,
  - b. Survivor Annuitant, provided the Survivor Annuitant loses coverage,

- c. Spouse, provided the Spouse loses coverage,
- d. Dependent of Annuitant, provided the Dependent of the Annuitant loses coverage,
- e. Dependent of Survivor Annuitant, provided the Dependent of the Survivor Annuitant loses coverage.

C. The following is a partial list of events that are not considered Qualifying Events

1. Survivor Annuitant

- a. Marries following death of Annuitant.
- b. Produces or adopts a dependent following death of Annuitant.

2. Spouse:

- a. Attains age 65 following the death of an Annuitant unless they are receiving a monthly annuity from PSERS as beneficiary. A Spouse enrolled in the program may change options at age 65.
- b. Remarries following death of Annuitant.
- c. Produces or adopts a dependent following death of Annuitant.

3. Dependent:

- a. Becomes eligible for Medicare following the death of an Annuitant unless they are receiving a monthly annuity from PSERS as beneficiary. A Dependent enrolled in the program may change options when becoming eligible for Medicare.

***IV. Implementation of the PSERS Health Options Program Eligibility and Enrollment Policy***

This Policy shall become effective January 1, 2014. Any individual who is currently enrolled in the PSERS Health Options Program, but who does not otherwise meet the Policy criteria to be a participant, may continue their participation in the PSERS Health Options Program but will have no future Qualifying Events.