

Coverage for Retirees

To be eligible for retiree coverage, your coverage must be in effect immediately prior to your retirement. For those beginning participation or rejoining on or after January 1, 2002, the state subsidy of your premium is based on the number of years you have participated in a Group Benefits health plan prior to your retirement. This also applies to surviving dependents who begin coverage after July 1, 2002.

The Participation Schedule below is the timeline showing the number of years you must participate in an OGB health plan to receive a specific premium subsidy from the state.

Retiree Participation Schedule	
Years of Participation	Percentage of State Subsidy
Less than 10 Years	19%
10 years or more, but less than 15 years	38%
15 years or more, but less than 20 years	56%
20 years or more	75%

You may request a *Participation Schedule* through your HR department prior to retirement. You should review and confirm the accuracy of your participation statement with your records and your employer's records and report any discrepancies to your employer's HR department. At the time of your retirement, if you disagree with OGB's information, you may provide evidence of the number of years you participated in an OGB-offered health plan. If that information is not available to you, you may request OGB to research your participation further.

LASERS air time purchases allowed by ACT 322 affect retirees' OGB health plan premiums

Louisiana state law, Act 322, allows employees with at least five years of service credit in LASERS to purchase up to five years of service credit (commonly called air time) in one-year increments that can be used for retirement eligibility.

1. Act 322 also provides that an employees who purchases air time for retirement eligibility and retires earlier than he/she otherwise would have been eligible to retire must pay the increased employer share of the monthly premium for PGB health coverage until he/she reaches the age at which he/she would have attained regular retirement eligibility.
2. The OGB health plan premium provisions of Act 322 do not apply to:
 - Employees who have 20 or more years of earned service credit in LASERS; or
 - Employees with fewer than 15 years participation in an OGB health plan prior to retirement to whom the provision of the retiree participation schedule apply.

The provisions of Act 322 regarding OGB health plan premiums apply to an employee who is able to retire early by purchasing air time, but do not apply to an employee who is eligible for regular retirement under LASERS retirement – even if they purchase Act 322 air time.

Any employee who has 20 or more years of earned service credit I LASERS is eligible for actuarially reduced retirement at any age, which is considered regular retirement. This means retirees with 20 or more years of earned service credit in LASERS are not subject to the OGB premium provisions of Act 322 because they are not considered Act 322 early retirees. Additional information about Act 322 that explains the purchase and use of air time for retirement eligibility can be found on the LASERS website: www.lasersonline.org.

A retiree subject to the OGB participation schedule who has fewer than 15 years participation in OGB health plans prior to retirement qualifies for either 38 percent of 19 percent state contribution level. The employer share of this premium is already reduced to 38 percent or 19 percent based on the OGB retiree participation schedule, so this retiree would already pay an increased employee share.

3. The additional premiums will be deducted from the retiree's monthly benefit check and remitted to OGB. The Act 322 early retiree rate schedules show the monthly premium contributions that apply to an early retiree who became eligible to retire based on the provisions of Act 322. Act 322 early retirees are required to pay a higher premium contribution than regular retirees. These schedules are based on current OGB health plans and premium rates and will be adjusted as necessary to reflect subsequent changes to health plan offerings and premium rates.