Letter from the President

On behalf of the PSTA, I would like to welcome you to our new retirement guide. This was a project and a goal of great importance. Developing this guide has been a vast undertaking and has taken longer than anticipated. However, I am glad to report that this comprehensive yet straightforward informational booklet is well worth the time and effort it has taken.

We have come up with a great product that will help our retired and “soon to be retired” troopers understand retirement benefits and navigate through some of the challenges that inevitably come with retirement.

Please take the time to read this guide and you will gain a better understanding about the retirement process. It is important for all members to be prepared and informed. The PSTA hopes this guide will be a great source of information to help in your decision-making process.

I’d like to recognize the Retirement Committee, Josie Fure, Emma Cuevas, Esq., and the PSTA Office Staff for all of the hard work and effort it took to compile this information into a superior handbook for all of you.

On behalf of all Pennsylvanians, I want to thank you for your tremendous public service and dedication to a job where you willingly put yourself in harm’s way. Should you have any questions and/or concerns, the staff at the PSTA are available to assist you.

Fraternally,

Bruce A. Edwards
President
Disclaimer

The PSTA has created this publication to provide our members and their families with accurate information concerning the subject matter covered. However, this publication is not a substitute for the advice of an attorney or other subject matter professional.
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INTRODUCTION

The Pennsylvania State Troopers Association recognizes every member’s hard work and dedication. As the bargaining unit representative, the PSTA negotiates for fair benefits and ensures that our members are aware of these benefits and use these benefits to their fullest.

The intent of this booklet is to provide our members, both active and retired, with valuable information concerning retirement. As an active member, there are several areas that members should become knowledgeable with in order to prepare for future retirement. As a retired member, members need to know what state and federal benefits are available and how the benefits interact.

Your retirement date is very important. Throughout this booklet, pay particular attention to the retirement dates applicable to the benefits discussed. All retirees do not share the same level of benefits. Your benefits will depend on your retirement date. If you are retired, this date can be found on your discharge certificate and your PSTA issued retirement card.

Please record your information below for future reference.

____________________________  _______________________
Name                        

_____________  _______________
Enlistment Date              Retirement Date  


PRE-RETIREMENT

Unforeseen events may cause a member to terminate their service unexpectedly. Therefore, all active members, regardless of how far from retirement, should take some time to think about and be prepared for early termination, retirement, disability, or death.

Document Maintenance

From your date of hire, it is important to keep the documents which relate to your benefits up-to-date and filed securely. Members should designate beneficiaries and guardians appropriately and have a current will. We recommend providing copies of this information to someone you trust or placing these documents in a safe deposit box. It is also advisable to keep a document which describes your papers and their location in a file in your home that would be easy for someone to find and identify.

◆ Remember to change your documents as necessary. For example, when you divorce, remarry or when you have a change in dependents, your documents should be updated.

Accumulation of Paid Leaves for Buy-Out

Many members, while on active duty, carefully plan the use of sick days and leave days so that they may cash these in at the time of their retirement. Holidays, personal days, annual leave and sick days will be paid according to the contract that is effective when a member terminates employment, retires, or dies while on active duty.

Purchasing Retirement Credits

All members of the State Police participate in the State Employees Retirement System (SERS). As a member of SERS you will earn retirement credits for each year of service in the State Police. In addition to State Police service, the following types of service may be purchasable in SERS: prior state service,
intervening and non-intervening military service, out-of-state and federal service in public school education, certain types of other governmental service, cadet nurse corps service, merchant marine service, community college service prior to July 1, 1971, and Justice of the Peace service prior to January 1, 1970.

Service credits may be purchased after three years of state service or any time thereafter while a member is on active pay status. Once you commit to purchasing service credits, the Present Value of your pension will reflect the additional service credits. When you commit to purchasing service credits, you have the option of making an upfront lump-sum payment, authorizing installment deductions from your payroll, or taking an “actuarial reduction”. An “actuarial reduction” will charge the purchase of service credits to the Present Value of your retirement at the time you retire.

There are several factors to consider when deciding whether or when to purchase service credits. For example, interest is charged on deferred payments, but the pension is credited at the time of processing. In addition, the purchase of service credits may be meaningless if the member earns the highest pension benefits with state time. Finally, if a member dies or must retire unexpectedly and has not committed to purchasing service credits, they may have lost the opportunity to increase the value of their pension for themselves or their beneficiaries.

Although forms for purchasing service credits are online and can be processed directly with Member Services, we recommend going to a retirement counselor.

**General Considerations**

As a member of SERS, you are eligible for monthly pension benefits if you have 5 or more years of credited service at any age or if you have reached Normal Retirement Age with at least 3 years of credited service.
As a member of the State Police, your Normal Retirement Age is 50. If you retire prior to age 50 and with less than 20 years of service, your retirement benefit amount will be reduced for the number of years you are under Normal Retirement Age. Regardless of age, if you have at least 20 years of service, your pension benefit will be 50% of your highest year’s earnings. Regardless of age, if you have at least 25 years of service, your pension benefit will be 75% of your highest year’s earnings.

Medical, dental, and prescription benefits are only taken into retirement under the provisions provided in the contract. Currently, members must have at least 20 years of credited service to keep their medical, dental, and prescription benefits into retirement.

Although medical, dental, and prescription benefits can continue into retirement, other benefits are lost upon retirement. There is no vision coverage or life insurance (all plans), and for those who retired under the Traditional Indemnity Plan, no emergency mental health psychotherapy services (emergency counseling), provided by the State into retirement. You should be aware of the cost of private coverage for these benefits should you need them after retirement.

◆ We advise all members to “stock-up” on their prescription medications prior to retirement, if possible. New retirees may be temporarily denied coverage because of administrative delays.

Returning to State Service

If you plan to return to State service after leaving the State Police, contact your SERS regional office because returning to service may affect your pension benefits.
**Resources**

To contact the State Employees Retirement System (SERS) call the Regional Retirement Counseling Center at 1-800-633-5461 or the Central Office at 1-717-787-6293 (1-717-787-4734 TDD) or visit their website at [www.sers.state.pa.us](http://www.sers.state.pa.us).
When You Are Ready to Retire

When you decide to retire, contact your nearest SERS Regional Retirement Counseling Center and access the SERS website for additional information. An assigned counselor will provide you with a retirement estimate, counseling, and processing of your retirement application. (See Appendix D for a list of centers.) The SERS website can also provide you with a retirement estimate and other valuable information. Start your retirement planning by requesting a copy of the current SERS Member Handbook.

In addition to working with SERS, contact Human Resources to determine what your leave “buy-out” will be and when you will receive it. You must also submit written notification to your Troop Commander stating the effective date of your retirement. Refer to AR 4-1 for a sample separation letter.

Start your retirement planning and processing at least three months prior to your effective date. You may be receiving large amounts of money when you retire. You must understand the tax implications of these payments and review what options you have to minimize the tax impact. For example, you may “roll-over” your SERS member contribution lump-sum or withdraw your leave “buy-out” into a deferred compensation plan.

◆ We strongly recommend that you seek tax advice from a tax professional prior to making retirement decisions.

Pension Annuity Calculations and Options

Pension annuities vary significantly depending upon a member’s years of service, dates of service, and class of membership.

Currently, the retirement benefit for all State Police Officers with at least 20 years but less than 25 years of credited service
regardless of age is 50% of the highest year’s earnings. For those with 25 years of service or more the retirement benefit is 75% of the highest year’s earnings.

State Police officers with less than 20 years of service but who have reached the age of 50 (superannuation) are entitled to a benefit calculated at 2% times the final average salary times years of service. If a member has not reached the age of 50 and has between 5 and 20 years of credited service, their benefit will incur an early retirement reduction for the number of years under age 50.

◆ The highest year’s earnings do not include the earnings in the calendar year in which the member terminates state service. You must retire January 2nd or later to count the preceding year as your highest year’s earnings.

When you meet with the counselor, verify that all of your personal information is correct and take time to review your retirement options before you complete your application. Many of the decisions you make at the time of retirement can not be changed unless there is a subsequent death, divorce or marriage.

Please consider what options are best for you and your family, not only at the time of retirement but for the future. Discuss these options with your spouse and/or other beneficiaries to ensure that they are aware of your selection. Pension benefits can be paid in different ways.

It is important to understand what benefits your beneficiaries will receive upon your death. You may decide to receive a greater monthly payment during your lifetime but forego any payments to beneficiaries upon your death. Alternatively, you may choose an option which does not guarantee a certain level of survivor benefit but provides a benefit to your surviving beneficiaries depending on how long you received benefits before your death. Other options guarantee various levels of survivor benefits.
Make an informed decision when choosing your retirement option and notify your beneficiaries of your decision.

Miscellaneous Pension Concerns

Communications

Once you are retired and have established your pension, if you have pension benefit questions contact SERS. Change of address, change of dependents and beneficiaries, recalculations, and questions pertaining to COLA’s should all be addressed with SERS. Do not contact PSTA or Human Resources; they will not be able to help you. SERS keeps pension issues confidential and will discuss only limited information over the phone. SERS will require most requests in writing.

Cost of Living Adjustments (COLAs)

COLAs are granted through State legislation. There is no automatic annual adjustment of pension payments to compensate for inflation. The previous COLA authorized was approved on June 19, 2002. (See Act No. 64 of 2002, HB 1360.) This COLA gave eligible retirees a one time adjustment of their pension.

Resources

To contact the State Employees Retirement System (SERS) call the Regional Retirement Counseling Center at 1-800-633-5461 or the Central Office at 1-717-787-6293 (1-717-787-4734 TDD) or visit their website at www.sers.state.pa.us.
SOCIAL SECURITY

Introduction

Social Security is a federal program which provides for monthly payments to eligible elderly or disabled individuals who paid contributions to Social Security through their employment. The Pennsylvania State Police, as an employer, does not participate in the Federal Social Security program. While employed in the PSP, members do not contribute to Social Security. Without other employment from the member or their spouse in which Social Security contributions are made, the member will not be entitled to Social Security benefits.

◆ Since April 1, 1986, active members have been making contributions to Medicare, but this is not Social Security.

A retiree may be entitled to Social Security retirement benefits when either of the following applies:

• the retiree’s spouse paid into Social Security and earned sufficient credits or
• the retiree had other employment in which Social Security contributions were withheld and sufficient credits were earned.

Additionally, Social Security benefits may be paid at any age to a disabled person, a spouse, or child of someone who receives Social Security, a spouse or child of a worker who died, or a dependent parent of a worker who died. Eligibility for these payments have different age criteria than described below. Please contact Social Security for more information about these benefits.
Social Security Retirement Eligibility

For retirement eligibility, a person needs 40 credits (10 years of work in which Social Security taxes are paid). Younger people need fewer credits to be eligible for disability benefits or for family members to be eligible for survivor’s benefits when the worker dies.

Social Security has set full retirement based on year of birth as follows:

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Full Retirement Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937 or earlier</td>
<td>65</td>
</tr>
<tr>
<td>1938</td>
<td>65 and 2 mo.</td>
</tr>
<tr>
<td>1939</td>
<td>65 and 4 mo.</td>
</tr>
<tr>
<td>1940</td>
<td>65 and 6 mo.</td>
</tr>
<tr>
<td>1941</td>
<td>65 and 8 mo.</td>
</tr>
<tr>
<td>1942</td>
<td>65 and 10 mo.</td>
</tr>
<tr>
<td>1943-1954</td>
<td>66</td>
</tr>
<tr>
<td>1955</td>
<td>66 and 2 mo.</td>
</tr>
<tr>
<td>1956</td>
<td>66 and 4 mo.</td>
</tr>
<tr>
<td>1957</td>
<td>66 and 6 mo.</td>
</tr>
<tr>
<td>1958</td>
<td>66 and 8 mo.</td>
</tr>
<tr>
<td>1959</td>
<td>66 and 10 mo.</td>
</tr>
<tr>
<td>1960</td>
<td>67</td>
</tr>
</tbody>
</table>

◆ Full retirement age for Social Security is distinct from Medicare eligibility which begins at age 65.

Regardless of your full retirement age, you may start receiving benefits as early as age 62, but these benefits will be reduced permanently from what you would receive if you waited until full retirement age. If you choose to delay receiving benefits beyond your full retirement age to age 70, your monthly benefit will be permanently increased.

◆ If you think you may be entitled to benefits, you should apply.
Social Security Retirement Benefits and Offsets

When eligible for Social Security retirement benefits, the Social Security Administration will send you monthly payments. The amount of these payments is determined by a formula that is based on you or your spouse’s previous average monthly earnings, adjusted for inflation, but may be reduced by the offset provisions discussed below.

Government Pension Offset

A Government Pension Offset applies if you receive a government pension and are eligible for Social Security benefits as a spouse or widow(er). The provision will reduce the amount of your Social Security spouse’s or widow(er)’s benefit by two-thirds of the amount of your government pension.

Example: If you receive a civil service pension of $600, two-thirds of that or $400 must be used to offset your Social Security spouse’s or widow(er)’s benefit. If you were eligible for a $500 widow(er)’s benefit, you will receive only $100 per month.

Your Social Security benefits as a spouse or widow(er) will NOT be reduced if:

- You were eligible for retirement prior to December 1982 and you meet all the requirements for Social Security spouse’s benefits effective in January 1977 or
- You were eligible for retirement prior to July 1, 1983 and were receiving one-half support from your spouse.

◆ You are pension eligible if you meet the requirements of the pension, even if you continue to work. In 1982 and 1983, a member of the State Police was entitled to receive a pension after ten years of service. Therefore, men employed with at least ten years of service prior to July 1, 1983 and receiving one-half support from his spouse will not be subject to the Government Pension Offset. Women employed with at least ten years of service...
by December 1982 do not have to establish that they were receiving one-half support from their spouses to be exempt from the offset. Women employed with at least ten years of service prior to July 1983, but after December 1982, must show that they were receiving one-half support from their spouse to be exempt from the offset.

Windfall Elimination Provision

The Windfall Elimination Provision reduces Social Security benefits if you receive a monthly pension based in whole or in part on employment where you did not pay Social Security taxes. If the offset is applied, a modified formula is used to calculate your benefit amount, resulting in a lower Social Security benefit.

The Windfall Elimination Provision does not apply in the following situations:

- you are entitled to survivor’s benefits or
- you have 30 or more years of substantial earnings under Social Security1 or
- you first become eligible for a monthly pension based in whole or in part on work where you did not pay Social Security taxes before 1985, even if you continued to work.

You are pension eligible if you meet the requirements of the pension, even if you continue to work. In 1985, a member of the State Police was entitled to receive a pension after ten years of service. Therefore, anyone employed on or before January 1, 1975 and employed for ten years will not be subject to the anti-windfall provisions.

If you need to verify your retirement eligibility, contact Human Resources and request a letter that documents your retirement eligibility. This letter should include date of hire, date eligible for

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1 Substantial earnings amounts change every year and can be found on the Social Security web site.
retirement and effective date of actual retirement. You may also present the letter found in Appendix C which explains pension eligibility.

**Working While Collecting Social Security**

If you choose to receive an early Social Security benefit and you continue to work, your benefit will be reduced by a percentage of your earnings over an annual limit. Once you reach full retirement age, you can keep working and your Social Security benefit will not be reduced no matter how much you earn.

**Income Tax on Social Security Benefits**

Your Social Security benefits may be taxable if your earned income exceeds the established limits. To determine if your benefits are taxable you will need to complete an IRS Social Security benefits worksheet.

**Resources**

Information on filing for Social Security benefits may be found on-line at [www.socialsecurity.gov](http://www.socialsecurity.gov), by calling 1-800-772-1213 (TTY 1-800-325-0778), or visiting your local Social Security office.
STATE MEDICAL BENEFITS

Introduction

Medical benefits for retirees are a subject of bargaining and are negotiated between the Commonwealth and the PSTA. Specific medical benefits for active members are stated in the collective bargaining agreements, interest arbitration awards, and/or side-letters of agreement and are subject to change in subsequent contracts. Although an active member’s benefits are subject to change, retirees will have the medical benefits that were in effect at the time they retired. Once obtained, a retiree’s benefits are not subject to change unless changes are made by agreement or mandated by state or federal legislation.

It is therefore important to understand your benefits when you retire.

Upon retirement, a new medical, dental (if applicable) and prescription card, reflecting your retirement status, will be mailed to you by your healthcare benefits administrator. The key to using your state medical benefits is to have and present your medical ID card to your medical providers. You should also have a copy of the medical benefit book that is in effect at the time of your retirement. This book is the most important document that you will receive about your benefits. Please keep this book and all letters that you receive regarding your state medical benefits in a safe place.

It is important to know who your medical benefits insurance administrator is. For members who retired on or after July 1973, Pennsylvania Blue Shield (Highmark) administers the retired Pennsylvania State Police Health Program benefits for members and their eligible dependents. Members, who retired before July 1973 and elected to continue with the Commonwealth’s group

2 Thus far, retirement medical benefits have only improved in the areas of mental health, prescription, dental and Major Medical coverage. Retirees have never had benefits reduced.

17
coverage, have Pennsylvania Employees Benefit Trust Fund (PEBTF) as their administrator.

Lastly, retirees who qualified for state benefits will have these benefits until their death unless they took an early retirement under provisions introduced in the Powell Award. (Please refer to Appendix B History of Medical Benefits Eligibility for further details on early retirees under the Powell Award.)

◆ Appendix A contains a breakdown of retirement medical benefits by retirement date. Appendix B contains a detailed description of current retirement benefits and the history of each benefit.

Use of State Medical Benefits

Highmark Classic Blue/Traditional Indemnity Plan

For all types of medical services, present your medical ID card to your medical providers. In most instances, your provider will bill the insurance administrator directly and you will not pay directly to the provider. You will then receive a statement from the insurance administrator, an Explanation of Benefits (EOB), which outlines what they were billed and what they paid the provider. This statement will show any balance not covered by the insurance administrator that the provider may bill to you. If you are required to pay the provider, make sure you review the EOB and wait for the provider to bill you before sending any payments.

Even though you may not be covered for services, such as a doctor's office visit, you should still have the provider submit his or her bill to the insurance administrator. Although the entire bill may be denied and you may ultimately have to pay it, the amount you spend will be applied toward your Major Medical deductible. Your insurance administrator will keep track of your Major Medical deductible and when you reach the deductible limit, they
will pay a portion of your future bills according to your Major Medical coverage.

If you do not have your provider bill your insurance administrator or they refuse, then you must pay the provider the full amount at the time of your visit. You should submit a copy of this bill and proof of payment to your insurance administrator for any eligible reimbursement.

◆ **Members should always try to use a participating hospital, medical facility, or doctor. Members will usually pay significantly less with a participating provider than a non-participating provider.**

If you have questions concerning your medical benefit coverage or the medical billing process, please call your insurance administrator.

**Major Medical**

The Traditional Indemnity Plan includes Major Medical coverage. Major Medical coverage provides for reimbursement of medical expenses for expenditures that are medically necessary and either in excess of or not covered by other state-paid coverage.

Major Medical is applied similar to other insurance coverage. Coverage is applied to an allowable amount that is predetermined for each service. A participating provider must accept the allowable amount, but a non-participating provider may require payment for more than the allowable amount.

Major Medical provides $1,000,000 of lifetime benefits or $500,000 for those who retired prior to July 1, 1988. As of 2006, all active and retired members have the same deductibles: a $100 individual annual deductible, a $300 family annual deductible, and a $380 individual out-of-pocket maximum.
Thus, the first $100 individual and $300 family expenses for the calendar year that you submit for reimbursement from Major Medical will not be paid, but will count toward your deductible. Once you have met the deductible, you will be responsible for paying 20% of your medical expenses submitted for reimbursement under Major Medical, until you have paid $380 out-of-pocket (not including the deductible). After you have paid the deductible amount and $380 of expenses in co-pay fees, Major Medical will pay for 100% of any additional medical services in that year up to the lifetime maximum.

Every year, you will have to pay your deductible and thereafter 20% until reaching the out-of-pocket individual limit of $380 (not including the deductible) before receiving 100% coverage. However, if you incur medical expenses during your last three months of the year, these expenses may be credited toward the following calendar year’s benefit period.

When you receive an Explanation of Benefits statement, your Major Medical status is shown under Patient Benefit Summary. You should see the following: “$___ has been applied to your $380 individual out-of-pocket amount”, and “You have used $___ of your $1,000,000 (or $500,000) lifetime dollar maximum.”

Major Medical pays up to $1,000,000 (or $500,000 for those who retired prior to July 1, 1988) in benefits during each subscriber’s lifetime. When you or your Dependents have received $1,000,000 or more in benefits, you may be reinstated to the full maximum when you present evidence of good health to the administrator. For a member, returning to active work for 13 consecutive weeks will be accepted as evidence of good health.

Consult your medical benefits handbook for a listing of medical services covered and those excluded by Major Medical.
Preferred Provider Organization Plan (PPO)

For all types of medical services, present your medical ID card to your medical providers. In most instances, your provider will bill the insurance administrator directly and you may be asked to make a co-payment at the time of your visit. You will then receive a statement from the insurance administrator, an Explanation of Benefits (EOB), which outlines what they were billed and what they paid the provider. Under any circumstance, if it appears that you are required to pay the provider, review the EOB and wait for the provider to bill you before sending any payments.

Providers who participate with your insurance administrator must agree to send bills through the insurance administrator. Participating providers will accept payments from the provider as payment-in-full for covered services. Therefore, when you see a participating provider, you should only expect to pay the co-payment for covered services.

Non-participating providers are not obligated to accept the insurance administrator’s payment as payment-in-full. Non-participating providers may require complete payment up front and ask you to bill your insurance administrator. Even if non-participating providers agree to bill your insurance, they can still hold you personally liable for unpaid charges, so you may expect a bill after your insurance has made any payments to them.

◆ If you have an HRA, you can consider using HRA funds for out-of-pocket medical expenses, such as deductible payments.

◆ Contact Highmark to locate participating providers.
State Benefits and Your Family

Medical benefit coverage will extend to a retiree’s qualified dependents as outlined in the medical benefit handbook.

Children will have coverage if they are under age 19. Children who are between 19 and 25 and enrolled as full-time students may also be covered. An extension of coverage is available for dependent children who are called to active military duty while they are full-time students. Unmarried disabled dependents may be covered beyond age 19.

A spouse will be covered until the retiree’s death or until a divorce has become final. If you divorce or remarry, you must notify the State Employee Retirement System (SERS). SERS will update this information with your insurance administrator. If proper notification of divorce is not given, you may be liable for the cost of medical coverage for your former spouse from the date of divorce.

If your spouse has separate medical insurance, you or your spouse should contact SERS Regional Counseling Center to coordinate benefits between the insurance administrators. Coordination of benefits should not reduce the level of benefits for your spouse or dependents.

Should you predecease your spouse and/or dependents, their state-paid benefits will terminate the day after your death. A surviving spouse will have the option of purchasing COBRA coverage, enrolling in the Commonwealth’s Survivor Spouse Benefits Plan, or acquiring medical insurance elsewhere. Other eligible dependents will only have the option of purchasing temporary medical coverage.

COBRA refers to temporary medical coverage mandated by federal law that an employer must offer under certain circumstances. COBRA coverage is not free and requires premium
payments. COBRA coverage will provide the same benefits that existed at the time of the retiree’s death. *Currently COBRA benefits are only available for up to 36 months following the death of retiree.*

The Commonwealth’s Survivor Spouse Benefits Plan is a group insurance available to surviving spouses of a deceased state employee or retiree. It is administered by PEBTF. The benefits covered by the group insurance may differ significantly from the COBRA benefits. A surviving spouse may elect to enroll in COBRA following the retiree’s death and then enroll in the Commonwealth’s group insurance. This decision should be made by comparing premiums and scope of coverage.

Even if the surviving spouse is Medicare eligible, a COBRA or group insurance benefit can provide supplemental coverage that would enhance the Medicare benefits.

◆ *The Commonwealth’s group insurance to surviving spouses does not offer dental coverage but COBRA can include dental coverage.*

**Your State Medical Benefits and Medicare**

Most retirees will not be adversely affected by becoming eligible for Medicare. When you reach the age of 65 and if you are eligible (see Medicare section) you will automatically be enrolled in Medicare Part A, but you will maintain your state-paid medical benefits. If you are enrolled in Medicare Part A, your medical coverage will not be reduced, but Medicare will pay towards your medical bills first and then your state-paid medical insurance will be applied.

Only those members who took an early retirement under provisions introduced in the Powell Award will be negatively affected by becoming Medicare eligible. Early retirees under the Powell Award will lose their state-paid benefits when they reach
the age of 65, if they are Medicare eligible. At age 65, the retiree will automatically be enrolled in Medicare Part A, which provides for hospitalization coverage.

Medicare Part B is available to eligible persons 65 and older. To enroll in Medicare Part B you must pay a monthly premium. Retirees not affected by the Powell Award are not required to join Medicare Part B.3 There are differences in coverage between your state-paid medical benefits and the services covered by Medicare Part B.

◆ You may decide to purchase Medicare Part B based on your personal needs, but it is not required.

If you are married, your spouse may benefit from enrollment in Medicare Part B when they turn 65. Although spouses have state-paid coverage while a member is alive, if the member predeceases the spouse, the spouse will lose these benefits. If the spouse then enrolls in Medicare Part B after his or her initial eligibility, the spouse will have to pay a penalty in the form of an increased premium for the rest of their lives, 10% for each year past the age of 65.

◆ We recommend a spouse sign up for Medicare Part B if eligible at the age of 65. Refer to the Medicare Section for more information.

The new Medicare Prescription Drug Coverage insurance, referred to as Part D, works differently than Part A and B. As long as an individual is covered by a qualified prescription plan, there is no penalty for members or spouses for late enrollment. Currently, all state medical prescription benefits are qualified prescription plans.

3 See footnote on page B-60.
SERS should have sent you a statement which verifies that you are covered by a qualified prescription plan. Keep this document in a safe place. Contact SERS if you have not received this statement.

Unlike Part B, a spouse covered by the state qualified prescription plan will not incur a penalty for later enrollment in Part D. If your spouse survives you and is no longer covered by a qualified prescription plan, he or she will then have the option to enroll in Medicare Part D. As long as they verify that they had been covered by a qualified plan, they will not be penalized for enrolling past the age of 65. A statement from the healthcare administrator should be sufficient to verify prior qualified coverage.

**State Benefits and Other Insurance Plans**

You may decide to acquire additional insurance based on your personal needs. Supplemental insurance may also be purchased to cover coinsurance and deductible amounts that are unpaid by your primary insurance. Any additional insurance obtained should be coordinated with your state medical benefits administrator by calling your SERS Regional Counselor and requesting a coordination of benefits.

**State-Paid Prescription Benefits**

Present your prescription insurance card when filling prescription orders. Prescription benefits for members who retired prior to July 1, 1995 are administered by Medco. Prescription benefits for members who retired on or after July 1, 1995 are administered by Express Scripts, Inc.

Refer to the Appendices to verify what level of prescription coverage you should have. You may want to ask your doctor to write your prescriptions so that they maximize your allowable benefits.
Miscellaneous

- If you have a **change of address or change of dependents** notify SERS.

- If you **lose your card** contact your administrator (Highmark or PEBTF).

- If you **travel out of state**, you have Blue Card privileges for Blue Cross/Blue Shield plans in the area.

- For **questions about medical billing** call the number listed at the back of your insurance card. This number is preferred over the number listed on your Explanation of Benefits Statement (EOB). If your insurance administrator is unresponsive to your billing concern, you may call the PSTA. The PSTA administrative office does not handle your claim. The PSTA administrative office will attempt to assist you in communicating with the insurance administrator and provide you information. In order for them to assist you, you must sign a release in accordance with the HIPPA laws which would allow them to discuss your medical billing claim.

- If you enroll in Medicare, you should receive a **new medical card** from your administrator. This card will reflect that you have Medicare.

Resources

To locate participating providers for PPO and Traditional Indemnity Plan participants, visit [www.highmark.com](http://www.highmark.com) or call 1-800-727-4935. To locate dental participating providers visit [www.ucci.com](http://www.ucci.com) or call 1-800-332-0366.
MEDICARE

Introduction

Medicare is health insurance provided by the federal government for qualified elderly and disabled persons. Medicare has separate parts that each provide distinct coverage. In general, Medicare Part A provides hospitalization coverage, Medicare Part B provides medical and surgical service coverage, and Medicare Prescription Drug Coverage, referred to as Part D, provides coverage for prescription drugs. These plans are not available to everyone and each has eligibility requirements.

Eligibility and Enrollment

A person becomes eligible for Medicare Part A and Part B when they meet the following conditions: (1) they reach the age of 65, (2) they or their spouse paid into Medicare, or Social Security, for 40 quarters and (3) they are retired and no longer working a job that pays into Medicare. When eligible, Medicare Part A does not require monthly payments. Medicare Part B requires the payment of a monthly premium.

State Police members who were hired on or after April 1, 1986 have been paying into Medicare Part A. Therefore, any member hired after April 1, 1986 who has at least ten years of service will be eligible for Medicare Part A when they reach age 65. Prior to April 1, 1986 State Police members did not pay into Medicare. In order to be eligible, individuals must pay into Medicare for at least 40 quarters. Members who did not earn 40 quarters through State Police service will have to look at other employment or their spouse’s employment to determine if they are Medicare eligible. Once eligible for Medicare, an individual will automatically be

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4 It is possible to purchase Part A when less than 40 quarters of contributions were made. Also, different eligibility rules may apply to those with disability or end stage renal disease.
enrolled in Medicare Part A. Individuals are not automatically enrolled in Medicare Part B. Medicare Part B is optional. If an individual does not enroll in Medicare Part B when first eligible, they will be subject to increased premiums when they later decide to enroll. The premium will increase 10% for each full 12-month period that they could have had Part B but did not sign up for it. No penalty will be charged if an individual continued to work after age 65 and continued to pay into Medicare. When the individual finally terminates employment, he or she may enroll into Medicare without penalty.

Medicare coverage extends to eligible individuals. A spouse is not automatically enrolled when their spouse is enrolled. Although an individual may become eligible based on their spouse’s credits, each individual must reach age eligibility and enroll separately. Because state-paid medical benefits cover a retiree for their life but will not cover a surviving spouse, the surviving spouse may choose to enroll in Medicare Part B when the retiree does not. (See State Medical Benefits Section.)

Some things to consider when deciding whether you or your spouse should enroll in Medicare Part B:

- If you enroll in Medicare Part B, federal law requires your healthcare provider to file your Medicare insurance claims for you.
- If you receive services from a healthcare provider in Pennsylvania, state law requires healthcare providers to accept the authorized Medicare allowance as payment in full for services provided to their Medicare patients.

5 The Commonwealth intends to mandate enrollment in Part B for those retirees who earned their 40 Medicare credits through State Police employment, and reimburse retirees for the Part B premium payment. The PSTA has filed a charge of unfair labor practice (ULP) and the matter is still pending.
• If you receive services from a physician or other healthcare provider outside of Pennsylvania that accepts assignments from Medicare, they must also accept the Medicare allowances as payment in full. (Out-of-state providers who do not accept Medicare assignments may charge amounts that are in excess of authorized Medicare allowances.)
• Healthcare systems are designed to accommodate Medicare Part B and you should have fewer problems when filing medical insurance claims.

If you or your spouse decides to enroll in Medicare Part B, contact the Social Security office three months prior to turning age 65 to avoid delays in coverage. Social Security should send you a questionnaire and enrollment materials. Once you are enrolled in Medicare, you will receive a red, white and blue Medicare card showing whether you have Part A, Part B or both. If your Medicare card is lost, contact Social Security for a replacement. You should also receive a new card from Highmark (or PEBTF) which reflects your Medicare status.

**Coverage**

Medicare Part A covers inpatient care in hospitals, including critical access hospitals and skilled nursing facilities (not unskilled or long-term care). Medicare Part A does cover hospice care and some home healthcare. For each benefit period Medicare pays all covered costs except the Medicare Part A deductible during the first 60 days and coinsurance amounts for hospital stays that last beyond 60 days and no more than 150 days.

In 2007 for each benefit period an individual will pay (Medicare co-pay):
• $992 for a hospital stay of 1-60 days.
• $248 per day for days 61-90 of a hospital stay.
• $496 per day for days 91-150 of a hospital stay (Lifetime Reserve Days).
• All hospital costs for each day beyond 150 days.
• $124 per day for days 21 through 100 each benefit period for a skilled nursing facility.

Medicare Part B provides medical and surgical coverage to include physician's visits and related fees such as diagnostic tests. Medicare Part B also covers outpatient hospital care, physical and occupational therapists, durable medical equipment, some home healthcare, and some preventive services.

The basic premium in 2007 for Medicare Part B is $93.50 per month.6 For 2007, the Medicare Part B deductible is $131.00 per year. After you meet the annual deductible, Medicare will pay 80% of the Medicare-approved amount for covered services and you must pay the remaining 20%.

◆ If you maintain state-paid coverage, the Medicare deductible is also counted toward your Major Medical deductible.

Using Your Medicare Benefits Once Enrolled

Tell your provider that Medicare is now your primary payer and present your Medicare card when appropriate. For hospital charges, if you are enrolled in Medicare Part A, your insurance claims for hospital services and supplies will first be submitted to Medicare for processing. Any charges not covered by Part A will then be automatically submitted to your state-paid insurance administrator. Medicare Part A requires that you pay certain initial deductibles and co-payments when you are an inpatient in the hospital. These may be reimbursed later through your state-paid coverage.

If you are enrolled in Medicare Part B, present your Medicare card for your non-hospital medical services. Any services not

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6 Beginning in 2007, individuals with income exceeding $80,000 and married couples with income exceeding $160,000 will pay a higher Part B Premium based on their income.
covered by Medicare will be billed to your state-paid insurance administrator (Highmark or PEBTF).

**Medicare Prescription Coverage - PART D**

Starting January 1, 2006, Medicare is offering prescription drug coverage for everyone eligible for Medicare. This coverage has been termed “Part D”. Medicare Part D is optional and there is no automatic enrollment, but there are open enrollment periods beginning when you turn 65. Only if you are covered by a prescription plan that (on average is at least as good as a standard Medicare prescription plan) will there be no penalty for late enrollment.

Currently all state-paid prescription plans are considered ‘credible coverage’ (on average at least as good as a standard Medicare prescription plan). Therefore, if you are covered by a state-paid prescription plan, you need not enroll in a Medicare prescription plan unless you have a specific need. Because Medicare may cover some prescription medications that the Commonwealth’s plan does not cover, you may want to pay the premiums and enroll in a Medicare prescription plan.

You should evaluate your prescription care needs to determine if you can benefit from Medicare coverage. If you choose to enroll in a Medicare prescription plan while still participating in the State prescription plan, the Medicare plan will become your primary payer for prescriptions and your prescription coverage through the Commonwealth will be secondary. You will then get the benefit of both plans.

Because Medicare is an individual benefit, the decision to enroll in Part D must be made independently for you and your spouse. While you are alive your spouse will be covered by the Commonwealth prescription benefit plan, but your spouse will not be covered by any Commonwealth plan if you predecease them.
Fortunately, Medicare Part D does not impose a late enrollment penalty for surviving spouses, who lose their ‘credible coverage’ and then choose to enroll in Medicare Part D, as long as they enroll within 63 days of losing coverage.

The Commonwealth was required to send information to retirees eligible for Medicare regarding their prescription drug coverage by November 14, 2005. This information compares the state coverage with the standard Medicare prescription drug coverage and classifies it as “credible coverage”. Medicare will require this letter or a similar letter stating you had credible coverage in order to avoid late enrollment penalties.

Medicare prescription drug plans will be offered by insurance companies and other private companies approved by Medicare. Plans will cover both generic and brand-name prescription drugs at participating pharmacies in your area.

**Resources**

For a current and more detailed explanation of coverage and prescription plans call the Medicare toll-free number at 1-800-MEDICARE (1-800-633-4227) or visit [www.medicare.gov](http://www.medicare.gov).


DEATH AND SURVIVOR CONCERNS

Pre-Arrangements

We strongly suggest you review your beneficiary papers and consider making the following arrangements to make things easier for loved ones should you die unexpectedly.

- Make a will or update your existing will.
- Make funeral pre-arrangements (cemetery plot, casket, head stone, etc.).
- Apply for a PSP grave marker (pre-need form).

Survivor Notification Procedures

When a member dies, a surviving family member must:

- Obtain at least 15 copies of death certificate.
- Contact the Communications Desk of the local State Police Barracks or Troop Administration Manager.
  - They will require the date of death, cause of death, funeral arrangements, and whether or not you would like a complete military ceremony.
  - *The PSP will take care of notifying the Commissioner and the Director of the Bureau of Human Resources.*
- Contact the PSTA Office at 1-800-541-9934.
  - PSTA will process an Immediate Relief Association claim if the deceased was a member.
  - If you would like to contact the IRA directly refer to the Resources tab for their phone number.
- Contact the local State Employees Retirement Board Regional Counseling Center at 1-800-633-5461.
When a member dies, a surviving family member **may** need to do the following:

- Contact the Social Security Administration.
  - Surviving family members may qualify for survivor’s benefits and a possible death benefit (which in 2005 was $255).

- If the deceased member participated in the Commonwealth’s Deferred Compensation Program (also referred to as a qualified IRS 457 Plan) contact the administrator.
  - Currently this program is administered by Great-West Retirement Services. Contact them at 1-866-937-7457 or visit their website at [www.sers457.com](http://www.sers457.com).
  - This program was not available prior to 1987.

- If the deceased member was a veteran, contact the Veterans Administration at 1-800-827-1000.
  - You may be able to get a head stone, flag and Presidential letter.
  - You may be eligible for widow(er)’s pension based on spouse’s military pension.

- If the deceased was a member of a District Relief Association contact the local FOP representative. PSTA can provide this information.

- If the deceased person had a life insurance policy, notify the life insurance company.
Survivor’s Pension Benefits

SERS will pay death benefits in accordance with the beneficiary nomination form that is last filed with and acknowledged by the Board.

◆ It is important that members keep beneficiary nomination forms up to date.

Survivor’s Medical Benefits

Except for line-of-duty deaths, once a member dies the surviving spouse and dependents will no longer be eligible for any state-paid medical, dental and prescription benefits. However, a surviving spouse will have the option of purchasing temporary medical coverage, enrolling in the Commonwealth’s group coverage, or acquiring medical insurance elsewhere. Other eligible dependents will only have the option of purchasing temporary medical coverage.

The temporary medical coverage, referred to as COBRA, will provide the same benefits that existed at the time of the retiree’s death. Currently COBRA benefits are only available for up to 36 months following the death of retiree. COBRA is not available at any other time. Upon notification of death, SERS will mail written notice regarding COBRA coverage within 3 to 4 weeks. The COBRA benefits, if elected, will be retroactive.

The Commonwealth’s group insurance, Survivor Spouse Benefits Plan, is available only to surviving spouses and is administered by PEBTF. The benefits covered by the group insurance may differ significantly from the COBRA benefits. A surviving spouse may elect to enroll in COBRA following the retiree’s death and then enroll in the Commonwealth’s group insurance. This decision should be made by comparing premiums and scope of coverage.
Even if the surviving spouse is Medicare eligible, a COBRA or group insurance benefit would provide supplemental coverage that would enhance the Medicare benefits.

- *The Commonwealth’s group insurance to surviving spouses does not offer dental coverage but COBRA can include dental coverage.*

**Service Related Death**

If the deceased was an active member, the Bureau of Human Resources will initiate the necessary personnel transactions and prepare correspondence to the spouse/survivor regarding salary, benefit payments and medical benefit continuation within two weeks of death. No action is required by the spouse/survivor until receipt of the information packet. A representative from the Bureau of Human Resources and/or Troop will, upon request, meet with the spouse/survivor to discuss the benefit entitlements. All active members have a state-paid life insurance policy which in 2006 provides one year of annual salary with a maximum amount of $50,000.

If you die in state service before normal retirement age and with less than 5 years of credited service, your accumulated deductions will be paid to your beneficiaries in a lump sum. If you die while employed and with at least five years of credited service, it will be assumed you retired under Option 1 the day before your death unless you instruct SERS differently. Under Option 1, SERS will pay the Present Value of your retirement account to your beneficiary. If the amount of the Present Value is $10,000 or more your beneficiaries will be permitted to receive the death benefit in either monthly payments or a lump sum amount.

In a line-of-duty death, in addition to SERS and life insurance benefits, there are other benefits available. The Federal and State governments pay lump-sum death benefits. Each program has separate qualification criteria. Currently, the Federal Public Safety
Officers’ Death and Disability Benefits amount is $250,000 and the State Emergency and Law Enforcement Personnel Death Benefit amount is $100,000.

Workers’ Compensation also offers a death benefit to the surviving spouse and/or minor dependent children of a person who dies as a result of work-related injuries within 300 weeks of the date of injury. The amount of the benefit is the same as would be payable for a total disability. A lump sum payment of $3,000 for funeral expenses is also payable from Workers’ Compensation.

Act 129 of 1998, known as the Police Officer, Firefighter, Correction Employee and National Guard Member Child Beneficiary Education Act provides free tuition, fees, and room and board charges at state-owned or state-related universities, or at community colleges, for a maximum of five years of undergraduate study, to the children of a deceased officer who is killed under certain circumstances. This program is administered by the Pennsylvania Higher Education Assistance Agency (PHEAA).

The Contract currently provides for full medical coverage to the surviving spouse and eligible dependents of a member killed in the line-of-duty for the remainder of his/her life, or until remarriage, and for each eligible dependent until the age of 19 (age 25 if enrolled full-time as a student).

If the death is a result of a criminal act, surviving family members may be entitled to grant funds and reimbursement for expenses related to a criminal death (or injury) from the Victim’s Compensation Fund by application to the Victim’s Compensation Program under the Pennsylvania Commission on Crime and Delinquency.
Grave Markers

The State Police patch insignia can be used on grave markers with prior approval when the deceased trooper is eligible. Active members must have completed 20 years of service, or have been killed in the line-of-duty. Retired members must have received an honorable discharge.

◆ The PSTA and the PSP reserve the right to deny use of the PSP patch insignia for any reason, for example a member with a criminal record may be denied.

The application can be obtained at the PSTA office and should be returned to the PSTA office once complete. Application can be made before the death of a member (file the pre-need form) or after the death (file the survivor form). It will take approximately 2-3 weeks to process these requests.
DISABILITY

Introduction

An active member of the Pennsylvania State Police, who is no longer able to perform his/her job because of injury or illness, is eligible to apply for disability retirement benefits from the first day of hire under the State Employees’ Retirement System (SERS).

Unlike other state employees, State Police members, including cadets, do not have a 5 year credited service requirement in order to be eligible for a disability retirement.

In addition to disability retirement benefits under SERS, members who have completed their Cadet training are covered by the collective bargaining agreement which provides for additional disability benefits. The bargaining agreement contains specific disability retirement provisions for a work-related disability retirement benefit and for a non-work-related disability retirement benefit under the Health and Welfare Trust Fund agreement.

A disabled member must apply for disability retirement benefits while still employed prior to terminating employment; i.e. you are still actively working, on paid leave, or on leave without pay. There is no age limit for applying for disability retirement. The disability application should not be filed more than 60 days prior to the expected effective date of retirement.

Members considering applying for a disability retirement must contact their SERS Regional Counseling Center for a retirement estimate and counseling.

Medical benefits will continue during disability retirement, pursuant to the collective bargaining agreement in existence at the time of disability retirement. Spouse and dependent medical benefits will terminate immediately upon the death of the member; however they will be able to purchase coverage under the
COBRA provisions or Commonwealth Survivor Spouse Benefits. (See State Medical Benefits)

◆ It is extremely important to understand your benefits prior to making application for a disability retirement.

General Requirements for Disability Retirement

Members applying for disability retirement will be required to provide medical documentation from their treating physician at their own expense. SERS medical examiners will review the documentation and make their recommendations to the SERS Board. SERS will forward their decision to you, in writing; along with information concerning the appeal processes should your application be denied.

SERS, upon advice of their medical examiners, will advise you if the disability is considered permanent or temporary. Generally, if the disability is determined to be permanent you will not be required to provide future medical reports; however SERS reserves the right to request additional medical reports under special circumstances. If the determination is a temporary disability, you will be required to provide medical reports every 6 to 12 months, at your own expense. The documentation will be required until your disability is determined to be permanent or the disability no longer exists.

Failure to provide the medical documentation to SERS when requested, will stop payment of the monthly disability benefit. If unwilling or unable to provide medical records, members may request a recalculation to determine their eligibility for a regular retirement benefit entitlement.
Earnings Limitation

If you exceed the earnings limit established by the Retirement Code, the disability portion of your monthly benefit will be adjusted. Generally, you cannot receive more in disability benefits and earnings than your salary at the time of retirement. While you are receiving a disability benefit, members will be required to complete and return an “Annual Earnings Statement for Disability Retirement” to SERS until your normal retirement age, which at present is age 50. These statements will be sent to you by SERS. Failure to return the completed statement as requested will cause your monthly benefit to stop.

Work-Related Disability Retirement

While employed, if you have a work-related disability, you should be eligible to receive a Workers’ Compensation benefit under the Pennsylvania Workers’ Compensation laws and benefits under the Heart and Lung Act. Although a disabled member may stay employed by use of accumulated leave or light-duty, there may come a time in which the disabled member will terminate service. Heart and Lung Act benefits are only payable for temporary work-related disabilities while still employed, but Workers’ Compensation benefits are payable for temporary and permanent disabilities and may continue after termination/retirement. Members must consult with the SERS Counseling Center. They will provide an estimate of benefits payable as well as retirement counseling.

All members must apply for disability retirement with SERS prior to terminating their employment. Your bargaining agreement, in effect at the time of your disability retirement, provides additional information on benefits payable. Generally, disabled members will receive two checks, one from Workers’ Compensation and the other from the State Employees’ Retirement System. The amount of either check may be offset by the other. It should be noted that laws that govern the Pennsylvania Workers’
Compensation program are different than the State Employees’ Retirement System.

**Non-Work-Related Disability / Health and Welfare Trust Fund**

If you are unable to perform your job because of injury or illness, and the injury is not work-related, you still may be eligible for disability retirement benefits under the State Retirement System. For SERS non-work-related disability benefits, the same requirements must be met as outlined above under General Requirements. All members must apply for disability retirement with SERS prior to terminating their employment.

In addition to the disability benefit provided under SERS, active members who have been determined to be totally and permanently disabled, may be eligible for a disability supplement benefit payable under the Commonwealth of Pennsylvania - PSTA Health and Welfare Trust Fund. The Trust is funded by the Commonwealth of Pennsylvania as outlined in the Plan document and PSTA is the Trustee. Currently, the PSTA has contracted with D. H. Evans Associates, Inc., Harrisburg, PA to administer the Trust.

The disability supplement provides members with a supplement equal to 70% of the Final Average Salary (FAS) less the maximum SERS disability retirement benefit available to the member. The Trust’s disability determination is separate from the SERS determination. For Trust benefits, the disability must prevent the member from engaging in any gainful activity for remuneration or profit by reason of any medically determinable physical or mental impairment.

The Trust administrator requires medical documentation and earnings statements on a yearly basis in order to substantiate the continuance of the disability. This documentation is separate and distinct from the documentation required by SERS. Requested documents must be returned within the time specified or monthly
payments will be stopped until receipt of same. The Commonwealth and the PSTA reserve the right to require the disabled member to undergo a physical examination annually by a physician chosen by the Commonwealth or the PSTA, as applicable. The physician will be required to submit the written results of such examinations to the Trustee.

◆ **Medical documentation is at the expense of the disabled member.**

A non-work-related disability supplement available under the Trust will not be paid while a Workers’ Compensation Claim is pending or in the event the member receives a Workers’ Compensation award. However, should the claim be denied, the disability supplement will be paid retroactively to the effective date of the Disability Retirement.

◆ **If a disabled member receiving a disability supplement dies within five years from the date of retirement, a Survivor(s) Benefit is payable to survivors who were eligible on the date of the member’s death. Benefits will be calculated in accordance with the Trust Agreement.**

**Resources**

State Employees’ Retirement System at 1-800-633-5461 or visit [www.sers.state.pa.us](http://www.sers.state.pa.us).

Health & Welfare Trust Fund Administrator:
D.H. Evans Associates at 1-800-636-7632.

Bureau of Workers’ Compensation at 1-800-482-2383 or visit [www.state.pa.us](http://www.state.pa.us) and enter keyword “workers’ comp”.

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RETIREMENT BENEFIT GROUPS

A member’s rights to retirement benefits are established at the time of retirement. Benefits offered to retirees vary over the years. Although a provision may be offered to retirees while a member is on active duty, the provision is only applicable to that member if it is effective at the actual date of retirement. Contract changes to retirement benefits do not usually apply to already retired members. However, there are instances in which the Commonwealth and PSTA have agreed to enhance medical benefits for existing retirees.

This section highlights the major benefits currently offered to retirees based on retirement date. A member should be entitled to those benefits listed under their date of retirement.

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Retired July 1, 1995 through April 20, 2005 ........ A-51
Retired April 21, 2005 through June 30, 2007 ........ A-52
Retired July 1, 2007 through June 30, 2008 .......... A-54
Retirement Prior to July 1, 1973

Covered by REHP (Retired Employee Health Program) same as other Commonwealth employees, and administered by the PEBTF.

**Prescription Drug Benefit**

- 30-day supply at participating pharmacy- $7.00 co-pay
- 31-100 day supply by mail order- $15.00 co-pay
- Maintenance medication at Rite-Aid- $15.00 co-pay
- Prescription drugs are not eligible under Major Medical

**Dental Coverage:** None

**Major Medical:** Renewable lifetime maximum $500,000 with annual deductibles of $100 individual/$300 family and an annual out-of-pocket limit of $380.
Retired July 1, 1973 through June 30, 1974

Covered by the State Police Benefits Program and currently administered by Highmark.

Prescription Drug Benefit

- 30-day supply at participating pharmacy- $7.00 co-pay
- 31-100 day supply by mail order- $5.00 co-pay
- Maintenance medication at Rite-Aid- $5.00 co-pay
- Prescription drugs are not eligible under Major Medical

Dental Coverage: None

Major Medical: Renewable lifetime maximum $500,000 with annual deductibles of $100 individual/$300 family and an annual out-of-pocket limit of $380.
Retired July 1, 1974 through June 30, 1975

Covered by the State Police Benefits Program and currently administered by Highmark.

Prescription Drug Benefit

- 30-day supply at participating pharmacy- $7.00 co-pay
- 31-100 day supply by mail order- $5.00 co-pay
- Maintenance medication at Rite-Aid- $5.00 co-pay
- Prescription drugs are not eligible under Major Medical

Dental Coverage: 50% State-paid

Major Medical: Renewable lifetime maximum $500,000 with annual deductibles of $100 individual/$300 family and an annual out-of-pocket limit of $380.
Retired July 1, 1975 through June 30, 1988

Covered by the State Police Benefits Program and currently administered by Highmark.

Prescription Drug Benefit

- 30-day supply at participating pharmacy - $7.00 co-pay
- 31-100 day supply by mail order - $5.00 co-pay
- Maintenance medication at Rite-Aid - $5.00 co-pay
- Prescription drugs are not eligible under Major Medical

Dental coverage: 100% State-paid, includes orthodontics coverage up to a lifetime maximum of $1,000 for each dependent child under age 19 or up to age 25 if enrolled as a full-time student.

Major Medical: Renewable lifetime maximum $500,000 with annual deductibles of $100 individual/$300 family and an annual out-of-pocket limit of $380.
**Retired July 1, 1988 through June 30, 1995**

Covered by the State Police Benefits Program and currently administered by Highmark.

**Prescription Drug Benefit**

- 30-day supply at participating pharmacy- $7.00 co-pay
- 31-100 day by mail order- $5.00 co-pay
- Maintenance medication at Rite-Aid- $5.00 co-pay
- Prescription drugs are not eligible under Major Medical

**Dental Coverage:** 100% State-paid, includes orthodontics coverage up to a lifetime maximum of $1,000 for each dependent child under age 19 or up to age 25 if enrolled as a full-time student.

**Major Medical:** Renewable lifetime maximum $1,000,000 with annual deductibles of $100 individual/$300 family and an annual out-of-pocket limit of $380.
Retired July 1, 1995 through April 20, 2005

Covered by the State Police Benefits Program and currently administered by Highmark.

Prescription Drug Benefit

- 34-day supply or a 100 unit dose, whichever is larger, at a participating pharmacy subject to $1.00 co-pay per prescription
- Up to a six-month supply mail order- $1.00 co-pay
- Prescription drugs are eligible under Major Medical

Dental Coverage: 100% State-paid, includes orthodontics coverage up to a lifetime maximum of $1,000 for each dependent child under age 19 or up to age 25 if enrolled as a full-time student.

Major Medical: Renewable lifetime maximum $1,000,000 with annual deductibles of $100 individual/$300 family and an annual out-of-pocket limit of $380.
Retired April 21, 2005 through June 30, 2007

Covered by the State Police Benefits Program and administered by Highmark.

Members hired prior to April 20, 2005 have the choice of enrolling in the Traditional Indemnity Plan or a Managed Care Plan (PPO, HMO, or POS plan). Members retiring during this period would retain the type of coverage they had at the time of retirement. However, during the annual open enrollment period, members may change plans.

The various plans are required to have benefits equal to the Traditional Indemnity Plan. The structure of each plan is distinct and the expenses covered can vary between plans.

Prescription Drug Benefit

- Retail 30-day supply: Generic $5.00 and Brand $10.00 co-pay
- Mail order up to a six-month supply: Generic $10.00 and Brand $20.00 co-pay
- Prescription drug purchases are eligible for reimbursement under Major Medical for those in the Traditional Indemnity Plan

Dental Coverage: 100% State-paid, includes orthodontics coverage up to a lifetime maximum of $1,000 for each dependent child under age 19 or up to age 25 if enrolled as a full-time student.

Major Medical: Available only to those in Traditional Indemnity Plan. Renewable lifetime maximum $1,000,000 with annual deductibles of $100 individual/$300 family and an annual out-of-pocket limit of $380.
Health Reimbursement Arrangement (HRA):

Beginning April 21, 2005 the Commonwealth will fund individual accounts for active members at the rate of $100 per calendar year. Effective July 1, 2005 the annual HRA amount shall be increased to $150. Effective July 1, 2006 the annual HRA amount shall be increased to $200.

Unused balances in the HRA will carry forward into the next calendar year. Retirees may continue to submit claims until all unused balances in the HRA are used.

Members who remain in the Traditional Indemnity Plan are not eligible to submit for reimbursement to the HRA those expenses that would have been covered under the now eliminated Doctor Office Visit Plan.
Retired July 1, 2007 through June 30, 2008

Covered by the State Police Benefits Program and administered by Highmark.

Members hired prior to April 20, 2005 have the choice of enrolling in the Traditional Indemnity Plan or a Managed Care Plan (PPO, HMO, or POS plan) during open enrollment. Members retiring during this period would retain the plan they had at the time of retirement. However, during the annual open enrollment period, members may change plans.

◆ All plans are required to have benefits equal to the Traditional Indemnity Plan. But the structure of each plan is distinct and the expenses covered can vary between plans.

Prescription Drug Benefit

- Retail 30-day supply: co-pay: Generic $5.00, Brand $10.00 and Non-Preferred Brand $15.00
- Mail order up to a six-month supply: co-pay: Generic $10.00 and Brand $20.00 and Non-Preferred Brand $30.00
- Prescription drug expenses are eligible under Major Medical for those with Traditional Indemnity Plan

Dental Coverage: 100% State-paid, includes orthodontics coverage up to a lifetime maximum of $1,000 for each dependent child under age 19 or up to age 25 if enrolled as a full-time student.

Major Medical: Available only to those in the Traditional Indemnity Plan. Renewable lifetime maximum $1,000,000 with annual deductibles of $300 individual/$750 family and an annual out-of-pocket limit of $380.
Health Reimbursement Arrangement (HRA):

Effective July 1, 2007 the Commonwealth will fund individual accounts for active members at the rate of $250 per calendar year. Unused balances in the HRA will carry forward into the next calendar year. Retirees may continue to submit claims until all unused balances in the HRA are used.

Members who remain in the Traditional Indemnity Plan are not eligible to submit for reimbursement to the HRA those expenses that would have been covered under the now eliminated Doctor Office Visit Plan.
CURRENT BENEFITS AND BENEFIT HISTORY

This section identifies the retirement benefits currently available and reviews the history of each retirement benefit available now and those previously available.

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RETIREMENT/PENSION ANNUITY BENEFITS

Retirement on July 1, 1989 through June 30, 2008

Members can retire after 5 years of total service (after 10 years prior to July 1, 2001) but will not receive health benefits unless they have at least 20 years of service or are at least 50 years of age.

The retirement benefit for members with less than 20 years of service and at least 50 years of age is calculated using the Standard formula: \((2 \% \times \text{Final Average Salary} \times \text{Years of Service})\).

The retirement benefit for members with less than 20 years of service and less than 50 years of age uses the above formula but is reduced for the number of years under 50.

The retirement benefit for all State Police members with at least 20 years of service regardless of age, is 50% of the highest year’s earnings. For all State Police members with at least 25 years of service regardless of age, the retirement benefit is 75% of the highest year’s earnings. *The highest year’s earnings do not include the earnings in the calendar year in which the member retires. You must retire January 2nd or later to count the preceding year as your highest year’s earnings.*

History of Pension Benefit:

From July 1, 1973 until February 28, 1974 members needed 25 years of service to retire. The benefit was calculated using highest average annual compensation during any three non-overlapping periods of twelve consecutive months of contributory service.

On March 1, 1974 State Legislation passed that allowed members to retire with at least 10 years of service. Effective July 1, 2001 State legislation passed that allowed members to retire with at least 5 years of service.
MEDICAL BENEFITS ELIGIBILITY

Retirement on July 1, 2000 through June 30, 2008

All medical, dental and prescription coverage in effect at the time of retirement continues until the member’s death, when the member retires under the following conditions:

- Retirement with at least 25 years of service.
- Disability Retirement.
- Retirement with at least 20 years but less than 25 years of credited service must include a minimum of 10 years of enlisted State Police service.
History of Retirement Health Benefits Eligibility

From July 1, 1973 until June 30, 1974 the Commonwealth paid the full cost of medical and hospital insurance plans for retirees with 25 years of service from the date of retirement until the retiree was 65.

From July 1, 1974 until June 30, 1979 retirement medical benefits continued until death with a credit given to the Commonwealth for any Medicare benefits or any other employment-based benefits actually received by a retiree.

From July 1, 1979 until June 30, 1989 fully paid medical benefits were given to retirees under the following conditions:

- Members hired after January 1, 1979 with a superannuation retirement or at least 25 years of service.
- Members hired prior to January 1, 1979 who had completed at least 10 years of active service with the State Police, and annually affirmed that they were not covered by Medicare or receiving medical benefits from another employer.\(^7\)
- Disability Retirement.

From July 1, 1989 until June 30, 2000 fully paid medical benefits were given to retirees under the following conditions:

- Members hired after January 1, 1979 with a superannuation retirement or at least 20 years of service.
- Members hired prior to January 1, 1979 who had completed at least 10 years of active service with the State Police.\(^7\)
- Disability Retirement.

\(^7\) This group of retirees is commonly referred to as Powell Awardees. If a member under these circumstances were to receive Medicare, another employer’s health benefits, or fail to affirm, his medical and dental benefits would cease.
MEDICAL BENEFITS COVERAGE

Retirement on April 21, 2005 through June 30, 2008

Retirees with at least 20 years of service, hired prior to April 21, 2005 and retiring after April 21, 2005 shall have the choice of enrolling in either the Traditional Indemnity Plan or a Managed Care Plan. Retirees, with at least 20 years of service, hired on or after April 21, 2005 shall only be eligible to participate in a Managed Care Plan.

All medical plans shall have benefits equal to those benefits offered in the Traditional Indemnity Plan with changes as directed in the recent award. Medical Benefits are described in detail in the State Police Health Benefits Program Handbook.

Each plan shall provide dependency coverage where the dependents of the member qualify under the respective plan.

The Commonwealth shall pay the cost of coverage.

◆ Retirement prior to April 21, 2005

In late 2006 the Commonwealth agreed to offer retirees who do not currently have Medicare A & B and who retired prior to April 21, 2005 with State medical benefits, the opportunity to enroll in a PPO. The PPO Plan will be offered beginning July 1, 2007. Eligible retirees can choose to participate in the offered PPO during the open enrollment period prior to July 1st of every year.

Retirees will have the option of returning to the Traditional Indemnity Plan every year during the open enrollment period. The PPO Plan will be the same as the PPO Plan that is offered to active members and retirees who retired after April 21, 2005. Retirees who retired prior to April 21, 2005 should understand the advantages and disadvantages of the benefits under the offered PPO before making a decision.
Current Benefits Under the Traditional Indemnity Plan

The Traditional Indemnity Plan is the former Blue Cross/Blue Shield and Major Medical Plan as described in the State Police Health Benefits Program Handbook and as modified by the 2004 Arbitration Award.

The Major Medical maximum for general medical expenses shall be $1,000,000 provided, however, that coverage for all general cases will be based upon the most cost effective but medically appropriate treatment alternative. A voluntary case management program shall be instituted for all phases of the hospital and medical program. The plan will cover medically necessary air ambulance services at 100% of the provider’s charge.

Effective July 1, 2007 the annual Major Medical deductible for the Traditional Indemnity Plan will increase from $100 individual/$300 family to $250 individual/$750 family.

Active Members participating in the Traditional Indemnity Plan also will participate in the Emergency Counseling Plan (Article 23).

Active Members enrolled in the Traditional Indemnity Plan are not eligible to submit for reimbursement to the HRA those expenses that would have been covered under the now eliminated Doctor Office Visit Plan.

Current Benefits Under the Managed Care Plans

In March of 2005 all active members were offered a state-wide Preferred Provider Organization Plan (PPO Plan). The Commonwealth may contract with Health Maintenance Organization plans (HMO Plans) or Point of Service plans (POS Plans) as optional alternatives for coverage in selected areas of Pennsylvania.

Where more than one Managed Care Plan is offered in an area, the member may select from among the options. Members shall have the right to choose among the various plans offered during each open enrollment period which shall take place on no less than an annual basis for each.
The PPO provisions below are only for those who retired on or after April 21, 2005.

### PPO Plans and POS Plans

#### In-Network

- **Annual Deductible**: None
- **Member Coinsurance**: None (Plan pays 100%)
- **Out-of-Pocket Maximum**: None
- **Primary Care Co-pay**: $15 ($20 after hours)
- **Specialist Co-pay**: $25
- **Outpatient Therapy Co-pay**: $15
- **Emergency Room Co-pay**: $50 (waived if admitted)
- **Mental Health–Outpatient**: $25 (60 visits per calendar year)
- **Lifetime Maximum**: Unlimited

#### Out-of-Network

- **Annual Deductible**: $250 per individual and $750 per family
- **Member Coinsurance**: 20% up to out-of-pocket limit
- **Annual Out-of-Pocket**: $1,500 ($3,000 per family) max does not incl. deductible
- **Emergency Room Co-pay**: $50 (waived if admitted)
- **Mental Health–Outpatient**: 50% coinsurance after deductible
- **Lifetime Maximum**: $1,000,000

### HMO Plans

#### In-Network

- **Annual Deductible**: None
- **Member Coinsurance**: None (Plan pays 100%)
- **Out-Of-Pocket Maximum**: None
- **Primary Care Physician Co-pay**: $15 ($20 after hours)
- **Specialist Co-pay**: $25
- **Outpatient Therapy Co-pay**: $15
- **Emergency Room Co-pay**: $50 (waived if admitted)
- **Mental Health–Outpatient**: $25 (60 visits per calendar year)
- **Lifetime Maximum**: Unlimited
History of Medical Benefits Coverage

Since July 1, 1971 the Commonwealth has provided and paid for some form of comprehensive medical coverage to members. Capital Blue Cross and Blue Shield were originally a joint entity. Blue Cross provided hospital coverage and Blue Shield provided medical coverage. In 2002 the ‘Blues’ split and the Commonwealth continued with what became Highmark Blue Shield.

Medical benefits are specifically identified in a contract agreement, interest arbitration award or be incorporated by reference to a pre-existing level of coverage. Once medical benefits are awarded or agreed upon, the Commonwealth enters into a contract with a medical insurance provider. This contract should reflect the same level of coverage that the Commonwealth is obligated to provide under the collective bargaining agreement or arbitration award. A handbook is then published by the insurance provider that explains the benefits to the members.

The handbook, the collective bargaining agreement or arbitration award, and the contract between the Commonwealth and the provider should all reflect the same level of benefits. If there is any discrepancy, the effective collective bargaining agreement or arbitration award takes priority.

Over the years, many benefit provisions have changed due to advances in medicine and general changes in healthcare. The best resource for understanding your medical insurance coverage is your health benefit handbook. Below is a listing of only specific medical benefits that were addressed in collective bargaining agreements or arbitration awards. This history does not give a full explanation of benefits.
In July 1, 1977 the following medical benefits were added:
• 365 days in-hospital physician’s care.
• Follow-up care for accidents.
• 60 mental/nervous days in hospital.
• Removed $10.00 outpatient pathology deductible.
• Pap smears.
• Major Medical $50,000 maximum general coverage and $10,000 mental maximum.
• Inpatient and outpatient radiation therapy.

In July 1, 1980 the following medical benefits were added:
• Major Medical $100,000 maximum general medical.
• Major Medical benefits shall provide for elimination of the 20% coinsurance following $2,000 of covered general medical expenses.
• Outpatient chemotherapy.
• Medically necessary skilled nursing care in semi-private accommodations in a Skilled Nursing Facility.
• Outpatient physical therapy and inhalation therapy.
• Medically necessary ambulance coverage between hospitals.
• Second surgical opinion program.

In July 1, 1981 the following specific benefits were added:
• Cover up to 60 home care visits in a 90-day period.
• Pay 100% of reasonable covered charges for Hospitalization Benefits in non-member hospitals outside of Pennsylvania.
• Mental Claim maximum increased to $25,000 non-renewable lifetime maximum for each eligible employee and dependent.
• Ambulance Benefits increased to pay for 100% of reasonable charges for medically necessary ambulance service.
In July 1, 1986 the following medical benefits were added:
• Addition of Pre-Certification Plan.
• The Major Medical maximum for general medical expenses shall be increased to $300,000 effective January 1, 1986 and to $500,000 effective July 1, 1986.

In July 1, 1988 the following medical benefits were added:
• Major Medical - increased to $1,000,000.
• Voluntary case management program instituted for all phases of the hospital medical program.

In 1996 the Commonwealth raised the Major Medical maximums for retirees who retired from July 1, 1973 through June 30, 1986 to $500,000.

In 1996 Federal legislation was passed that affected medical insurance coverage of mental illness. *Mental Health Parity Act of 1996* (PL 104-204). This legislation affected existing benefits.

Effective April 21, 1999 State legislation mandated changes to medical insurance coverage of mental illness. *Pennsylvania Minimum Mental Health Benefits Law, Act 150 of 1998*. This legislation affected existing benefits and required that benefits be provided for serious mental illnesses and that there be no difference in either the annual or lifetime dollar limits in coverage for serious mental illnesses and any other illnesses. The law also provides that cost-sharing arrangements, including but not limited to deductibles and co-payments for coverage of serious mental illnesses, shall not prohibit access to care. The law sets minimum coverage for serious mental illnesses at 30 inpatient days and 60 outpatient days annually.
PRESCRIPTION DRUG PROGRAM

Retirement on April 21, 2005 through June 30, 2008

The Commonwealth will provide the following prescription drug benefits to members and their eligible dependents. Coverage will include drugs which by State or Federal law may be purchased only by prescription, insulin when written on a prescription form, oral contraceptives, allergy extracts or antigens when not dispensed and administered by the same physician and drugs that are prescribed to treat injuries that members may incur as a direct result of Pennsylvania State Police employment.

The co-payments from April 21, 2005 until July 1, 2007 are:

Retail – 30 day supply
   Generic - $5.00   Brand - $10.00

Mail Order – 6 month supply
   Generic - $10.00   Brand - $20.00

The co-payments after July 1, 2007 are:

Retail – 30 day supply
   Generic - $5.00   Preferred Brand - $10.00
   Non-Preferred Brand - $15.00

Mail Order - 6 months supply
   Generic - $10.00   Preferred Brand - $20.00
   Non-Preferred Brand - $30.00
History of Prescription Drug Program Benefits

Until July 1, 1988 retirees did not have a prescription program. Prescription claims were processed through Major Medical.

From July 1, 1988 until June 30, 1995 retirees had $5.00 co-pay for mail order and Major Medical coverage.

From July 1, 1995 until April 20, 2005 retirees received the same prescription drug program in effect at the time of retirement, which was $1.00 co-pay.

In 1996 prescription benefits were upgraded for retirees who retired after July 1, 1973 and before July 1, 1995. This group is now able to obtain up to a 30 day supply from a participating retail pharmacy with a $7.00 co-pay and up to a 100 day supply of prescription drugs mail order with a $5.00 co-pay. Prescriptions must be medically necessary but no mandatory generic provision applies. Major Medical no longer covers prescription costs.
HEALTH REIMBURSEMENT ARRANGEMENT

Retirement on April 21, 2005 through June 30, 2008

All members shall be enrolled in a Health Reimbursement Arrangement (HRA). The HRA may be used to pay for medical expenses that are eligible under Section 213 of the Internal Revenue Code that were incurred by the member or any dependent who was covered under the member’s health and/or supplemental benefits at the time the claim was incurred.

Unused balances in the HRA will carry forward into the next calendar year. Upon termination of employment for reasons other than disciplinary discharge, former members may continue to submit claims until all unused balances in their HRA are used. The account shall be administered by the Commonwealth or by a third-party administrator selected at the Commonwealth’s discretion.

The Commonwealth’s annual contribution rate for the HRA is:

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<tr>
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Annual contribution amount for calendar year 2005 is $150.00

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<tr>
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Annual contribution amount for calendar year 2006 is $200.00

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</tr>
<tr>
<td>July 1, 2007</td>
<td>50.00</td>
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Annual contribution amount for calendar year 2007 is $250.00

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<tr>
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<td>$250.00</td>
</tr>
</tbody>
</table>

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Those active members who chose to remain in the Traditional Indemnity Plan shall not be eligible to submit for reimbursement to the HRA those expenses that would have been covered under the now eliminated Doctor Office Visit Plan (Article 23). In other words, active members can not use HRA funds to pay for the first $15 per doctor office visit or first $100 per family per year.

**History of the HRA**

The HRA did not exist prior to April 21, 2005.

**DOCTOR OFFICE VISIT**

**Retirement on April 21, 2005 through June 30, 2008**

There is no Doctor Office Visit Plan. Doctor’s office visits are covered under the PPO plan. For those enrolled in the Traditional Indemnity Plan, a portion of the cost of a doctor’s office visit can be covered by the HRA and Major Medical. HRA funds can not be used to pay for the first $15 per visit or first $100 per family per year.

**History of Doctor Office Visits**

From July 1, 1983 until April 20, 2005 the Commonwealth provided necessary doctor office visits limited to $15 per visit and $100 per family per year for active members only.
DENTAL CARE PROGRAM

Retirement on July 1, 1975 through June 30, 2008

The Commonwealth shall continue to provide members and their eligible dependents with a dental care plan at 100% UCR for basic diagnostic and preventive work, restorations, endodontics, periodontics, oral surgery, prosthodontics and orthodontics. The orthodontic lifetime maximum amount payable shall be $1,000.

The Commonwealth shall pay the entire cost of coverage as outlined above.

History of Dental Care Program

Prior to July 1, 1974 retirees were not offered Dental.

From July 1, 1974 to June 30, 1975 the Commonwealth only paid for 50% of the dental coverage.

From July 1, 1975 to June 30, 1983 dental coverage was paid 100% by the Commonwealth.

From July 1, 1983 to present the maximum orthodontic coverage was increased to $1,000.

In May of 2002 the maximum orthodontic coverage was increased to $1,000 for those who had retired on or after July 1, 1975 effective in 2002.
DISABILITY

Retirement on July 1, 2000 through June 30, 2008

Section 1. If a member has been found to be eligible for a disability retirement and if the disability has been found to be a permanent and total service-connected disability, such member shall receive a supplement equal to 70% of Final Average Salary less the sum of the regular disability retirement and the amounts payable under the Pennsylvania Workers’ Compensation Act, the Pennsylvania Occupational Disease Act and the Federal Social Security Act. The service-connected disability retirement supplement will continue as long as the member is determined to be permanently and totally disabled on account of the service-connected disability.

Section 2. If a member becomes injured while on duty, during the time of his/her disability, he/she shall continue to receive all benefits to which he/she would otherwise have become entitled, including pay increases and accumulation of annual leave.

History of Disability

From July 1, 1972 until June 30, 1980 disability was 70% of ‘Salary’, but continued only until retirement age and there was no reduction.

On July 1, 1977 the language of Section 2 was added.

From July 1, 1980 until June 30, 2000 ‘Salary’ became ‘Final Average Salary’; ‘Final Average Salary’ would be reduced by any Workers’ Compensation, Heart & Lung or Social Security benefits, and disability payments would continue through retirement.
LIFE INSURANCE

For Active Members since July 1, 2004 through June 30, 2008

The Commonwealth shall provide each active member with life insurance equal to one (1) year of their annual salary not to exceed $50,000.

History of Life Insurance

Life insurance has never been carried into retirement.
From July 1, 1980 until June 30, 2000 the maximum coverage was $20,000.
From July 1, 2000 until June 30, 2004 the maximum coverage was $40,000.
SURVIVOR BENEFIT

For the survivors of a member killed in the line-of-duty on July 1, 2000 through June 30, 2008

All medical benefits shall inure to the surviving spouse and eligible dependents of a member killed in-the-line of duty for the remainder of his/her life, or until remarriage, and for each eligible dependent until the age of 19 (age 25 if enrolled full-time as a student).

History of Survivor Benefit

From July 1, 1978 until June 30, 1983 medical benefits were continued for only two years or until remarriage.

From July 1, 1983 until June 30, 1992 medical benefits extended to 3 years for a spouse and 5 years for children.

From July 1, 1992 until June 30, 2000 medical benefits extended to 5 years for a spouse and 5 years for children.
SCHOLARSHIP FUND

For dependents of a member killed in the line-of-duty on June 23, 1993 through June 30, 2008

As of July 1st of each year of the contract, the Commonwealth shall deposit $10,000 into an interest bearing account to be used for the purpose of providing scholarship assistance to state-related schools for dependents of members who were killed in-the-line of duty on or after July 1, 1988.

The recipient, nature and amount of such assistance shall be determined by a committee composed of one representative from the Pennsylvania State Troopers Association and one designated by the Commissioner.

The committee is authorized to establish program guidelines and the determination of the Committee regarding interpretation of the guidelines is final.

Scholarship assistance shall be afforded to eligible dependents who are full-time students enrolled in an approved program of higher education at a state-related school.

Scholarship awarded by the Committee will supplement available grants to the student and shall not exceed the cumulative total of tuition and fees of $1,000 per semester or up to $2,000 per academic year, whichever is the lesser.

History of Scholarship Fund

The Scholarship Fund was created on July 1, 1988. In 1990 and 1993 definitions were added. The amounts are unchanged.
SOCIAL SECURITY ANTI-WINDFALL PROVISIONS

The modified formula, which would reduce Social Security benefits for individuals who have a pension which is based in whole or in part on work not covered by Social Security, does not apply to individuals who first become eligible before 1985 for a pension. It is important to know that persons are considered eligible to receive a pension as long as they meet the requirements of the pension, even though they continue to work.

Prior to 2000, within the Pennsylvania State Police, an individual was entitled to receive a pension after ten years of service. The law does not distinguish between a full pension or only a partial pension. Therefore, someone who is eligible to receive any pension prior to 1985 would not be subject to the Anti-Windfall provisions.

Anyone who was employed on or before January 1, 1975 would have been eligible for a ten year pension. It is also possible that someone hired to the State Police after this date may be pension eligible if they had prior state service or military time which was credited. For either of these situations, the Anti-Windfall law should not apply to them.

Prepared by:

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FREQUENTLY ASKED QUESTIONS AND SCENARIOS

GENERAL MEDICAL

Q. How do I determine what medical coverage I have?

A. Look at your medical insurance card. Your coverage will be stated on the front. It should read Indemnity or PPO. If you have Medicare, it should state if you have Part A and/or Part B.

If you retired prior to July 1, 1973 your insurance administrator is PEBTF.

If you retired between July 1, 1973 and April 20, 2005, your insurance administrator is Highmark and you should be enrolled in the Traditional Indemnity Plan.

If you retired on or after April 21, 2005, your administrator is Highmark and you could have either the Traditional Indemnity Plan or a Managed Care plan (PPO, HMO, and POS).

Q. I am retired. Do I have state-paid vision coverage?

A. Vision benefits are lost when you retire. There are some eye related medical expenses covered under the state-paid medical insurance. Some examples of these covered expenses are expenses incurred due to eye disease such as glaucoma, cataracts, and severe vision impairment due to diabetes.

You may have vision coverage if you are a member of the Pennsylvania Association of Retired State Employees (PARSE).
Q. I am retired with state-paid medical benefits. What medical expenses will be paid for?

A. The levels of coverage vary depending on the type of plan you are enrolled in. Traditional Indemnity Plan, PPO, HMO, POS may have different reimbursement rates for medical services. In order to determine what medical expenses will be paid by your medical insurance, contact your medical insurance administrator and provide them with your procedure code and diagnostic codes. The codes can be obtained from your medical service provider. The administrator should be able to quote you coverage rates for specific medical services based on your health benefit plan.

Q. I am a widowed spouse of a retiree. What medical benefit options do I have?

A. A Surviving spouse will have the option of purchasing temporary medical coverage (COBRA) for up to 36 months, which would provide the same level of benefits they had prior to the member’s death. A surviving spouse also has the option of enrolling in the Commonwealth’s group coverage, administered by the PEBTF, for an indefinite period. The benefits covered under the Commonwealth’s group coverage may differ significantly from the State Police benefits. A surviving spouse, if eligible, may enroll in Medicare or may acquire other private medical insurance.
MEDICARE

Q. I am a retired member and I have state-paid medical coverage until my death.

Do I have to enroll in Medicare Part A?
How do I enroll in Part A?
Does enrollment in Part A affect my coverage?

A. Only a person who has paid into Social Security or Medicare for the sufficient number of quarters will be automatically enrolled in Medicare Part A at age 65.

Even if you have state-paid medical coverage, if you are eligible, you will be automatically enrolled in Medicare Part A.

There is no cost for Part A.

Enrollment in Part A will not affect your level of coverage. If you are enrolled in Part A, Medicare becomes your primary insurance and your state-paid medical insurance becomes secondary. Your Hospital bills will first be sent to Medicare and then the unpaid balance will go to your state-paid medical insurance administrator (Highmark or PEBTF).
Q. I am a retired member and I have state-paid medical coverage until my death.

Should I enroll in Medicare Part B?
How do I enroll in Part B?
Does enrollment in Part B affect my coverage?

A. It is an individual decision whether or not to sign up for Medicare Part B if you are eligible.

Compare the additional cost of coverage (The 2007 basic monthly premium is $93.50 for Part B) with any additional medical coverage benefit Part B offers that is not provided by your state-paid medical coverage. If you are aware of medical services that you will require, you should consult with your current healthcare administrator to evaluate the level of coverage and access the Medicare website or speak to a Medicare representative to see if Medicare Part B will offer you greater coverage.

If you are unaware of any specific medical service needs that Part B provides that your state-paid coverage does not sufficiently cover, it is most likely that the cost of Part B coverage for yourself will exceed any additional coverage you will receive.

If you do decide to enroll in Medicare Part B, contact your Social Security Office three months prior to turning age 65 to avoid delays in coverage. Medicare will become your primary insurance for medical and surgical services and your state-paid insurance will be secondary.

For enlisted members as of April 1, 1986, the Commonwealth intends to mandate enrollment in Part B for those retirees who earned their 40 Medicare credits through State Police employment, and reimburse retirees for the Part B premium payment. The PSTA has filed a charge of unfair labor practice (ULP) and the matter is still pending.
Q. I am a retired member and I have state-paid prescription coverage until my death. Should I enroll in Medicare Part D?

A. Medicare Part D is available for those who are Medicare eligible. But, as long as the Commonwealth provides you with prescription coverage and affirms that it is on average at least as good as a standard Medicare prescription plan, you need not enroll in a Medicare Part D prescription plan.

Q. I am a retired member and I have state-paid medical coverage until my death. Should my spouse, at age 65, enroll in Medicare Part B? How does this affect my spouse’s coverage?

A. It is an individual decision whether or not your spouse should sign up for Medicare Part B if he or she is eligible. You should compare the additional cost of coverage (In 2007 the basic monthly premium is $93.50 for Part B) and any additional benefit Part B offers that is not provided by your state-paid medical coverage with the possibility that if you predecease your spouse, they will have to pay a significant penalty for late enrollment in Part B. If you predecease your spouse, at that time they may also want to obtain supplemental coverage for the 20% portion of medical costs not covered by Part B.

Although there is some present savings by not enrolling your spouse in Medicare Part B when he or she turns 65, there could be significant hardship on your spouse if you predecease him or her because of the higher premiums.

If you do decide your spouse should enroll in Medicare Part B, he or she should contact Social Security three months prior to turning age 65 to avoid delays in coverage.
Medicare will become the primary insurance for medical and surgical services and your state-paid insurance will be secondary.

◆ Please make sure to discuss these issues thoroughly between you and your spouse.

Q. I am a retired member and I have state-paid prescription coverage until my death. Should my spouse enroll in Medicare Part D?

A. Medicare Part D is available for those who are Medicare eligible. As long as the Commonwealth provides you and your spouse with prescription coverage and affirms that it is on average at least as good as a standard Medicare prescription plan your spouse need not enroll in a Medicare Part D prescription plan. Unlike Part B, your spouse will not face a late enrollment penalty if he/she loses state-paid prescription coverage and enrolls in Part D after turning 65, as long as he/she applies within 63 days of losing state-paid prescription coverage.

Q. How do I know what Social Security or Medicare credits I have?

A. The Social Security Administration sends out annual statements which report your Social Security and Medicare credits. If you do not receive this statement, contact your Social Security office to request a current statement. You can also request access to this information online.

Q. I am retired and have never paid into Medicare but I did pay into Social Security for 40 quarters. Will I be eligible for Medicare when I turn 65?

A. Social Security credits count toward Medicare, but Medicare credits do not count toward Social Security. In
other words, if you had prior employment in which you earned sufficient Social Security credits, when you turn 65 you will be eligible for Medicare even if you never paid toward Medicare. If you enlisted in the State Police on or after April 1, 1986 you contributed to Medicare. These credits will not count toward your Social Security eligibility; however, they do count toward your Medicare eligibility.

POWELL AWARD

Q. Does the “Powell Award” apply to me?

A. The “Powell Award” applies to the following: (1) those retirees who were hired prior to January 1, 1979, and retired between July 1, 1979 and June 30, 1989, and had completed at least 10 years of State Police service but had less than 25 years of total service; (2) those retirees who were hired prior to January 1, 1979, and retired between July 1, 1989 and June 30, 2000 and had completed at least 10 years of State Police service but had less than 20 years of total service.

Q. The Powell Award applies to me, how am I affected?

A. Those affected by the Powell Award are required to yearly affirm to the Commonwealth that they are not covered by Medicare or employed and receiving medical benefits from another employer in order to keep their state-paid medical coverage.

If a member, under these circumstances, were to receive either Medicare or another employer’s health benefits, his medical and dental benefits would cease. If the member, under these circumstances, does not yearly affirm, the Commonwealth may drop medical and dental benefits.
Q. The *Powell Award* applies to me and I am eligible for Medicare Part A and B. Should I enroll?

A. Yes. If the *Powell Award* applies to you, you should enroll in Medicare, because when you are Medicare eligible (at age 65) you will lose your state-paid benefits.

**MEDICARE SCENARIOS**

1. **I am a retiree with state-paid medical benefits for life. I have a spouse and neither of us are eligible for Medicare.**

   Both you and your spouse will be covered by your state-paid medical benefits for as long as you live. If you die before your spouse, your spouse’s medical benefits will terminate the day after your death. At this time your spouse will have to look to private medical insurance.

2. **I am a retiree with a spouse. I have earned sufficient credits to be eligible for Medicare.**

   Both you and your spouse will be covered by your state-paid medical benefits for as long as you live. If you predecease your spouse, your spouse will no longer have state-paid medical benefits. If you have earned sufficient Medicare credits, your spouse will also be eligible for Medicare when they turn 65 based on your credits. We suggest your spouse strongly consider enrolling in Medicare when they turn 65, because if you predecease your spouse, your spouse will no longer have state-paid medical benefits and they will be subject to a significant late enrollment penalty for Medicare.
3. I am a retiree with a spouse. My spouse has earned sufficient credits to be eligible for Medicare.

The situation is the same as in #2 above. Your spouse should strongly consider enrolling in Medicare Part B when they turn 65 to avoid the late enrollment penalty if you should predecease him/her.

SOCIAL SECURITY SCENARIOS

1. I am a retiree who qualifies for Social Security as a spouse or a widow(er), but I was told that my benefits would be reduced by the Government Pension Offset.

Your Social Security benefits can be reduced because you are receiving a state pension and your qualification for Social Security is through your spouse. The offset may not be applied to you because of the following common exceptions: (1) if you had 10 years of state service prior to December 1982 (making you retirement eligible then) and, if you are a man, you received one-half support from your spouse at the time of your spouse’s retirement or death; or (2) if you had 10 years of service prior to July 1, 1983 (making you retirement eligible then and regardless if you were a man or a woman, if you were receiving one-half support from your spouse at the time of your spouse’s retirement or death.

2. I am a retiree who qualifies for Social Security but I was told that my benefits would be reduced by the Windfall Elimination Provision.

Your Social Security benefits can be reduced because you are receiving a state pension and you also qualify for Social Security. The Windfall Elimination Provision offset may not be applied to you for the following reasons: (1) you have 30 or more years of substantial earnings under Social Security; or (2)
you had 10 years of service with the state prior to 1986 (making you pension eligible, even if you didn’t retire then).

**DOCTOR’S OFFICE VISIT SCENARIOS**

1. **I am a retiree covered under the Traditional Indemnity Plan. I would like to visit a doctor:**

   Take your Insurance Card with you when you go to the doctor. Find out if they are a participating provider with your Major Medical. Try to always use a participating doctor.

   If they are a participating provider, they will bill your insurance directly. If they are not a participating provider ask that they bill your provider directly. If they will not bill your insurance, you must pay as they request and then submit those payments to your Major Medical.

   If you decide you need services from a provider that is not participating with your insurance, be prepared to pay more out-of-pocket. It would be advisable to find out what services you may require and get a quote from the insurance administrator as to what amount they cover.

   If you retired on or after April 21, 2005 your doctor’s office visit charges can be submitted through Major Medical or can be paid using available funds from your HRA.

   After your appointment, if your provider billed your insurance, expect to receive an Explanation of Benefits (EOB) statement. The EOB is not a bill, just a statement of what services were charged to your insurance and what your insurance paid the provider. If there is a remaining balance then you can expect that your provider will then send you a bill.

   If you paid your doctor up front, send your insurance a copy of your bill and proof of your payment. Your insurance should send you an Explanation of Benefits and a check for the amounts covered.

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2. I am a retiree covered under the Preferred Provider Organization Plan (PPO); I would like to visit the doctor:

Take your Insurance Card with you when you go to your doctor. Make sure they are a participating provider or that you are aware that they are not a participating provider.

If they are a participating provider, present your insurance card and ask that they bill your insurance directly. Expect to pay your doctor’s visit co-pay prior to your appointment. After your appointment, expect to receive an Explanation of Benefits (EOB) statement from your insurance provider. The EOB is not a bill. It is a statement of what services were charged to your insurance and what your insurance paid the provider.

If you decide you need services from a provider that is not participating with your insurance, be prepared to pay more out-of-pocket. It would be advisable to find out what services you may require and get a quote from the insurance administrator as to what amount they cover. Before your appointment, request that your provider bill your insurance and then bill you for the remaining amount. Many times a non-participating provider requires you to pay for their services in full and asks you to submit a claim to your insurance.

For any amounts that you pay out-of-pocket you can apply available funds from your HRA account.
3. I just received an Explanation of Benefits from my medical insurance administrator. I don’t believe I received the proper coverage and/or payment.

Keep in mind that for each service, the administrator has established an allowable charge. This charge has been referred to as UCR (usual, customary, and reasonable) or PRC (provider’s reasonable charge). These amounts vary over time, between geographical locations, and between plans. Participating providers are required to accept the allowable charge but non-participating providers are not. It is from the allowable charge that your coverage begins.

If you feel that your insurance did not pay your medical bills correctly, first contact your administrator and follow their appeal procedure. If they can not resolve your issue, contact the PSTA office for further assistance.
RESOURCES

State Employees Retirement System (SERS)
Regional Retirement Counseling Center
1-800-633-5461
www.sers.state.pa.us

SERS Central Office
30 North Third Street, Suite 150
Harrisburg, PA 17101-1716
1-717-787-6293
1-717-787-4734 TDD

SERS publishes an annual Member handbook, which every member should have.

Highmark
1-866-727-4935 (Active Members)
1-866-727-4936 (Retired Members)
www.highmark.com

United Concordia (Dental)
1-800-332-0366
www.ucci.com

Express Scripts (Prescription Drug)
1-800-467-2006
www.express-scripts.com

Medco (Prescription Drug)
1-800-899-2674
www.medcohealth.com

Pennsylvania Employees Benefit Trust Fund (PEBTF)
In Pennsylvania  1-800-522-7279
Out of State     1-800-628-0174
Medicare
1-800-633-4227
www.medicare.gov

Social Security Administration
1-800-772-1213
www.socialsecurity.gov

Pennsylvania State Troopers Association
1-717-540-5646
1-800-541-9934
psta@psta.org

Immediate Relief Association
Central Area  570-662-2949
Western Area  814-664-4860
PSTA Office  1-800-541-9934

Health & Welfare Trust Fund Administrator
D.H. Evans Associates  1-800-636-7632

PSTA – Retirement Issues Committees
Rich E. Vacula  Joseph A. Bevacqua
570-662-2949  570-586-8532
hud@epix.net  psp072@msn.com

Ronald J. Zukosky  John J. Sleboda
570-696-6014  610-562-3150
570-814-5300 cell  484-955-2034 cell
zukapo216@hotmail.com  jsleboda1@aol.com

John Little
717-540-5646
little@psta.org
PERSONAL INFORMATION

Name: __________________________________________________________

Social Security Number: __________________________________________

Spouse and Children’s Name and Social Security Numbers:

________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________

Medical Insurance ID #: __________________________________________

Life Insurance Policy Information:

Company Name: _________________________________________________

Phone Number: _________________________________________________

Beneficiary: ____________________________________________________

Type of Account: ________________________________________________

Account Number: ________________________________________________

Life Insurance Policy Information:

Company Name: _________________________________________________

Phone Number: _________________________________________________

Beneficiary: ____________________________________________________

Type of Account: ________________________________________________

Account Number: ________________________________________________
Life Insurance Policy Information:

Company Name: ________________________________
Phone Number: ________________________________
Beneficiary: ________________________________
Type of Account: ________________________________
Account Number: ________________________________

State Police Employment Information:

Enlistment Date: ________________________________
Retirement Date: ________________________________
Last Rank: ________________________________
Badge Number: ________________________________

Military Information:

Branch of Service: ________________________________
Dates of Service: ________________________________
Rank: ________________________________

Document Location:

Will: ________________________________
Living Will: ________________________________
Power of Attorney: ________________________________
DD214 for Military Service: ________________________________