Select Committee on Pension Policy

PEBB Eligibility Deferral for Retirees

Overview

Does the Select Committee on Pension Policy (SCPP) want to provide input regarding the Public Employees Benefits Board (PEBB) eligibility window for retirees?

Background

In October, Senator Rolfes wrote to the SCPP asking for the Committee's input on the "public retiree application process and eligibility window for PEBB" benefits, both prospectively and retroactively.

Staff identified three potential areas for input:

- ❖ Differences in PEBB/School Employees Benefits Board (SEBB) rules between Plans 2 and 3.
- ❖ The length of the eligibility window for deferrals, or other parts of the process.
- ❖ A second-chance window for those who missed the deferral deadline for any reason.

Highlights

- ❖ Retirees receiving health benefits through the Health Care Authority are in PEBB regardless of whether they were in PEBB or SEBB as active members.
- ❖ This is not expressly a pension provision but is where retirement and PEBB/SEBB health benefits overlap.
  - ☐ Leaving employment (i.e., "terminating") is a separate action from formally retiring and beginning to receive pension payments.
- ❖ In addition to other requirements, to receive PEBB benefits coverage after leaving employment:
  - ☐ A Plans 2 member must retire and begin receiving pension payments.
  - ☐ A Plans 3 member must either:
    - ◊ Retire; or
    - ◊ Complete the deferral paperwork within 60 days.
- ❖ On Jan 1, 2022, the Health Care Authority released a report on the idea of providing retirees with a second-chance eligibility window.
- ❖ At the October meeting, the SCPP asked about two bills from the 2022 Legislative Session (House Bill 1911 and Senate Bill 5700).
  - ☐ Both bills addressed the difference in eligibility rules for Plans 2 and 3 employees.

Committee Activity

The Committee received informational briefings at the November and December meetings, and no further action was taken.

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