

Health Insurance Allowance

Fact sheet for active, deferred and retired members



The health insurance allowance may be used toward your insurance premiums for the SDCERA-sponsored plan(s) you choose, or toward your insurance premium(s) paid to providers you elect outside of SDCERA-sponsored plans.

The Board of Retirement has approved a health insurance allowance for a select group of members. The allowance is paid from a 401(h) Trust account established by the Board of Retirement for the purpose of providing a health insurance allowance. The Trust is maintained as part of SDCERA and is funded by the County of San Diego on an annual basis. The health insurance allowance is not a vested SDCERA benefit and is not guaranteed. The allowance may be reduced or discontinued at any time.

Eligibility

General and Safety, Tier I and Tier II members are in the membership classifications eligible for the health insurance allowance. In addition to your membership classification and tier, your eligibility for a health insurance allowance and the amount of your allowance is also determined based on whether you are enrolled in Medicare, the type of monthly retirement benefit you receive and your years of eligible SDCERA service credit.

Generally, you must have at least 10 years of SDCERA service credit to be eligible for the minimum allowance. The maximum allowance is available for members with 20 or more years of SDCERA service credit. Reciprocal service credit and purchased service credit from work in a prior public agency do not count toward the total service credit used to determine your allowance. When you enroll in Medicare, generally in the month you reach age 65, the allowance usually changes. Read more about how to coordinate your enrollment in Medicare with an SDCERA-sponsored health insurance plan in the *Medicare Information for SDCERA Health Plans* fact sheet available from www.sdcera.org or from SDCERA.

Members who were granted a disability retirement and determined to be totally disabled are eligible for the maximum allowance. Members with less than 10 years of service credit who were granted a disability retirement and determined to be partially disabled are eligible for the minimum health insurance allowance. (If you have more than 10 years of service credit, use the chart on reverse to determine the amount.)

The health insurance allowance may be used toward your insurance premiums for the SDCERA-sponsored plan(s) you choose, or toward insurance premium(s) paid to providers you elect outside of SDCERA-sponsored plans. Read the *SDCERA Health Insurance Reimbursement Program* fact sheet for additional detail and verification requirements if you choose to use your allowance toward a plan other than an SDCERA-sponsored plan.

Review this chart to determine your monthly allowance:

YEARS OF SDCERA SERVICE CREDIT*	MONTHLY ALLOWANCE IF NOT ELIGIBLE FOR MEDICARE	MONTHLY ALLOWANCE IF ELIGIBLE FOR MEDICARE
Less than 10	0	0
10	\$200	<p style="text-align: center;">\$300</p> <p style="text-align: center;">In addition to the allowance, \$93.50 will be reimbursed to use toward the cost of the monthly Medicare Part B** premium.</p>
11	\$220	
12	\$240	
13	\$260	
14	\$280	
15	\$300	
16	\$320	
17	\$340	
18	\$360	
19	\$380	
20 or more	\$400	

* Members who retired on or before 9/30/91 may be eligible for the maximum allowance. Members who receive a retirement benefit based on a disability are eligible for an allowance regardless of years of service credit.

** Proof of coverage is required.

The allowance may not be used toward your dependents' premiums, nor can it be used to cover any additional medical expenses you may incur. It may not be used toward expenses for vision insurance, office visits or prescription co-payments. The allowance is not intended to increase your retirement benefit, but is to offset the cost associated with medical and/or dental insurance plan premiums. If you have an allowance (or any portion of an allowance) that you are unable to use, it remains unused.

Upon your death, your health insurance allowance may be transferred to your eligible spouse. If you are a retired Tier I/Tier II member and are also a surviving spouse eligible for a deceased member's health insurance allowance, SDCERA will activate the account that provides the greater allowance.

Any health insurance allowance amount you receive will not be included as taxable income on the IRS *Form 1099-R* you receive annually from SDCERA.

This material is available in alternative formats upon request. Please contact 619.515.6800.

The SDCERA health insurance allowance is not a vested or guaranteed benefit of SDCERA. The County Employees Retirement Law does not require SDCERA to provide any post-retirement health insurance payments or plans. The current health insurance allowance can be canceled, reduced or amended at any time and for any reason. SDCERA pays authorized health insurance benefits for eligible members on a nontaxable basis from an Internal Revenue Code Section 401(h) Trust. The Trust is maintained as part of SDCERA and is funded by the County of San Diego on an annual basis.

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SDCERA LIBRARY OF PUBLICATIONS

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