

Health Insurance Reimbursement Program

Fact sheet for active, deferred and retired members



Two conditions must be met in order to be eligible for the HIR program:

- 1** You must be eligible for a health insurance allowance.
- 2** You must have coverage outside of an SDCERA-sponsored medical, dental and/or prescription plan and have an actual cost for the coverage.

The Health Insurance Reimbursement (HIR) program is offered to eligible Tier I and Tier II members who elect a medical, dental and/or prescription plan other than those offered by SDCERA. Retired General and Safety, Tier I and Tier II members who are eligible for a health insurance allowance may enroll in the HIR program to use their allowance to help offset the cost of insurance premiums.

Eligibility

General and Safety, Tier I and Tier II members are eligible for a health insurance allowance if they have at least 10 years of SDCERA service credit. The amount of the allowance is based on years of total SDCERA service credit and eligibility for Medicare. Tier I and Tier II members who were granted a disability retirement are also eligible for the allowance, regardless of years of service credit. An eligible member's surviving spouse who receives a monthly continuance is also eligible. For more information, review the *Health Insurance Allowance* fact sheet available from www.sdccera.org or from SDCERA.

If you are eligible for an allowance, you may request a health insurance reimbursement if you select a medical, dental or prescription plan offered by another employer, insurance company, the military or any other group, including coverage through a COBRA/Cal-COBRA election. To receive a reimbursement, you must have an actual cost for the coverage.

The reimbursement may only be used toward the cost of your individual medical, dental or prescription plan premium(s). Many insurance plans cover more than one person; however, SDCERA will only reimburse for the cost of the SDCERA member's coverage, not for the cost of other family members. The reimbursement may not be used toward the cost of annual deductibles, co-payments, prescriptions, vision insurance, co-insurance or long-term custodial care.

Enrollment

If you are not currently receiving a health insurance reimbursement, your initial request can be made at any time throughout the year.

Once you are enrolled in the HIR program, you must re-enroll every year during SDCERA's Open Enrollment period in November, even if you make no changes to your plan. For example, if you originally enroll in the program in August, you must re-enroll three months later in November. The re-enrollment paperwork submitted during Open Enrollment becomes effective January 1 of the following year.

If your current plan or premium amount changes during the year, you must report the change to SDCERA within 30 days following the effective date of the change, because your reimbursement amount may need to be adjusted.

You do not need to enroll in the HIR program if you enroll in a dental plan offered by the Retired Employees of San Diego County (RESDC) or the Deputy Sheriffs' Association (DSA). Your reimbursement will be processed by separate authorization from those agencies.

The HIR request form is available at www.sdcera.org, under Forms & Publications, or members may request the form by contacting the Call Center.

Your reimbursement will not be processed without the required documentation.

Required documentation

You are required to submit documentation with your HIR request form that verifies your proof of coverage, proof of premium cost and proof of payment. You must attach verification for each category below.

Examples of acceptable documentation

1. Proof of coverage

You must provide proof that shows you are covered by the insurance plan. Submit one of the following:

- Your most recent invoice or billing statement showing your name and effective date of coverage;
- A signed letter from your insurance company or employer; or
- Your plan identification card (copy of front and back)

2. Proof of premium cost

You must provide proof that shows how much your coverage costs separate from the costs of other family members. Submit one of the following:

- A letter from your carrier or employer stating your portion of premiums, less your employer's contribution; or
- Your most recent invoice, billing statement or pay stub showing your portion of premiums, less your employer's contribution

3. Proof of payment

You must provide proof that shows your costs for the coverage, less your employer's contribution. Submit one of the following:

- Your most recent pay stub showing the deduction;
- Your most recent canceled check (copy of front and back);
- Your most recent bank statement showing the account holder's name with the payment amount circled; or
- A letter from your carrier or employer stating payment has been made

BOOKLETS

- Disability Retirement
- Dividing Community Property
- Health Insurance Plans for Retired Members
- Retirement Plan
- Survivor and Beneficiary Information

FACT SHEETS

- Considerations after Termination
- Considerations before Purchasing Service Credit
- Deferred Membership
- Disability Retirement
- Earning Service Credit
- Health Insurance Allowance
- Health Insurance Plans
- Health Insurance Reimbursement Program
- Medicare Information for SDCERA-sponsored Health Plans
- Purchasing Service Credit
- Reciprocity
- Refunds
- Retirement Benefit Options
- Retirement Plan Summary
- Rollover/Transfer for Purchasing Service Credit
- Supplemental Benefit Allowance
- Taxation of Retirement Benefit Payments

Reimbursement

After review and approval of the required documentation, SDCERA will reimburse you up to the cost of your premium(s) or up to the amount of your monthly allowance, whichever is less. SDCERA will begin your reimbursement in the month that your *Health Insurance Reimbursement Request* form and supporting documents are received. Premiums for months prior to receipt of complete documentation cannot be reimbursed.

Your reimbursement will be reported to the Internal Revenue Service (IRS) on *Form 1099-R* as nontaxable income.

Additional fact sheets about SDCERA-sponsored health insurance plans are available at www.sdcera.org, or from SDCERA.

Reimbursement examples

1 If you are the health insurance policy holder with a total monthly cost of coverage (including dependents) of \$800, SDCERA will reimburse your portion of the premium. If your portion of the premium is \$400, and you have a monthly health insurance allowance amount of \$300, SDCERA will reimburse \$300. You will be reimbursed up to the cost of your plan premium or up to the amount of your monthly allowance, whichever is less.

2 If you are a dependent on your spouse's health insurance plan that has a total monthly premium of \$500, SDCERA will reimburse your portion of the premium. If your portion of the premium is \$250, and your health insurance allowance amount is \$300, SDCERA will reimburse \$250. If your allowance amount is more than the cost of your coverage, you will not receive the difference.

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

This fact sheet provides disclosure of certain terms and conditions of SDCERA membership and benefits available to members. It is designed to give you this information as simply and accurately as possible as of the date of issuance of this fact sheet. SDCERA is governed by the County Employees Retirement Law of 1937 (Government Code Section 31450 et seq.) as it has been adopted and implemented by the San Diego County Board of Supervisors and the SDCERA Board of Retirement. If there is any inconsistency between this fact sheet and the governing law, the law will govern. Decisions relating to the plan will be made after reference to the statutes and any resolutions, regulations and policies governing administration of SDCERA as they exist at the same time of the decisions.

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