

**Policy 131**  
**TAC Fiscal Office Retired Lay Employee**  
**TAC Retiree Health Benefits Policy**

## **TAC Retiree Health Benefits Policy**

### **Retiree Medical Subsidy (Retiree Age 65+ and Medicare Primary)**

The Texas Annual Conference (TAC) has provided a Retiree Medical Subsidy to assist TAC Fiscal Office Retired Lay Employees and their spouses or surviving spouses who are Medicare Primary with the cost of their health care in retirement. The basic subsidy is \$190 per person per month, or \$2,280 per year. Prior to January 1, 2018, the Retiree Medical Subsidy was used to reduce the amount charged retirees each month for their coverage in the TAC Retiree Group Health Plans.

Effective January 1, 2018, the Retiree Medical Subsidy will be provided to eligible Medicare Primary retirees, spouses and surviving spouses through a tax-free Health Reimbursement Account (HRA) administered through Via Benefits (previously named OneExchange). The HRA funds can be used to reimburse retirees for their qualified health care expenses such as premiums for Medigap or Medicare Advantage Plans, Medicare Part B premiums, prescription drug, dental or vision plan premiums, and other eligible out-of-pocket medical or prescription drug expenses such as deductibles and co-pays.

The full annual HRA funding will be available as of January 1 each year, and married retirees will share a joint account with their spouses. Any funds remaining in retiree HRA accounts at year end will be carried forward to the next year and will be added to the next year's annual funding amount. Retirees in the current year will receive a pro-rated amount based on their date of retirement.

#### **I. Eligibility for TAC Retiree Medical Subsidy (Health Reimbursement Account [HRA] Funding)**

To qualify for the Retiree Medical Subsidy (HRA funding), TAC Fiscal Office Retired Lay Employees must meet the following criteria:

1. The TAC Fiscal Office Retired Lay Employee must have at least 10 consecutive years of service with the Texas Annual Conference with no break in service (continuously employed).
2. Retiree and enrolled spouse or surviving spouse must have participated in the TAC Group Health Benefits Plan for at least two years (24 consecutive months) immediately preceding retirement and must be enrolled at the time of retirement.
3. Retiree must receive or be eligible to receive a pension benefit from Wespath (former General Board of Pensions) based on their participation in the United Methodist Personal Investment Plan (UMPIP).
4. Retiree's date of birth must be prior to January 1, 1962 (had attained age 55 as of January 1, 2017).

5. Retiree and spouse or surviving spouse must be enrolled in Medicare Part A and Part B (Medicare Primary).
6. Retiree and spouse or surviving spouse must be enrolled in a Medigap or Medicare Advantage Plan through Via Benefits.

There are additional criteria that must be met based on the employee's date of hire. Please see the following charts for specific details regarding HRA funding amounts.

*Please note: All TAC Fiscal Office Lay Employees age 55 and younger as of January 1, 2017 (born on or after January 1, 1962) and all new hires on or after January 1, 2017 regardless of age will not be eligible for the TAC Retiree Medical Subsidy (Health Reimbursement Account funding).*

**II. TAC Fiscal Office Retired Lay Employees Age 65+ (born prior to January 1, 1962) with Employee Date of Hire *prior to July 1, 2005***

TAC Fiscal Office Retired Lay Employees age 65+ (born prior to January 1, 1962), who were employed by the TAC *prior to July 1, 2005*, and who meet the eligibility requirements stated above, and their eligible age 65+ spouse or surviving spouse, would each receive the following contribution toward their Retiree Medical Subsidy (HRA funding):

	HRA Monthly Amount	HRA Annual Total
<b>Retiree Only</b>	<b>\$190</b>	<b>\$2,280</b>
<b>Surviving Spouse Only</b>	<b>\$190</b>	<b>\$2,280</b>
<b>Retiree and Spouse</b>	<b>\$380</b>	<b>\$4,560</b>

**III. TAC Fiscal Office Retired Lay Employees Age 65+ (born prior to January 1, 1962) with Employee Date of Hire *on or after July 1, 2005***

TAC Fiscal Office Retired Lay Employees age 65+ (born prior to January 1, 1962), who were employed by the TAC *on or after July 1, 2005*, and who meet the eligibility requirements stated above, and their eligible age 65+ spouse or surviving spouse, would each receive the following contribution toward their Retiree Medical Subsidy (HRA funding) according to the following schedule:

Years of Service	HRA Monthly Amount (% of \$190)	HRA Annual Total
<b>2 – 9</b>	<b>\$0</b>	<b>\$0</b>
<b>10 - 14</b>	<b>\$ 95 (50%)</b>	<b>\$1,140</b>
<b>15 - 19</b>	<b>\$114 (60%)</b>	<b>\$1,368</b>
<b>20 – 24</b>	<b>\$133 (70%)</b>	<b>\$1,596</b>
<b>25 – 29</b>	<b>\$152 (80%)</b>	<b>\$1,824</b>
<b>30 – 34</b>	<b>\$171 (90%)</b>	<b>\$2,052</b>
<b>35+</b>	<b>\$190 (100%)</b>	<b>\$2,280</b>

**IV. Retired TAC Church Lay Employee TAC GHB Plan Participants as of 6/1/2010**

Retired TAC church lay employee TAC GHB Plan participants grandfathered as of 6/1/2010 are eligible to receive the Retiree Medical Subsidy (HRA funding) according to the following schedule:

	<b>HRA Monthly Amount</b>	<b>HRA Annual Total</b>
<b>Retiree Only</b>	<b>\$190</b>	<b>\$2,280</b>
<b>Surviving Spouse Only</b>	<b>\$190</b>	<b>\$2,280</b>
<b>Retiree and Spouse</b>	<b>\$380</b>	<b>\$4,560</b>

Note: The Group Health Benefits Plan is not a form of entitlement. The Group Health Benefits Committee under the direction of and subject to the approval of the Board of Pensions, with the concurrence of Annual Conference, reserves the right to amend or eliminate Group Health Benefits for both active and retired participants.

In the event there is a contradiction between the GHB Policy and the Plan Document, the GHB Policy shall prevail.

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