

RETIREE INFORMATION

How is the Town paying for the retiree health benefits?

Effective March 1, 2002, Town implemented the "Direct Pay" plan for certain retirees whereby the retirees directly pay CalPERS their health insurance premiums. The Town subsequently reimburses the retirees the lower of the Town's maximum contribution or the retiree's actual cost for health insurance premiums. For the rest of the retirees, the Town continues to pay CalPERS the retirees' health insurance premiums.

Why did the Town change the way it pays for retiree health benefits?

The Town has negotiated new Memoranda of Understanding with the Police and Public Works and Clerical units in which retiree health benefits were reduced for persons hired after March 2002 (Police) or January 2002 (Public Works and Clerical). The City Council has approved a similar change for the Unrepresented (Management) employees for persons hired after January 2002.

In order to keep the Town's commitment to provide benefits to current retirees and active employees upon their retirement, the Town must implement the plan for direct payments.

What if my retirement allowance does not cover the cost of medical premiums?

Contact PERS Health Member Services at (800) 352-2238, and they will allow you to switch to an alternate health plan that is affordable or they will arrange a payment plan for you.

Will I have to submit any forms or information to the Town?

No. The Town will be able to track your health enrollment through its monthly bill from PERS.

Can I request to be reimbursed other than on a monthly basis?

Retirees are eligible for quarterly reimbursement payments. Please advise the Town to arrange for quarterly reimbursements.

What happens if I change health plans?

The Town will be able to track your health enrollment through its monthly bill from PERS and will adjust reimbursement accordingly.

Can the reimbursement be deposited directly into my bank account?

Yes. Please complete the Town of Hillsborough [Direct Deposit Authorization Form](#).

What if I have a change of address?

Please advise the Town and PERS of your new address.

Why is the deduction from my PERS retirement allowance, the cost of the medical premium less a certain amount?

PERS requires that the Town pay the minimum PEMHCA contribution for each employee/retiree. The full amount of the Town's cost is the sum of this amount plus the reimbursement payment up to the Town's maximum benefit.

Will the Town report the reimbursements as income on a 1099 or W-2 form?

No.

Can I receive reimbursements if I enroll in PERS health plans during open enrollment?

No. Only employees enrolled in CalPERS health plan at the time of retirement, is eligible for this benefit.

PERS current health rules now allow persons who retired from the Town, but who were not enrolled in the health plan at the time of retirement, or who canceled coverage after retirement, to be eligible for health coverage during open enrollment periods. Additional information is available at www.calpers.ca.gov.

Who should I contact with additional questions?

Please contact Kristin Armbruster (karmbruster@hillsborough.net) at (650) 375-7502.