



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PENSIONS AND BENEFITS
P. O. Box 295
TRENTON, NEW JERSEY 08625-0295

CHRIS CHRISTIE
Governor

FORD M. SCUDDER
State Treasurer

KIM GUADAGNO
Lt. Governor

Telephone (609) 292-7524 / Facsimile (609) 943-5845
TRS 711 (609) 292-6683 / E-mail: Pensions.NJ@treas.nj.gov
www.nj.gov/treasury/pensions

FLORENCE J. SHEPPARD
Acting Director

June 29, 2017

TO: Participating Local Government SHBP Certifying Officers
FROM: New Jersey Division of Pensions and Benefits
SUBJECT: **Retired Group Health Benefits Coverage Automatic Enrollment**

This letter is being issued to notify local government employers participating with the State Health Benefits Program (SHBP) of the change from manual enrollment to automatic enrollment of new retirees into a retired group health plan. The majority of new retirees will no longer be required to complete a *Retired Coverage Enrollment Application* in order to be enrolled. Effective October 1, 2017, retiring members currently enrolled in the SHBP will be enrolled automatically in a retired group plan based on their current active group coverage.

AUTOMATIC ENROLLMENT PLAN CHANGES

Most members will be automatically transferred to the same plan that they are currently enrolled in as active employees; however, not all medical plans are available to retired members. Active members currently enrolled in plans that are not available to retirees will remain with their same selected carrier, either Aetna or Horizon Blue Cross Blue Shield of New Jersey, and transferred automatically to the retired group plans as outlined below:

Current Plan	Retired Plan
NJ DIRECT2035	NJ DIRECT1525
Horizon HD 1500	NJ DIRECT1525
Horizon OMNIA	NJ DIRECT1525
Aetna Freedom 2035	Aetna Freedom 15
Aetna HD 1500	Aetna Freedom 15
Aetna Liberty	Aetna Freedom 15

MEDICARE-ELIGIBLE MEMBERS

Retiring members and spouses age 65 or older, or those on Social Security Disability and Medicare-eligible, are required to enroll and maintain coverage in both Medicare Part A and Part B in order to be eligible to enroll in the retired group coverage through the SHBP. To complete the automatic enrollment process, proof of Medicare Parts A and B must be received by the Health Benefits Bureau.

Medicare-eligible members also have restrictions on plan options and will be transferred automatically to the appropriate retired group plans as outlined below provided that Medicare proof has been received:

Current Plan	Selected Plan
Aetna Freedom 1525	Aetna Freedom15
Aetna Freedom 2030	Aetna Freedom15
Aetna HD 4000	Aetna Freedom15
NJ DIRECT HD 4000	NJ DIRECT1525

MEMBERS NOT ELIGIBLE FOR AUTOMATIC ENROLLMENT

Certain retiring employees will not be part of the automatic enrollment process, including members:

- Who have changed their retirement date;
- Who have waived coverage as active employees;
- Applying for a Disability Retirement;
- Retiring from non-participating employer locations and are eligible for retired health benefits pursuant to P.L. 1997, c.330 (Chapter 330).

Members under one of the categories above will not be enrolled automatically in the SHBP Retired Group. These members must complete a *Retired Coverage Enrollment Application* (if waiving retired coverage, see below). Members applying for a Disability Retirement will need to complete an application upon approval of their retirement.

CHAPTER 48 and CHAPTER 330

Members enrolled through participating employer locations who have adopted Chapter 330 or P.L. 1999, c.48 (Chapter 48) will be part of the automatic enrollment process. However, they will be required to pay the full cost, pending the receipt of the *Chapter 48* or *Chapter 330 Certification* form from the employer. These forms are available on the NJDPB website www.nj.gov/treasury/pensions in the *Employers' Pensions and Benefits Administration Manual* (EPBAM).

MEMBERS WHO WISH TO CHANGE PLANS, OR DECLINE OR WAIVE COVERAGE

Members who have been automatically enrolled will have a 60-day window to select a different plan or to decline or waive coverage retroactive to their date of enrollment, provided the coverage was not utilized. Members wishing to select a different available plan, or otherwise modify coverage, will need to submit a *Retired Coverage Enrollment Application*. Automatically-enrolled members who do not change plans within the 60-day window must remain enrolled in the automatically-enrolled plan for 12 months before being permitted to change plans, unless a rate increase affects their plan. To decline or waive coverage, even if coverage was waived as an active employee, members must submit a *Cancel/Decline/Waive Retired Coverage* form.

FOR ADDITIONAL INFORMATION

For additional information, refer to [Fact Sheet #11, Enrolling in Health Benefits When You Retire](#) and [Fact Sheet #23, Health Benefit Programs and Medicare Parts A & B for Retirees](#).