

# Subsidy Program

## Health Insurance Premium

CTPF retirees whose final teaching service was with the Chicago Public/Charter Schools, may qualify for a partial subsidy of their insurance premiums. A surviving spouse/child receiving a survivor's pension may also qualify for a subsidy.

The amount CTPF can spend on retiree health insurance is limited by state law. Each year, the CTPF Board of Trustees sets a premium subsidy amount. The subsidy for plan year 2017 is 50% of the total premium cost (*certain limitations may apply*). The subsidy is subject to change at the discretion of the Board.

Premium cost for dependent coverage is not eligible for the subsidy.

## Subsidy for CTPF Non-Medicare Eligible Plans

If you are enrolled in a CTPF Non-Medicare health insurance plan, your share of the monthly plan cost is deducted from your pension benefit.

**Example:** If your monthly premium is \$1,000, and the approved subsidy percentage is 50%, CTPF deducts \$500 from your monthly pension for the premium cost, and pays the remaining \$500 on your behalf.

## Subsidy for Medicare

CTPF provides a premium subsidy for Medicare Part B and Part D coverage. Members with a pension benefit effective date prior to July 1, 2016, also receive a subsidy for Medicare Part A (*for members who must pay a premium*).

### Costs Not Subsidized

CTPF does not subsidize Medicare penalties or adjustments. If you are disenrolled from Medicare for any reason, CTPF may bill you to recover any overpaid premium subsidy. See *page 30* for more information.

### Paying for Medicare Part A

Retirees enrolled in a CTPF Medicare health insurance plan who must also pay a premium for Medicare Part A must enroll in CTPF's **MEDPAY** Program. Under this program, CTPF makes Medicare Part A, Part B, and IRMAA Part B premium payments on your behalf, and deducts your share (after the applicable premium subsidy) from your pension benefit. You can enroll in **MEDPAY** if your Medicare number ends with the letter "M." See *page 32* for information.

## Subsidy for Chicago Public/Charter School COBRA

If you are enrolled in COBRA continuation coverage, CTPF automatically applies the premium subsidy to your pension benefit. The necessary authorization forms must be on file with CTPF.



All teachers hired by the Chicago Public/Charter schools on or after April 1, 1986, contribute to Medicare and receive premium-free Medicare Part A benefits after 40 quarters of participation. Members employed prior to April 1, 1986, had the option of making Medicare contributions starting in 2006. Individuals who chose this option will meet contribution requirements (40 quarters) in 2016.

**CTPF will not subsidize Part A premiums for members with benefit effective dates of July 1, 2016, or later, who chose not to contribute to Medicare Part A during employment.**

## Paying for Medicare Part B

Medicare will bill you for your Part B premium, unless you receive a Social Security benefit or qualify for and enroll in CTPF's **MEDPAY** program. If you make Part B payments directly to Medicare, CTPF provides a subsidy by adding 50% of the premium cost to your pension benefit.

**Example:** If your Medicare Part B Premium cost is \$110 and the approved subsidy percentage is 50%, CTPF adds \$55 to your pension benefit. You must make your Part B payment directly to Medicare.

## Subsidy for CTPF Medicare Plans

If you are enrolled in a CTPF Medicare health insurance plan, your share of the monthly plan cost is deducted from your pension benefit.

**Example:** If your monthly premium is \$300, and the approved subsidy percentage is 50%, CTPF deducts \$150 from your monthly pension for the premium cost, and pays the remaining \$150 on your behalf.

## Subsidy for Non-CTPF Plans

Members enrolled in non-CTPF health insurance plans and/or Medicare may be eligible for a subsidy, subject to maximum reimbursement amounts published annually. The maximum reimbursement amount will be based on CTPF's least expensive Medicare or non-Medicare plan option.

An application is mailed in the spring to members who are not enrolled in a CTPF health insurance plan. The subsidy is paid out retroactively in an annual payment. Premium payment documentation is required and is explained on the application.

