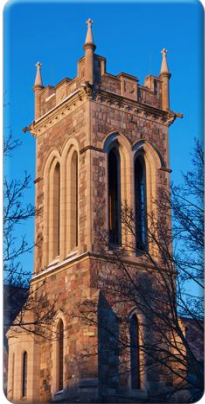




A Century of Service  
and Benefits for  
the Episcopal Church



## Session Three: Benefits Policy



SummerSessions2020

# Session Three Presenters

## Benefits Policy and Design

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# Agenda

- **Working While Pensioned Rules**
- **Retiree Eligibility and Medicare Secondary Payer Rules**
- **Medicare Secondary Payer: Small Employer Exception Plans**



# Working While Pensioned Roadmap

Universal  
WWP Rules



Bona Fide  
Severance



Age 65



Age 72



# Working While Pensioned Rules



- Are not regularly employed by the same church or institution from which you retired (regardless of compensation)
- If regularly employed by a different employer, do NOT exceed the compensation limit for a 12-month period (currently \$40,000)
- No limits on work outside the Episcopal Church

Criteria not met?

# Working While Pensioned Exceptions



## Under Age 65

- Same or Different Employer
  - Application executed by geographic bishop
  - Obtain approval from CPF
- Same Employer
  - Must be different position with limited scope and compensation
  - “Bona fide” severance from employment

## Age 65 or Older

- Comply with Medicare Secondary Payer rules

# Bona Fide Severance—IRS Rules



## What is bona fide severance?

- Will look at intent of cleric and employer when cleric retired
- Facts and circumstances
  - Were normal termination procedures followed?
  - Was the rehire prearranged?
  - Was employer actively looking for replacement?

## When is bona fide severance required?

- Must have bona fide severance from employer if retiring prior to age 65 and return to same employer (Treas. Reg. Section 1.401(a)-1(b))

# Medicare Secondary Payer



## What is Medicare?

- Federally funded, government-administered health insurance program
- Covers individuals over age 65 and some younger individuals who are disabled or have permanent kidney failure

## What is Medicare Secondary Payer (“MSP”)?

- Set of rules used by Medicare to determine when Medicare is not responsible for paying first
- In most instances, employer group health plans (such as the Medical Trust) must pay primary for Medicare-eligible members according to MSP rules (comparable to private insurance “coordination of benefits”)
- The MSP rules provide an exception for small employers



# What is the Small Employer Exception?

Medicare allows an exception to the Medicare Secondary Payer rule called the Small Employer Exception (“SEE”)

- Applies to employers with fewer than 20 full- and/or part-time employees for each of 20 or more calendar weeks in the current and preceding years

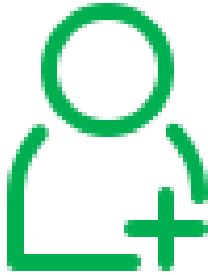


The Medical Trust has a plan offering for groups who qualify for the SEE – they are referred to as MSP SEE Plans

- The Participating Group must elect to offer MSP SEE plans
- Only individual employers (parish, institution, etc.) of that group who meet the SEE criteria above can enroll their eligible employees/spouse in SEE plans
- When enrolled in a SEE plan, Medicare becomes the primary payer and the Medical Trust will pay secondary
  - Medical Trust MSP SEE plans are currently offered through Anthem and Cigna

# MSP SEE Eligibility

## Who is eligible to enroll in a SEE Plan?



An employee is eligible to enroll in an MSP SEE plan if all of the below conditions are met:

- Employee meets standard Medical Trust eligibility criteria
- Employer offers MSP SEE plan to employees
- Employee and/or spouse is 65 or over
- Employee is working for an employer with fewer than 20 full- and/or part-time employees for each of 20 or more calendar weeks in the current and preceding years
- Employee and/or spouse is enrolled in Medicare Part A or Parts A and B
  - Medicare enrollment must be on the basis of age only

# MSP SEE Eligibility

Member approved by CMS for a Small Employer Exception to MSP rules and member is enrolled in a Medical Trust SEE plan

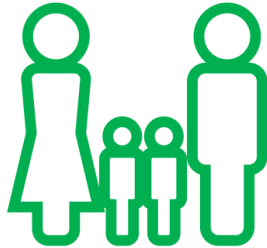


Medicare would become the primary payer of claims covered under Medicare Part A, or Part A and B if the member has both

- The Medical Trust group health plan acts as the secondary payer
  - Claims not eligible for reimbursement by Medicare are processed under the Medical Trust group health plan
  - Claims without a Medicare Explanation of Benefits, may be rejected for further information or to be submitted to Medicare first

# MSP SEE Eligibility

How does the family plan work if not everyone is age 65+?



- Any member of the family that is under age 65 and meets standard eligibility requirements for coverage under an active employment-based plan will be enrolled in the SEE plan along with the 65+ member who qualified; however, their benefits will not be coordinated with Medicare

I.e., the family gets to be on one policy and the health plan carrier manages who pays primary and who pays secondary by enrolled member

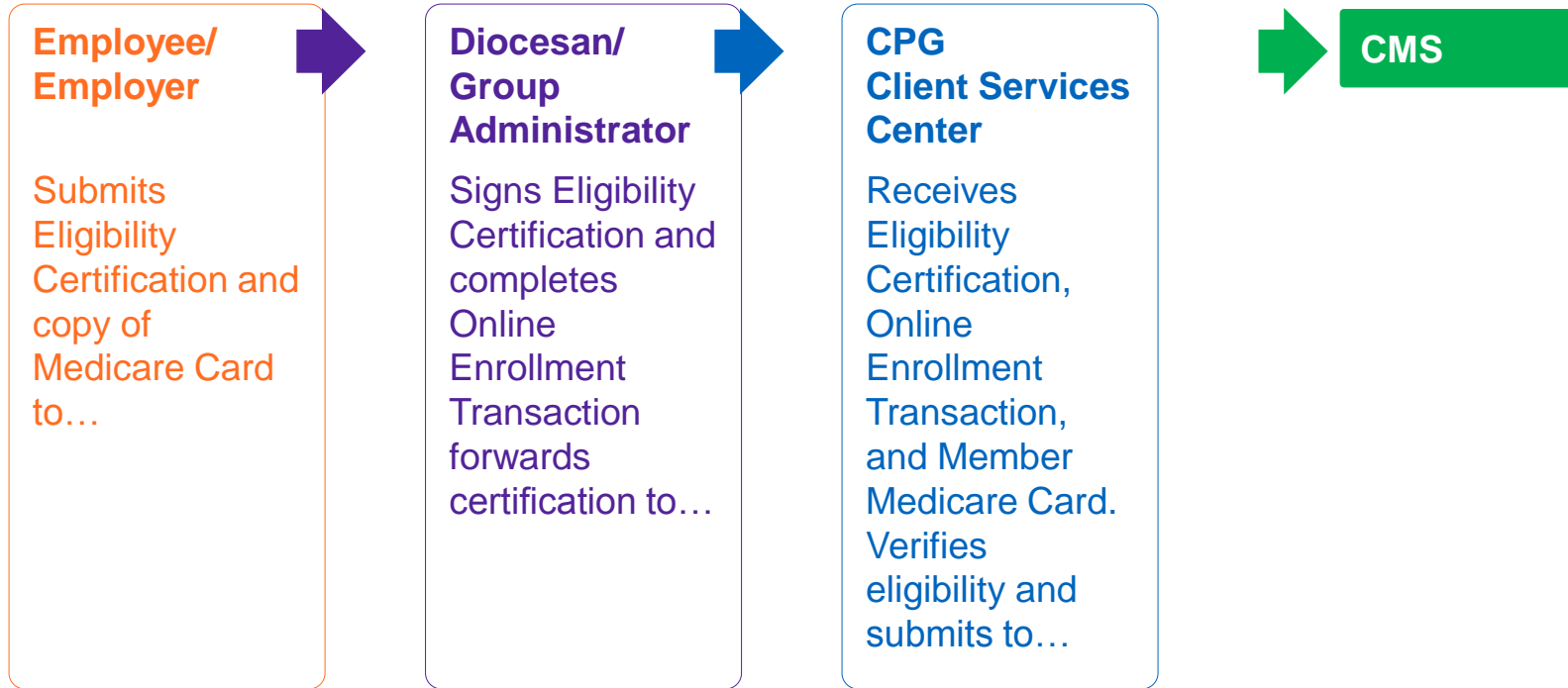
# Why Choose an MSP SEE Plan?

Win – Win – Win!

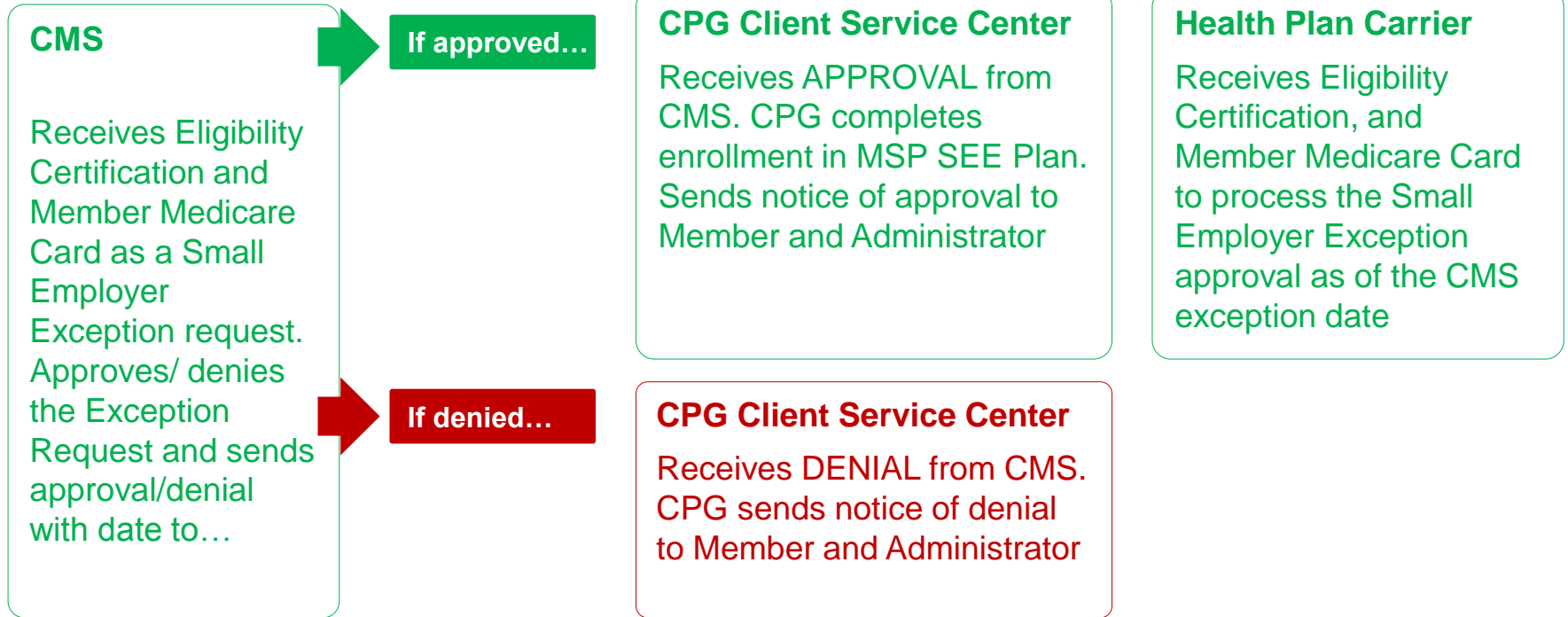


- Cost of providing medical coverage will be lower, including monthly contributions and out-of-pocket expenses (e.g., deductible and copays)
- Claims not paid by Medicare will be processed under the Medical Trust health plan
- Employer, member, and Medical Trust all have savings potential

# SEE Enrollment and Disenrollment Process Overview



# SEE Enrollment and Disenrollment Process Overview





**Let's Talk!**



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