

# BULLETIN

## for group benefit administrators



**An employee who meets the eligibility requirements for active health benefits must be offered an active health plan.**

**Who is eligible for active health coverage?**

**Which employees must be offered a Medical Trust Episcopal Health Plan (EHP)?**

### Understanding health plan options for employees age 65+

This bulletin is intended to help you understand The Episcopal Church Medical Trust (Medical Trust) health plan coverage options for employees who are age 65+. The document addresses many frequently asked questions and presents various coverage situations. For more specifics about active employees and plan eligibility, please refer to the Medical Trust [Administrative Policy Manual](#).

For employees who continue to work in the Episcopal Church on or after reaching age 65 or those who return to work after retirement, determining health plan eligibility and options may require several considerations.

Under the Age Discrimination in Employment Act, an employer who offers Medical Trust health plans to active employees under age 65 and their spouses, must offer the same health plans to its employees age 65 and over and their spouses — regardless of Medicare eligibility — provided they meet the Medical Trust Plans' eligibility rules.

In other words, employers cannot discriminate against an employee or spouse age 65+ in the provision of health benefits.

Under the Medical Trust's administrative rules the following employees are eligible to participate in the Medical Trust Episcopal Health Plans (EHPs):

1. An Exempt Employee
2. A Non-Exempt Employee normally scheduled to work 1,000 or more compensated hours per plan year<sup>1</sup>
3. A member of a Religious Order.

Although the Medical Trust sets the eligibility requirements, the determination of who pays for the coverage is set by diocesan policy. Please consult your diocesan policy to determine the employer/employee cost-share for active health coverage. For employers subject to the Denominational Health Plan, cost-share policies must be applied equally for all employees who are scheduled to work 1,500 or more hours per year.

Employees age 65+ who are actively working, and meet one of the eligibility criteria stated above, must be offered health coverage through an EHP by their employer. Depending on the individual, different health plan coverage options are available. To discuss their options, employees may call Client Services at (800) 480-9967, Monday - Friday, 8:30AM - 8:00PM (excluding holidays).

For employers with fewer than 20 employees in the current and previous year, the Medical Trust offers the Medicare Secondary Payer Small Employee Exception

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<sup>1</sup> Or, one who is treated as a full-time Employee under the Employer Shared Responsibility Provisions of the Affordable Care Act (Pay or Play Rules), but only for the applicable stability period.

(MSP SEE) Plan as a less expensive plan option for active employees age 65+ or spouses age 65+.

Complete MSP SEE program information, including the process to qualify as an eligible small employer and enroll eligible individuals in the MSP SEE Plan, is available [here](#). For assistance, or to apply, please contact Client Services at (855) 215-5990, Monday - Friday, 8:30AM - 8:00PM ET (excluding holidays), or contact your diocesan administrator.

### What restrictions apply to employers that hire employees age 65+ who are eligible for active health coverage?

Per Medicare regulations, if you have employees age 65+ who are eligible for active health coverage you may not provide any incentive to influence their choice of coverage. For example, you may not reimburse these employees for the cost of:

- The Medicare Part B premium
- A Medicare supplement plan
- A Medical Trust Medicare Supplement Health Plan (MSHP)
  - The Church Pension Fund Medicare Supplement Subsidy cannot be offered to employees enrolled in this type of plan

More information is available on Medicare's [website](#). [Click here](#) to view specific information on Medicare Secondary Payer rules and potential consequences.

### Should Medicare-eligible employees purchase or retain Medicare Part B?

Current employees who reach age 65+ or retired employees age 65+ who return to work should consider carefully whether or not to purchase (or keep) their Medicare Part B coverage. While there is a cost for Part B premiums, members who purchase or retain coverage may experience easier coordination with Medicare and higher reimbursements for covered services.

**Note:** It is very important to communicate to the Medical Trust whenever a member is enrolled in or disenrolled from Medicare Part B to ensure proper coordination between the health plan provider and Medicare. Failure to do so may result in delayed claim payments and/or additional premiums costs. Disenrolling should be carefully considered, since the period of transition can result in claim payment issues and member dissatisfaction. If a member changes their Medicare status, a copy of their new Medicare ID card should be sent to the Medical Trust.

### What about employees age 65+ who do not meet the rules for active employee coverage?

Employees who are not eligible for active health benefits may remain enrolled in or apply for Medicare.

Retirees in a Church Pension Fund (CPF) pension plan who return to work may continue their coverage under Medicare and (if applicable) a Medical Trust MSHP, or if eligible, purchase a Medical Trust MSHP. Eligible clergy and their eligible spouses may also continue to receive the CPF Medicare Supplement Subsidy.

### **Situation #1:**

A **current employee** enrolled in the Medical Trust Episcopal Health Plan (EHP) becomes eligible for Medicare. The employee may choose one of the following:

- Remain enrolled in the EHP, or other qualified opt-out plan (such as spousal coverage or TRICARE) and enroll in Medicare (as secondary payer)
- Enroll in the Medical Trust Medicare Secondary Payer Small Employer Exception (MSP SEE) Plan (if eligible)
- Enroll in Medicare and waive the Medical Trust options above, with no incentive provided by the employer to do so

Available Coverage Options	Medicare Enrollment	Employer/Employee Actions
EHP or other qualified opt-out plan	Part A Part B (optional)	<i>Employer:</i> No action necessary
MSP SEE Plan (participation generally limited to employers with fewer than 20 employees in current and preceding years)	Part A Part B (optional)	<i>Employer:</i> Must determine if they qualify as a small employer eligible for the MSP SEE and then select an MSP SEE Plan offering before enrolling employee in the MSP SEE Plan; communicate whenever employee enrolls or disenrolls in Medicare Part B  <i>Employee:</i> Must decide whether to enroll in Medicare Part B (Member will be billed directly by Medicare and claims will be coordinated between the health plan provider and Medicare.)
Medicare only (waive the Medical Trust plans with no incentive by employer to do so)	Parts A and B	<i>Employer:</i> Obtain confirmation from the employee and his/her spouse (if applicable) that he/she has been offered active health benefits and is waiving them (there is no standard document for this)  <i>Employee:</i> May enroll in an individual Medigap plan purchased outside of CPG

**Situation #2:**

A retired Medicare-eligible employee returns to work and meets one of the eligibility criteria for an active employee. The employee may choose one of the following:

- Enroll in the Medical Trust Episcopal Health Plan (EHP), or other qualified opt-out plan (such as spousal coverage or TRICARE)
- Enroll in the Medical Trust Medicare Secondary Payer Small Employer Exception (MSP SEE) Plan (if eligible)
- Remain enrolled in Medicare and waive the Medical Trust options above, with no incentive provided by the employer to do so

Available Coverage Options	Medicare Enrollment	Employer/Employee Actions
EHP or other qualified opt-out plan	Part A Part B (optional)	<i>Employer:</i> Enroll employee in the plan; communicate whenever employee enrolls or disenrolls in Medicare Part B  <i>Employee:</i> If enrolled in a Medical Trust MSHP, must disenroll (CPF subsidy for clergy no longer applies); must decide whether to keep or enroll in Medicare Part B

MSP SEE Plan (participation generally limited to employers with fewer than 20 employees in the current and preceding years)	Part A Part B (optional)	<p><i>Employer:</i> Must determine if they qualify as a Small Employer eligible for the MSP SEE and then select an MSP SEE Plan before enrolling employee in the MSP SEE Plan.</p> <p><i>Employee:</i> If enrolled in a Medical Trust Medicare Supplement Health Plan (MSHP), must disenroll (CPF subsidy for clergy also no longer applies)</p> <p>Must decide whether to enroll in Medicare Part B (Member will be billed directly by Medicare and claims will be coordinated between the health plan provider and Medicare.)</p> <p>Communicate whenever enrolled or disenrolled in Medicare Part B</p>
Medicare only (waive the Medical Trust plans with no incentive by employer to do so)	Parts A and B	<p><i>Employer:</i> Obtain confirmation from the employee and his or her spouse (if applicable) that he/she has been offered active health benefits and is waiving them (there is no standard document for this)</p> <p><i>Employee:</i> If enrolled in a Medical Trust MSHP, must disenroll (CPF subsidy for clergy also no longer applies); may enroll in an individual Medigap plan purchased outside of CPG</p>

**Situation #3:**

A retiree returns to work and *does not* meet the eligibility rules as an active employee.

Available Coverage Option	Medicare Enrollment	Employer/Employee Actions
Medicare	Parts A and B	<i>Employee:</i> If eligible, may remain on or purchase a Medical Trust MSHP (if eligible, CPF subsidy for clergy continues to apply)

**Special considerations when hiring a retired cleric**

A cleric who returns to work after retirement must follow the Medicare Secondary Payer rules, which are separate from those applicable to The Church Pension Fund Clergy Pension Plan (Clergy Pension Plan). As such, there may be circumstances where a cleric who returns to work is eligible to retain his/her Clergy Pension Plan benefits but is not eligible to remain covered on a Medical Trust Medicare Supplement Health Plan (or to continue to receive the CPF subsidy, if eligible). (See Situation #2 above.)

**Clergy Pension Plan rules for clerics who return to work after retirement**

Retired clergy under the age of 72 who return to work in the Episcopal Church must satisfy the Working While Pensioned (WWP) rules in order to continue to receive pension benefits from the Clergy Pension Plan. Under these rules, the cleric may not:

- Work in the same church or institution from which they retired; or
- Earn more than the compensation limit for a 12-month period (2018 limit is \$38,250)

Exceptions from the WWP rules may be granted for up to two years per lifetime. WWP exceptions granted prior to January 1, 2018 will not count towards this limit. Certain conditions must be met in order to qualify for an exception. More information about the WWP rules is available [here](#).

After age 72, the WWP rules no longer apply; however, both the Age Discrimination in Employment Act, and the Medicare Secondary Payer rules for active employees do.

*This document contains only a partial description of the Medical Trust Plans and is intended for informational purposes only. It should not be viewed as a contract, an offer of coverage, or investment, tax, medical, or other advice. In the event of a conflict between this document and the official Plan documents (e.g., summary of benefits and coverage, Plan Document Handbooks), the official Plan documents will govern. The Church Pension Fund and its affiliates, including but not limited to the Medical Trust and the ECCEBT (collectively, "CPG") retain the right to amend, terminate or modify the terms of any benefit plans described in this document at any time, for any reason, and unless required by law, without notice.*

*The Church Pension Fund (CPF) plans to continue to provide the Medicare Supplement subsidy. However, CPF must maintain sufficient liquidity and assets to pay its pension and other benefit plan obligations. Given uncertain financial markets and their impact on assets, CPF has reserved the right, in its discretion, to change or discontinue providing a Medicare Supplement subsidy.*

*The Church Pension Group ("CPG") does not provide any healthcare services and therefore cannot guarantee any results or outcomes. Healthcare providers and vendors are independent contractors in private practice and are neither employees nor agents of CPG. The availability of any particular provider cannot be guaranteed, and provider network composition is subject to change.*