

BULLETIN

for group benefit administrators



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+. It addresses many frequently asked questions and presents various coverage situations. For more specifics about active employees and plan eligibility, please refer to [The Episcopal Church Medical Trust Administrative Policy Manual](#).

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

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](#),¹ 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 that 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.

Who is eligible for active health coverage?

Employees² who are eligible to participate in the Medical Trust Episcopal Health Plan (EHP) include the following:

1. an employee normally scheduled to work 1,000 or more compensated hours per plan year³ and
2. 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 participating groups. Please consult the policies of your participating group 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 (both clergy and lay) who are scheduled to work 1,500 or more hours per year.

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

Employees age 65+ who are actively working and meet one of the eligibility criteria stated above must be offered health coverage through the EHP by their employer.

To discuss different health plan options, employees may call Client Services at 800-480-9967, Monday to Friday, 8:30 AM to 8:00 PM ET.

For employers with fewer than 20 employees in the current and previous year, the Medical Trust offers the Medicare Secondary Payer Small Employer Exception (SEE) Plans as a less expensive plan option for active employees age 65+ or spouses age 65+.

¹ Note that the Age Discrimination in Employment Act does not apply to private employers (including nonprofit employers) with fewer than 20 employees.

² See [The Episcopal Church Medical Trust Administrative Policy Manual](#) for a list of other individuals eligible for the Episcopal Health Plan (e.g., seminarians and certain former employees).

³ Or anyone who is treated as a full-time employee under the Employer Shared Responsibility Provisions of the Affordable Care Act (Play-or-Pay Rules), but only for the applicable stability period.

Complete SEE program information, including the process to qualify as an eligible small employer and enroll eligible individuals in a SEE Plan, is available in the Eligibility for the Small Employer Exception (SEE) Plan section of the [Administrative Policy Manual](#). For assistance, or to apply, please contact Client Services at 855-215-5990, Monday to Friday, 8:30 AM to 8:00 PM ET, or contact your diocesan administrator.

What restrictions apply to employers that have 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, or
- a Medicare Advantage Plan.

In addition, the Church Pension Fund Post-Retirement Health Subsidy cannot be offered to employees eligible for active health coverage.

[View](#) specific information on Medicare Secondary Payer rules and potential consequences of failing to comply with these rules.

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 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 applicable plan's third-party administrator (or health insurance issuer, if applicable) 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, member dissatisfaction, and/or a lapse in coverage. 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 eligibility requirements for active employee coverage?

Retirees in a Church Pension Fund (CPF) pension plan who return to work but do not meet the eligibility requirements for active employee coverage may continue their coverage under Medicare and, if eligible, a Group Medicare Advantage Plan offered through the Medical Trust. Eligible clergy and their eligible spouses may also continue to receive the CPF Post-Retirement Health 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 and enroll in Medicare (as secondary payer),⁴
- enroll in a Medical Trust SEE Plan (if eligible), or
- enroll in Medicare and waive the Medical Trust options above, with no incentive provided by the employer to do so.

⁴ Under the terms of the DHP, clergy and lay employees who have medical benefits through approved sources will be allowed to waive medical coverage under the DHP ("opt out") and choose to maintain their medical benefits through the approved source. Examples of approved sources include coverage through a spouse's or partner's employment, medical benefits through a government-sponsored program such as Medicaid or TRICARE, or coverage from a previous employer. The list of approved sources is subject to change based on applicable law. An employee may elect to waive coverage at the initial point of employment, during annual enrollment, or at the time of any significant life event. The employee will need to reaffirm the election to waive coverage on an annual basis, as determined by the Medical Trust.

Available Coverage Options	Medicare Enrollment	Employer/Employee Actions
EHP or other qualified opt-out plan	Part A Part B (optional)	<p>Employer: No action necessary</p> <p>Employee: Must decide whether to enroll in Medicare Part B (Medicare will be secondary payer only).</p>
SEE Plan (participation generally limited to employers with fewer than 20 employees in current and preceding years)	Part A Part B (optional)	<p>Employer: Must determine if it qualifies as a small employer eligible for the SEE and then select a SEE Plan before enrolling employee in a SEE Plan; inform the Medical Trust whenever employee enrolls in or disenrolls from Medicare Part B.</p> <p>Employee: 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's third-party administrator and Medicare); must inform employer of any enrollment or disenrollment.</p>
Medicare only (waive the Medical Trust plans with no incentive by employer to do so)	Parts A and B	<p>Employer: Must obtain confirmation from the employee and spouse (if applicable) that the employee has been offered active health benefits and is waiving them (there is no standard document for this).</p> <p>Employee: May enroll in an individual Medicare Supplement or Advantage Plan purchased outside of the Medical Trust.</p>

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 EHP or other qualified opt-out plan (such as spousal coverage or TRICARE),
- enroll in a Medical Trust SEE Plan (if eligible), or
- 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)	<p>Employer: Enroll employee in the Medical Trust EHP (if that is the option the employee chooses); inform the Medical Trust whenever employee enrolls or in disenrolls from Medicare Part B.</p> <p>Employee: If enrolled in a Group Medicare Advantage Plan offered through the Medical Trust, must disenroll (clergy will not receive the CPF Post-Retirement Health Subsidy while eligible for active health coverage); must decide whether to keep or enroll in Medicare Part B (Medicare will be secondary payer only).</p>
SEE Plan (participation generally limited to employers with fewer than 20 employees in the current and preceding years)	Part A Part B (optional)	<p>Employer: Must determine if it qualifies as a Small Employer eligible for the SEE and then select a SEE Plan before enrolling employee in a SEE Plan; inform the Medical Trust whenever employee enrolls in or disenrolls from Medicare Part B.</p> <p>Employee: If enrolled in a Group Medicare Advantage Plan offered through the Medical Trust, must disenroll (clergy will not receive the CPF Post-Retirement Health</p>

Subsidy while eligible for active health coverage); 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's third-party administrator and Medicare); must inform employer of any enrollment or disenrollment.

Medicare only (waive the Medical Trust plans with no incentive by employer to do so)	Parts A and B	Employer: Must obtain confirmation from the employee and spouse (if applicable) that the employee has been offered active health benefits and is waiving them (there is no standard document for this). Employee: If enrolled in a Group Medicare Advantage Plan offered through the Medical Trust, must disenroll (clergy will not receive the CPF Post-Retirement Health Subsidy while eligible for active health coverage); may enroll in an individual Medicare Supplement or Advantage Plan purchased outside of the Medical Trust.
---	---------------	---

Situation #3: A Medicare-eligible retiree returns to work and does not meet the eligibility rules as an active employee.

Available Coverage Options	Medicare Enrollment	Employer/Employee Actions
Medicare	Parts A and B	Employee: If eligible, may remain on or purchase a Group Medicare Advantage Plan offered through the Medical Trust (if eligible, CPF Post-Retirement Health Subsidy for clergy continues to apply).

Special considerations when hiring a retired clergy

A clergyperson who returns to work after retirement must follow the Medicare Secondary Payer rules, which are separate from the rules applicable to retirees returning to work under The Church Pension Fund Clergy Pension Plan (Clergy Pension Plan). As such, there may be circumstances in which a clergyperson who returns to work is eligible to retain their Clergy Pension Plan benefits but is not eligible to remain covered on a Group Medicare Advantage Plan offered through the Medical Trust (or to continue to receive the CPF Post-Retirement Health Subsidy for clergy, even if otherwise eligible).
(See Situation #2 above.)

This material is provided for informational purposes only and should not be viewed as investment, tax, or other advice. It does not constitute a contract or an offer for any products or services. In the event of a conflict between this material and the official plan documents or insurance policies, any official plan documents or insurance policies will govern. The Church Pension Fund ("CPF") and its affiliates (collectively, "CPG") retain the right to amend, terminate, or modify the terms of any benefit plan and/or insurance policy described in this material at any time, for any reason, and, unless otherwise required by applicable law, without notice.

CPF currently offers a post-retirement health subsidy to eligible clergy and spouses. However, CPF is required to 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, at its discretion, to modify or discontinue the post-retirement health subsidy at any time.

Neither The Church Pension Fund nor any of its affiliates (collectively, "CPG") is responsible for the content, performance, or security of any website referenced herein that is outside the cpg.org domain or that is not otherwise associated with a CPG entity.