

# Governors' and Legislators' Post-retirement Paid-up Health Coverage Benefit

As of March 23, 2012

## Generally

Beginning January 1, 2012, this benefit is not available to new governors or to new legislators. A retired<sup>1</sup> governor and spouse or legislator and spouse may receive state-paid:

- health insurance for a three-year window from ages 62 to 65, if the governor's or legislator's service began before January 1, 2012; and
- Medicare supplemental coverage for life beginning at age 65, if the governor's or legislator's service began before July 1, 2011.

With a four-year minimum years-of-service requirement, the state pays a percentage of the cost based on years of service<sup>2</sup> as a Utah governor or legislator (see *Utah Code Section 49-20-404*).

### Percent of state-paid cost for health insurance or Medicare supplemental coverage:

- 100% for 10 years of service credit;
- 80% for 8 years of service credit;
- 60% for 6 years of service credit; and
- 40% for 4 years of service credit (see *Utah Code Subsection 49-20-404(3)*).

## Three-year Window of Health Insurance

The state pays for health insurance for a governor and a governor's spouse and for a legislator and a legislator's spouse if the governor or legislator:

- is between the ages of 62 and 65;
- began service before January 1, 2012<sup>3</sup>;
- is under the Utah Governors' and Legislators' Plan and retires after January 1, 1998;
- applies for the benefit; and
- is an active member at the time of retirement or has continued<sup>4</sup> health insurance coverage until age 62 (see *Utah Code Subsection 49-20-404(1)*).

## Life-time Medicare Supplemental Benefit

At age 65, the state pays a percentage of the cost of Medicare supplemental coverage for life for a governor and a governor's spouse and for a legislator and a legislator's spouse if the governor or legislator:

- began service before July 1, 2011<sup>5</sup>;
- retires under the Utah Governors' and Legislators' Plan after January 1, 1998; and
- applies for the benefit.

<b>Governor and Legislator Eligibility:</b>	
Three-year Window of Health Insurance	Life-time Medicare Supplemental Benefit
<ul style="list-style-type: none"> <li>• be between ages 62 to 64;</li> <li>• begin service before January 1, 2012;</li> <li>• retire after January 1, 1998;</li> <li>• apply for the benefit; and</li> <li>• is an active member at the time of retirement or has continued health insurance coverage until age 62 (see <i>Utah Code Subsection 49-20-404(1)</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• be at least age 65;</li> <li>• begin service before July 1, 2011;</li> <li>• retire after January 1, 1998; and</li> <li>• apply for the benefit (see <i>Utah Code Subsection 49-20-404(2)</i>).</li> </ul>

Source: *Utah Code Sections 49-19-201, 49-20-404, 49-22-201, 49-22-304, and 49-22-403.*

1. Under the Utah Governors' and Legislators' Retirement Plan, a governor or legislator is eligible to retire upon reaching the age of 62 with 10 years of service or upon reaching age 65 with four years of service (see *Utah Code Section 49-19-401*). However, the Utah Governors' and Legislators' Retirement Plan is now closed to new members. Governors and legislators who enter office for the first time on or after July 1, 2011, are only eligible for the New Public Employees' Tier II Contributory Retirement System (see *Utah Code Section 49-19-201*). Under the new Tier II system, elected officials are also eligible to retire at age 60 with 20 years of service or at any age after 35 years of service (see *Utah Code Section 49-22-403*).

2. Generally, a year-of-service credit is a period consisting of 12 full months determined by the board (e.g., see *Utah Code Subsection 49-13-102(6)*).
3. S.B. 156, "Elected Official Retirement Benefits Amendments," which passed during the 2012 General Session and became effective March 23, 2012, eliminated the three-year window benefit for governors and legislators, including their spouses, who begin elected service for the first time after January 1, 2012.
4. A governor or legislator who pays both the employer and employee share of the premium may continue family medical coverage until the governor or legislator reaches age 62, at which time the state only pays for governor and spouse or legislator and spouse coverage (reported PEHP procedures). *Utah Code Section 49-20-404* is silent on dependent coverage.
5. *Utah Code Subsection 49-20-404(2)* only extends the Medicare supplemental coverage to members and spouses in the now-closed Utah Governors' and Legislators' Retirement Plan. S.B. 63, "New Public Employees' Tier II Contributory Retirement Act," which passed during the 2010 General Session, closed the Utah Governors' and Legislators' Retirement Plan and created the New Public Employees' Tier II Contributory Retirement System. The new system requires all public employees, including governors and legislators who begin employment (for the first time) on or after July 1, 2011, to be in the new system.