

Information for Retirees with TIAA

If you opt out of the move to Medicare Advantage Plus and end up paying a monthly premium (e.g. \$191.57 for GHI Senior Care plus \$2.83 for the 365-day hospitalization rider), payments will be deducted from your monthly pension check. The process is relatively straightforward for those in TRS. The premium will be deducted from your monthly pension benefit. If you are in TIAA, the process is more problematic. After the Opt-Out period, the NYC Office of Labor Relations (OLR) will send a letter to all TIAA retirees who have opted-out of MA+ explaining how premium payments will work for them. The following is our understanding of the process.

To qualify for NYC retirement health benefits, retirees in the Optional Retirement Plan (TIAA) are required to annuitize at least \$10,000 of their TIAA reserve funds so that they have an annuity that is considered to be a “retirement allowance...from a retirement system... to which the city has made contributions.” The monthly payments from annuitizing \$10,000 are approximately \$50-\$70 and will not be sufficient to pay the new premiums for GHI Senior Care. Many retirees have annuitized considerably more than \$10,000, however. If, beginning in January (or whenever the new plan goes into effect) your monthly annuity payments are greater than your new premium amount, then OLR will deduct the premium amount from your TIAA monthly annuity payment and you need take no further action.

If your current TIAA annuity payment is insufficient to pay the new premium but you do want to pay the premiums from your monthly annuity, contact TIAA to convert more of your TIAA monies into an additional lifetime monthly annuity so that the total of your annuity payments will be sufficient to pay the Senior Care premium. (You cannot increase your current annuity, but you can enter into new annuity contracts at any time.) TIAA has been notified about the new retiree health insurance situation and their advisors are prepared to help you. Note that once a lifetime annuity is set up, it is irrevocable.

If you do not wish to annuitize additional TIAA monies, then you will be able to pay Emblem directly. OLR will attempt to deduct the new premium amount from your monthly annuity payments. When the amount is insufficient for two months running, they will notify Emblem, which will send you an invoice for the amount owed with instructions on how to pay. It will be possible to set up automatic direct debit from a checking account to pay the ongoing premiums. It may also be possible to pay monthly via a credit card. Direct payment to Emblem can continue indefinitely.

If you later decide that you do want your premiums deducted from your annuity payments, you can talk to TIAA about annuitizing more of your TIAA money and then contact OLR to request that OLR resume deducting premium amounts from your annuity. Don't forget that if the premiums go down, or if you later decide to switch to a premium-free plan (i.e., MA+), you cannot “undo” the annuity, but the excess annuity payments will continue to be paid to you as monthly income for your lifetime (or longer, depending on the terms of your annuity).

You should also be aware that if you opt out but you fail to pay your premiums--either via annuity deduction or directly to Emblem--you would normally lose your NYC health insurance coverage after four months. OLR has decided that instead of dropping those retirees altogether, they will instead move these individuals into the new premium-free Medicare Advantage Plus plan.