



State of Alabama
STATE EMPLOYEES' INSURANCE BOARD
State Employees' Health Insurance Plan
Joe N. Dickson, Chairman
William L. Ashmore, Chief Executive Officer

September 8, 2014

MEMORANDUM

TO: Payroll/Personnel Officers

FROM: William L. Ashmore
Chief Executive Officer

SUBJECT: Re-employed State Retirees

At its meeting on August 20th, the State Employees' Insurance Board (SEIB) voted to change the policy on health insurance coverage for re-employed State retirees. Re-employed State retirees must work an average of ten (10) hours or more per week to be eligible for re-employed State retiree coverage in the State Employees' Health Insurance Plan (SEHIP).

- Re-employed Non-Medicare State retirees who work less than ten (10) hours per week on average, may continue their retiree coverage in the SEHIP but will not be classified as re-employed State retirees for health insurance purposes. This policy change will become effective October 1, 2014.
- Re-employed Medicare State retirees who work an average of 10 hours or more per week will be classified as re-employed State retirees for health insurance purposes. That means the SEIB will convert their SEHIP coverage (and the coverage for their Medicare dependents, if applicable) to primary coverage. Medicare will be their secondary coverage as long as they are re-employed State retirees and work at least 10 hours per week. The employing agency will be billed for the retirees' premiums and the retirees will be billed for their dependent premiums.
- Re-employed Medicare State retirees who work less than an average of 10 hours per week, may continue their retiree coverage in the SEHIP but will not be classified as re-employed State retirees for health insurance purposes. If they are enrolled in SEHIP, Medicare will continue to be the primary coverage for them (and their covered Medicare dependents, if applicable). The retirees' premiums will not change and the employing agency will not be billed for the retirees' premiums.

This policy change was made to be consistent with covering part-time employees who must work at least 10 hours per week in order to be eligible for SEHIP coverage.

We are currently reviewing the hours worked by re-employed State retirees and will be notifying them of any changes that we will be making in their SEHIP coverage.

We greatly appreciate your understanding and cooperation in this matter. If we can be of further assistance in this or other health insurance concerns, please let us know.