Q. Can I retain health insurance through the state when I retire? Does the age at which I retire affect my options?

A. If you leave your job, you can keep the insurance offered by the State for 18 to 36 months, depending on your situation. Your right to obtain this extended coverage is guaranteed by the federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Because you pay the total cost of the insurance through COBRA, it isn’t always the most cost effective option. Shop the market to compare group insurance available through your spouse’s employer or check the cost and coverage of private policies. COBRA is a good idea if you can’t get coverage elsewhere, or if the coverage is the cheapest and best that you can obtain. See below for more information about COBRA options and their relationships to your age at retirement.

**Under age 55.** If you are under age 55 and terminate from State employment, COBRA will allow you to continue health, dental, and vision coverage through the State’s group plan for up to 18 months. However, you will pay the total cost (employee and employer share) plus 2% extra to cover administrative costs.)

**Fifty-five to sixty-five.** Once you reach age 55, you may retire and continue all eligible benefits until the first of the month in which you turn 65. You are eligible to continue medical, dental, vision, EAP, and medical flex benefits if you are covered by these benefits on your last day of employment with the State of Nebraska.

**Sixty-five or older.** If you retire, are age 65 or older, and on Medicare Part A or Part B or both, you will be offered 18 months of COBRA coverage at employee and employer cost plus a 2% administration fee. A copy of the Medicare card must accompany either the COBRA termination form sent from the agency or the application to enroll into COBRA.

A “Certificate of Creditable Coverage” will be issued to present to any company for supplemental coverage.

Q. What insurance coverages can I maintain through COBRA?

A. In addition to continuing health insurance under the COBRA plan you are also eligible to continue dental and vision coverage. Medical flex spending can be continued only until the end of the current plan year. A retiree may continue their Medical Flexible Spending Account if contributions have exceeded their claims, and may be continued only until the end of the current plan year. An employee may have future contributions deducted from a final paycheck (tax-sheltered) or by electing COBRA (not tax-sheltered). COBRA payments will include a 2% administrative charge.

Q. Are COBRA options affected if I am disabled?

A. If you are disabled, your COBRA rights last for 29 months, if the disability was approved by the Social Security Administration before age 55. The premium for the last 11 months is 150% of the active employee total premium.

Q. How does the cost of retiree insurance compare to the rate I pay as a permanent employee?

A. Employees who are age 55 or older and retire from State service may continue health, dental, vision, and EAP coverage in the State group plan until they become eligible for Medicare. The employee is responsible for the entire cost of the premium (employee and employer portions).
Q. How is insurance coverage affected for a spouse of an employee who retires when they reach age 65? (9/22/08)

A. If the employee leaves state government prior to the age of 65 and takes the Retiree Insurance for themselves and the spouse, the Retiree Insurance would end for the retiree the first day of the month he or she turns 65. At that time the state will offer the dependent COBRA for up to 36 months of coverage or until the first of the month the dependent turns 65. However, if the employee leaves state government when he or she is 65 years of age or older, then the State offers only 18 months of coverage to everyone covered under the plan.