

## HEALTH CARE AND INSURANCE

### Health Insurance

Employees who retire at or after age 62 and before age 65 with 10 consecutive years of service may participate in the college's early retirement program. Through this medical benefits program, retirees can continue their enrollment in the college's health and dental insurance plans for themselves and their spouses until age 65. The college contributes 50 percent of the normal employer contribution until the retiree reaches age 65.

Early retirees (aged 62 through 64 with 10 years of consecutive service) or those retiring at or over the age of 65 with at least five years of consecutive service may purchase the Benistar Health Insurance Plan underwritten by The Hartford Life Insurance Company upon enrolling in Medicare. They may also enroll eligible dependents. This is a supplemental insurance plan, similar to a medigap policy which provides additional coverage to Medicare Parts A, B and D. For additional information on the Benistar program, please contact True North toll-free at 413-663-2384.

At age 65, an employee may receive Medicare Part A (hospitalization) automatically even if actively employed. However, before retirement, an employee must contact the Social Security Administration to apply for Medicare Parts B and D. If one does not enroll at the end of the Medicare Enrollment Period that applies to one's situation, the Social Security Administration imposes an ongoing premium penalty of 10 percent for each 12-month period that one could have had Medicare Part B but did not sign up. If one elects Medicare Part B when one's employment ends, there will be no penalty. Generally, this means one should sign up for Medicare Part B even if one elects COBRA coverage. There are different Medicare Enrollment Periods for different situations. We strongly recommend that anyone near retirement contact the local Social Security Administration office or contact Social Security via the Web site at [www.ssa.gov](http://www.ssa.gov) for more information regarding applying for Medicare. SSA toll-free, (800)772-1213. Staff in the Office of Human Resources will be glad to help those considering retirement understand circumstances that affect the timing of Medicare and Social Security benefits and direct them to the appropriate federal office for additional information.

### Consolidated Omnibus Budget Reconciliation Act

The Consolidated Omnibus Budget Reconciliation Act of 1985, otherwise known as COBRA, is a law that allows employees to temporarily continue (for up to 18 months) their health, dental, Employee Assistance Program (EAP) and Flexible Spending Account benefits when their employment ends. Under this law, one may continue the health and/or dental coverage one currently carries through Harvard Pilgrim and Delta Dental. The cost is 102 percent of the gross premium. Typically the cost for health insurance through COBRA is greater than the monthly premium for medigap insurance. However, since most medigap insurances do not offer dental coverage, continuation through COBRA may be a consideration for retirees who want to continue dental coverage or for those who retire before reaching age 62. Flexible spending accounts for medical expenses may continue on an after-tax basis only through COBRA and only through the end of the calendar year in which the employee retires. Smith College uses a company called Benefit Strategies to administer COBRA benefits. The necessary paperwork must be completed within 60 days of the date of loss of coverage in order to continue benefits under COBRA. COBRA coverage begins on the day after the last day of coverage so there is no break in service. A bill will be sent each month from Benefit Strategies for the portion of the premium that must be paid before the end of the grace period. In the event of nonpayment, benefits will be terminated with no option for reinstatement. For further information about COBRA benefits, contact Benefit Strategies at (888) 401-FLEX (3539) or visit their website, [www.benstrat.com](http://www.benstrat.com).

### Life Insurance

Upon retirement, employees may convert their group life insurance coverage to an individual policy. Human Resources will mail the form to your home soon after your retirement date. To continue your

coverage, sign and return the form to ReliaStar Life Insurance Company within 31 days of the date of loss of coverage.