

For disabled NYS employees who have applied for or who have been awarded a disability retirement.



**NYSHIP**  
New York State  
Health Insurance Program

# Disability Retirement

and Your NYSHIP Coverage





## **NYSHIP and Your Disability Benefits**

No one likes to think they may become permanently disabled, but the truth is that a disabling condition can happen to anyone at any time. This publication explains the requirements for continued New York State Health Insurance Program (NYSHIP) coverage for New York State employees who are certified with a disability and have applied for or who have been awarded a disability retirement. It also explains how your disability status and your NYSHIP benefits coordinate with Medicare.

Here is Susan's story, with a successful outcome. After being severely injured in a car accident, Susan was unable to return to her job with New York State. She spoke with her Health Benefits Administrator (HBA) and advised them that she would be filing for a disability retirement. Her HBA recommended that she call the Employee Benefits Division (EBD) to ensure her NYSHIP coverage continued while she awaited decision on her disability retirement. Susan was approved for a disability retirement and received her award letter from the New York State and Local Retirement System. She contacted EBD and provided a copy of the award letter from the retirement system that included her disability retirement effective date. Susan now has peace of mind knowing that her health insurance coverage will continue to be provided by NYSHIP.

## **Social Security Disability Insurance**

Because of your disability, you may receive Social Security Disability Insurance (SSDI), a monthly allowance paid to individuals with a disability to replace lost wages under the Social Security system. If you have questions about SSDI, call the Social Security Administration at 1-800-772-1213 or visit [www.ssa.gov](http://www.ssa.gov).

## Eligibility for Retiree Coverage

The following requirements to continue NYSHIP health benefits into retirement apply to all types of retirements. For specific information regarding disability retirements, see page 4.

You and your covered dependents are eligible to continue or defer NYSHIP coverage upon your separation from active employment if you meet all the requirements outlined in this section. Read this information carefully. **You will not be eligible to continue NYSHIP coverage as a retiree if you do not meet the requirements outlined in this section. You will be required to submit proof that you have met the requirements.**

**Note:** The Retirement System’s requirements to receive a pension are different from NYSHIP’s requirements to continue health insurance coverage as a retiree.

**To continue NYSHIP coverage as a New York State retiree, you must meet the following eligibility requirements:**

### 1. Complete the minimum service requirement

The minimum service requirement is based on the date you last entered State service.

- If you were **last hired on or after April 1, 1975**, you must have had at least 10 years of NYSHIP benefits-eligible\* State service, or at least 10 years of combined NYSHIP benefits-eligible service with the State and one or more Participating Employers (such as the Thruway Authority or Metropolitan Transportation Authority) and/or Participating Agencies (such as towns and school districts).
- If you were **last hired before April 1, 1975**, you must have had at least five years of NYSHIP benefits-eligible\* State service or at least five years of combined NYSHIP benefits-eligible service with the State and one or more Participating Employers and/or Participating Agencies.

### Service with other NYSHIP employers

If you were employed by another employer or agency that is eligible to participate in NYSHIP, check with your HBA to see whether your service counts toward meeting the minimum service requirement.

### 2. Satisfy requirements for retiring as a member of a retirement system

You must qualify for retirement as a member of a retirement system administered by New York State such as the New York State and Local Retirement System (NYSLRS), which comprises the Employees’ Retirement System (ERS) and the Police and Fire Retirement System (PFRS), or the New York State Teachers’ Retirement System or any of New York State’s political subdivisions. Most State employees satisfy this requirement by meeting their retirement system’s minimum service and age requirements. Such retirements are considered “service retirements.” Employees who are certified with a disability by their retirement system may be eligible to receive a pension prior to satisfying the age and/or service requirements. Such retirements are considered “disability retirements.” If you are not a member of a publicly administered retirement system or you are enrolled in an optional retirement program such as Teachers Insurance and Annuity Association of America (TIAA), you must satisfy one of the following:

- You meet the age requirement of the New York State and Local Retirement System retirement tier in effect at the time you last entered service.
- You are qualified to receive Social Security disability payments.

If you retire but delay collecting your State pension, or delay receiving disbursements from an optional retirement program, you may continue your NYSHIP coverage under retiree provisions, provided you meet the eligibility requirements listed above. This is referred to as “constructive retirement.”

### 3. Be enrolled in NYSHIP

You must be enrolled in NYSHIP as an enrollee or a dependent at the time of your separation from active employment. Enrollment in NYSHIP may be through The Empire Plan, a NYSHIP HMO or the Opt-out Program.

**Note:** If you are enrolled in the Opt-out Program, you are not eligible to continue in this program when you retire. You must elect a NYSHIP plan option or defer coverage.

\* Benefits-eligible service means a period of employment during which you were eligible for NYSHIP coverage at the employee share of the premium. At least one year of your qualifying service must be with New York State.

## Types of Disability Retirement

Whether your retirement is considered a service retirement or a disability retirement, you will have the same benefits and will be subject to the same policies. However, the requirements you must meet in order to be eligible for NYSHIP health insurance coverage in retirement may be different.

### 1. Ordinary disability retirement

For an ordinary (not work-related) disability retirement granted by an approved retirement system, you must meet all requirements outlined in the preceding section “Eligibility for Retiree Coverage.”

### 2. Work-related disability retirement

For a disability retirement resulting from a work-related illness or injury granted by an approved retirement system, you must meet all requirements outlined in the preceding section “Eligibility for Retiree Coverage,” except for the minimum service requirement, which is waived.

A copy of the Notice of Determination or letter confirming the approved date and type of disability retirement from the Retirement System is needed for both ordinary and work-related disability retirements.

If you are applying for a disability retirement, be sure to contact your HBA to discuss your options.

**To ensure continued eligibility for NYSHIP coverage after you retire, make sure you maintain NYSHIP coverage while you wait for the decision on your disability retirement by enrolling in vestee or COBRA coverage.**

If your disability retirement is not approved, and you did not maintain NYSHIP coverage (while on leave or in vestee or COBRA status), coverage for you and your dependents will end. **You will not be eligible to reenroll in NYSHIP.**

## Disability Retirement Approved

Once you receive your disability retirement award letter, which confirms the date and type of disability retirement, forward a copy to EBD. Your eligibility for NYSHIP retiree coverage will be reviewed. Once your eligibility has been certified by EBD, you will receive a confirmation letter that includes information about your health insurance enrollment. It will include your coverage start date, monthly cost of your coverage in retirement, and your monthly sick leave credit, if applicable. If your disability retirement is not approved and/or EBD determines that you are no longer eligible for NYSHIP coverage as a retiree, you will be notified in writing that coverage for you and your dependent will end. If you did not maintain NYSHIP coverage (while on leave or in vestee or COBRA status), you will not be eligible to reenroll.

When you retire, you will pay your share of the health insurance premium through deductions from your retirement check or by making monthly payments directly to EBD. If you do not pay monthly premiums through pension deduction, you must make monthly premium payments directly to EBD. Payment must be made by check or money order; electronic payments or credit cards are not accepted.

### Retroactive retirement award and reinstatement

If a retroactive retirement is granted after your coverage was canceled while you were waiting for the decision on your disability retirement, you may be eligible to reinstate your coverage if you act promptly.

- If your disability retirement was granted and the effective date is on or before the date your coverage was canceled, you may apply for coverage to be reinstated at any time. However, notify EBD of your disability retirement as soon as possible so that your record is updated.
- If your disability retirement is granted and the effective date is after your coverage was canceled, you must apply for coverage to be reinstated. Your request must be received within a year of the disability retirement determination date on your Notice of Determination from the Retirement System. You will be responsible for paying any retroactive premiums you missed while your coverage was canceled, up to the effective date of your disability retirement.

No application for reinstatement of coverage under this policy will be accepted more than one year from the date of the notice of determination issued by your retirement system.

Reinstatement for disability retirees is only available through application to EBD.

No retroactive reinstatement in NYSHIP is permitted when a separated employee who was canceled for nonpayment prior to separation is granted a regular (service) retirement.

An individual, who, on the effective date of their retirement, was covered under NYSHIP as the spouse of another employee (either State or Participating Agency), may obtain retiree coverage in their own right on a current basis.

To request that your coverage be reinstated, write to EBD as soon as you receive the decision on your disability retirement. Provide a copy of the award letter from the retirement system that includes your disability retirement type and effective date.

When you receive a disability retirement and your health insurance has been canceled due to non-payment, you will be granted the opportunity to reenroll in NYSHIP (if all other eligibility requirements are met). You must pay all missed payments (based upon coverage in effect at the time health insurance ceased), up to the effective date of your disability retirement.

An employee who receives an ordinary or work-related disability retirement will have the choice of an enrollment effective date of either the date of retirement or on a current basis.



## Medicare and NYSHIP

The combination of your health insurance benefits under Medicare and NYSHIP will provide you with the most complete coverage. The Federal Medicare Secondary Payer rules govern when Medicare becomes primary to other coverage. Under those rules, the employment status of the enrollee determines which coverage is primary. You must have Medicare Parts A and B in place when you are first eligible for Medicare coverage that is primary to NYSHIP. Medicare becomes primary to NYSHIP when you are in retiree status.

Eligibility for Medicare begins at age 65, or before age 65 for people certified with certain disabilities. If you are receiving Social Security Disability Insurance you will be eligible for Medicare after 24 months. It is very important that you do not decline Medicare Part A or B when you become eligible. In most circumstances, there is no cost for Medicare Part A. Most Medicare enrollees pay a standard Medicare Part B premium amount set by the federal government annually. When Medicare is primary to NYSHIP, NYSHIP reimburses you for the standard Medicare Part B premium.

It will be **your responsibility** to notify EBD of your enrollment in Medicare Parts A and B and provide a photocopy of your Medicare card when you first become eligible due to a certified disability to prevent a reduction of benefits and to begin reimbursement for the standard Medicare Part B premium.

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It is the policy of the New York State Department of Civil Service to provide reasonable accommodation to ensure effective communication of information in benefits publications to individuals with disabilities. These publications are also available on the Department of Civil Service website ([www.cs.ny.gov](http://www.cs.ny.gov)). Check the website for timely information that meets universal accessibility standards adopted by New York State for NYS agency websites. If you need an auxiliary aid or service to make benefits information available to you, please contact the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

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Information in this publication is provided to give you the most complete health insurance coverage possible, and care has been taken to ensure accuracy. The HMO contracts and The Empire Plan Certificate are the controlling documents for benefits available under NYSHIP.

You also can learn more about coordinating NYSHIP and Medicare from your *NYSHIP General Information Book* and the publication *Medicare & NYSHIP*.

## Who do I call if I have questions?

For more information, call your Health Benefits Administrator or the Employee Benefits Division at 518-457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) and select option 2 on regular business days between 9 a.m. and 4 p.m. Eastern time. You may also write to the NYS Department of Civil Service, Employee Benefits Division, Attn: Retiree Unit, Albany, New York, 12239.

For questions about Medicare benefits, call Medicare at 1-800-MEDICARE (1-800-633-4227) or visit [www.medicare.gov](http://www.medicare.gov). TTY users should call 1-877-486-2048.

*Disability Retirement and Your NYSHIP Coverage* is published by the Employee Benefits Division of the New York State Department of Civil Service. The Employee Benefits Division administers NYSHIP. NYSHIP provides your health insurance benefits through The Empire Plan or a NYSHIP-approved HMO.



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