



# TOWN OF ANDOVER

Human Resources Office  
36 Bartlet Street  
Andover, MA 01810  
(978) 623-8960  
[www.andoverma.gov](http://www.andoverma.gov)

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*Town Manager*

## Town of Andover Retirement Guide

Find out what benefits you have as a Town of Andover retiree

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This brochure is intended to provide you with a general outline of retirement benefits offered by the Town of Andover. It explains eligibility, service, and contribution requirements. Often there are special circumstances concerning retirement and it would be impossible to outline all of the possibilities in this brochure. You are encouraged to contact the Human Resources Department for individual counseling regarding your benefit options as a retiree. **Early planning is the key to a successful retirement!**

### **Thinking About Retirement**

You should review this packet in its entirety, as it will answer a lot of your questions and covers various topics surrounding the benefits piece of the retirement process. If you have additional questions, please contact:

Human Resources Department  
36 Bartlet Street  
Andover, MA 01810  
978-623-8960  
[benefits@andoverma.us](mailto:benefits@andoverma.us)

You should also contact the Andover Contributory Retirement office or the Massachusetts Teachers' Retirement System (MTRS) when you have started to think about retirement. Both systems have important deadlines and dates for you to file retirement paperwork, and their representatives will be able to provide you with estimates and calculations on your pension. Contact information is found below:

#### **Andover Contributory Retirement Office**

36 Bartlet Street  
Andover, MA 01810  
(978) 623-8540

#### **Massachusetts Teachers' Retirement System**

500 Rutherford Avenue  
Suite 210  
Charlestown, MA 02129  
(617) 679-1661  
[GenInfo@trb.state.ma.us](mailto:GenInfo@trb.state.ma.us)

### **Retiree Health Insurance**

A retired employee who has left service with pension rights vested and awarded under Andover Contributory Retirement or MTRS shall be eligible to receive a fifty percent (50%) Town contribution toward the monthly premium cost for group health insurance in accordance with Chapter 32B of M.G.L.

If you are eligible for health insurance, you may also cover your eligible family members. Eligible family members include children (until they reach age 26); your spouse (as defined by Massachusetts state law); and any disabled children you have over the age of 26. Disabled children need to depend on you for principal support and be unable to earn a living due to their mental or physical condition. The disability must have started before age 19 (or before age 26 if they were still depending on you for principal support), and your child must continue to meet the plan's definition of "disabled." Contact your health plan directly to confirm disability status.

At least 45 days but not more than 120 days before your retirement date you should inform Human Resources that you wish to continue your health insurance benefit in retirement and provide the effective date of your retirement.

#### Retirees under 65-year-old

Eligible retirees under the age of 65 may elect to participate in the Retiree HMO or PPO plan. The benefits available to retirees under the HMO or PPO plans are identical to the benefits available to active employees. The only change is the contribution amount is 50% of the premium as a retiree.

#### Retirees under 65 due to Accidental Disability

Retirees under the age of 65 who are collecting a pension check due to accidental, on the job disability in conjunction with the performance of their duties, as defined under M.G.L. c. 32, may continue their HMO or PPO plan coverage at the active employee contribution rates. The benefits available to retirees under the HMO or PPO plans are identical to the benefits available to active employees.

The current rates for these plans are included in this packet. Updated rate information is distributed via standard mail in the Spring. Please make sure you keep your mailing address current with the Town so you can receive this information. An address change form is included with this packet.

#### Retirees 65 years old and over

Eligible retirees 65 and older may continue their benefits with the Town. However, if they wish to continue under the Town's group health insurance plans, they are required to enroll in Medicare Part A and B and shall be further required to enroll in the Town's Medicare Supplement Plan as a precondition for participation in the Town's group insurance program.

If you and your spouse are enrolling in the Town's Medicare Supplement Plan, you each must complete an enrollment form. Medicare Supplement Plan is an individual plan.

If you or a spouse are eligible for Medicare, and have dependents on the current family plan, you may stay on the family plan until your dependent child/children are off the plan. Then you and spouse would transfer to individual health plans. However, if you or your spouse are age 65, you are still obligated to enroll in Medicare Part A & B which will serve as your primary form of insurance.

The current rates for these plans are included in this packet. Updated rate information is distributed via standard mail in the Fall, in advance of open enrollment in November for a coverage date of January 1<sup>st</sup>. Please make sure you keep your mailing address current with the Town so you can receive this information. An address change form is included with this packet.

The Town's Medicare Supplement Plan has a prescription drug plan included and therefore, in accordance with Federal Law, has very strict enrollment deadlines. Applications must be received and processed by the Town no later than the 1<sup>st</sup> of the month prior to retirement. See examples:

<b>Retirement Date</b>	<b>Application Deadline</b>
March 1 <sup>st</sup>	February 1 <sup>st</sup>
March 15 <sup>th</sup>	February 1 <sup>st</sup>
March 31 <sup>st</sup>	February 1 <sup>st</sup>

As part of the enrollment packet for the Medicare Supplement Plan, the Town must receive copies of your Medicare Part A & B cards at the time of enrollment. If you have not received your cards by the enrollment deadline you may substitute an official letter from the Social Security Administration confirming your enrollment in Medicare Part A & B, including a firm effective date.

Those individuals who are not able to obtain their cards or an official letter from the Social Security Administration prior to the enrollment deadline will remain on an HMO or PPO plan at the 50% premium contribution level. **In the event a Medicare eligible retiree fails to enroll in Medicare Part A and Part B within 60 days post-date of retirement, the Town reserves the right to terminate coverage for said retiree.**

Additional information about Medicare can be obtained here: <https://www.medicare.gov/> or 1-877-486-2048.

Additional information about the Social Security Administration can be obtained here: <https://www.ssa.gov/> or 1-877-669-3127. Employees are encouraged to visit the Social Security Administration in person for the best available service. The local office is located at: 439 S Union St, Ste 106A, Lawrence, MA 01843. A comprehensive listing of all Massachusetts Social Security Administration field offices can be found here: <https://www.ssa.gov/boston/MA.htm>

### **How to pay for Health Insurance**

Just like active health insurance plans, retiree health insurance plans are prepaid one month in advance. It is important to keep this in mind as you approach retirement. The Town will work directly with you to ensure the correct health insurance premiums are deducted from your final paychecks or arrange for direct payment to cover your retiree health insurance premium. Sometimes you will not be receiving a retirement check from Andover Contributory Retirement or MTRS immediately upon retirement and will have to make direct payment for health insurance coverage.

There are two ways to pay for health insurance during retirement:

1. Automatic Deduction from Retirement Check: The most convenient and preferred way is to have your health insurance payment automatically deducted from your retirement check, either Andover Contributory Retirement or MTRS. Monthly premium rates are updated automatically with Andover Contributory Retirement and MTRS. Deductions are taken from your monthly check for the following month's coverage (i.e., your February pension check will have a deduction for March's premiums).
2. Direct Payment: Retirees can mail or drop off direct payments at the Town Hall. Payments must be received by the 15<sup>th</sup> of the month preceding the month to which coverage applies. This option is only available to those retirees whose pension check is not large enough to cover insurance deductions or surviving spouses who are not receiving survivor benefit checks from the respective retirement system.

In the event a retiree in the health insurance plan fails to pay their share of premium in excess of two months, the Town shall have the right to terminate coverage for said retiree.

## **Retiree Dental Insurance**

The Town of Andover offers the following retiree dental plan(s), BCBS **Dental Blue**. The Town does NOT contribute towards dental, meaning the retiree is responsible for 100% of the premium. The rates and plan offered to retirees are identical to those offered to active employees.

At least 45 days, but not more than 120 days before your retirement date, you should inform Human Resources that you wish to continue your dental benefit in retirement and provide the effective date of your retirement. The cost of Dental coverage can be paid in the same manner as your health insurance plan (noted earlier in the packet).

The current rates for these plans are included in this packet. Updated rate information is distributed via standard mail in the Spring. Please make sure you keep your mailing address current with the Town so you can receive this information. An address change form is included with this packet.

## **Retiree Vision Insurance**

The Town of Andover offers the following retiree vision plan(s), BCBS **EyeMed**. The Town does NOT contribute towards vision, meaning the retiree is responsible for 100% of the premium. The rates and plan offered to retirees are identical to those offered to active employees.

At least 45 days, but not more than 120 days before your retirement date, you should inform Human Resources that you wish to continue your vision benefit in retirement and provide the effective date of your retirement. The cost of Vision coverage can be paid in the same manner as your health insurance plan (noted earlier in the packet).

The current rates for these plans are included in this packet. Updated rate information is distributed via standard mail in the Spring. Please make sure you keep your mailing address current with the Town so you can receive this information. An address change form is included with this packet.

## **Retiree Life Insurance**

Active employees enrolled in Basic Life insurance may continue this coverage in retirement. It should be noted that the current insured amount of \$5,000 does reduce to \$2,000 in retirement, and the monthly premium is reduced to \$1.16.

At least 45 days, but not more than 120 days before your retirement date, you should inform Human Resources that you wish to continue your life insurance benefit in retirement and provide the effective date of your retirement. The cost of Basic Life coverage can be paid in the same manner as your health insurance plan (noted earlier in the packet).

## **Open Enrollment Periods for Retirees**

Open Enrollment is the only period you can make changes to your health, dental or vision plans outside of a qualifying event. Qualifying events include, but are not limited to: Loss of health coverage, changes in household (ex: getting married or divorced, death) and other events found here:

<https://www.healthcare.gov/glossary/qualifying-life-event/>

<i>Open Enrollment Period</i>	<i>Change Effective</i>	<i>Plan</i>	<i>People Eligible</i>
Mid-April to early May	July 1	HMO & PPO Plans	Non-Medicare eligible retirees and dependents of retirees on non-Medicare plans
November	January 1	Medicare Supplement Plan(s)	All retirees and dependents of retirees on Medicare Supplement Plan(s)
Mid-April to early May	July 1	Dental Blue and EyeMed	All retirees and dependents of retirees

### **FAQ Section:**

Q: Will my premiums go up when I retire?

A: Retirees pay fifty percent (50%) of health and life insurance, and one hundred percent (100%) for dental and vision insurance. Premiums are withheld from your monthly retirement or pension check, and we collect them one month in advance. For example, June deductions pay for coverage in July. Rates are subject to change on an annual basis.

Q: Are the rules different for retirees?

A: Retiree health insurance coverage follows the same rules as coverage for active employees. Retirees can newly enroll in or change plans during the annual enrollment period each spring for non-Medicare Plan(s) that begin July 1<sup>st</sup> and each fall for Medicare Plan(s) for coverage that begins on January 1<sup>st</sup>. Retirees can also enroll any time during the year due to a loss of coverage or other qualifying event as explained earlier in this packet. Retirees can add or remove dependents due to a qualifying life event, including:

- a marriage or birth
- a spouse or dependent losing their coverage, or
- a spouse or dependent gaining coverage elsewhere. You need to drop them from your plan within 30 days of them getting new coverage.

Q: How do I update or change my address?

A: You can update your address by completing the Change of Address form (included with this packet) and submitting it to the Human Resource office within 30 days of your move. If you are enrolled in the HMO plan, and move out of your plan's service area, you must enroll in the PPO plan within 30 days or run the risk of claims not being covered. For questions about the plan service areas, please contact the Benefits Manager at 978-623-8962.

Q: What do I need to know if I'm covering my spouse?

A: Upon a retiree's death, their surviving spouse may continue coverage at 100% of the health premium. Please also keep in mind:

- Choosing Option D, or Lump Sum option for your pension allowance does not affect your surviving spouse's eligibility for continued health insurance. But, if you choose Lump Sum Option, then your spouse must pay premiums to the Town.
- If you choose Option D for your pension allowance, we will take monthly deductions from your surviving spouse's pension check.
- Per MGL, surviving spouses are no longer eligible for health insurance upon remarriage.
- **Important.** In order to be eligible for surviving spouse coverage, the surviving spouse must be covered on the Town's health insurance plan at the time of the retiree's passing.

Q: Do I have to enroll in Medicare?

A: Effective July 1, 2011, [Massachusetts law](#) mandated that all cities and towns require retirees (and covered spouses) age 65 and older to enroll in Medicare Parts A and B. If eligible, these retirees and covered spouses must also transfer to a Medicare plan if they wish to continue their group health insurance coverage through the Town of Andover.

This includes:

- retirees
- the spouses of retirees
- Medicare eligible dependent children (if they are disabled), and
- surviving spouses.

Retirees and their spouses must enroll in both Medicare Parts A and B when reaching age 65.

Q: How do I know if I'm eligible for Medicare?

A: You could be eligible for Medicare Part A for free if:

- you worked 40 credits into Social Security
- you have a current spouse, former spouse, or a deceased spouse who worked 40 credits into Social Security
- you paid the Medicare tax (employees hired after April 1, 1986, have paid the Medicare tax), or
- you have Military service that counts toward eligibility.

This list is not comprehensive. Even if you think you are not eligible for Medicare, you must go through the process of applying through Social Security. If you are deemed not eligible, Medicare will provide you an official letter stating such which you must provide to us.

Q: What is Medicare?

A: *Medicare Part A - Hospital Inpatient Insurance:* The insurance helps cover inpatient hospital care, skilled nursing facility care, nursing home care, hospice, and home health care. This is not for long-term care, and limits apply. If you are eligible for Medicare, Part A is **FREE**.

*Medicare Part B - Medical Out-Patient Insurance:* This insurance helps cover doctors' services, hospital outpatient care, and home health care. It also helps cover some preventive services. Please keep in mind:

- Most people pay the standard monthly Medicare Part B premium (\$170.10 in 2022).
- Higher Part B premiums (Income-related Monthly Adjustment Amounts) may apply to some retirees based on their income level.
- If you collect a Social Security check, your premium will be withheld from your check.
- If you do not collect a Social Security check, you will be billed on a monthly or quarterly basis for your premium. You must pay this invoice, or you will lose your Medicare and your Medicare Supplemental plan through the Town.

Q: What if my spouse or I am ineligible for Medicare?

A: If you are ineligible for Medicare (Part A is not free), you must provide proof. We need a copy of a letter on Social Security letterhead stating that you are not eligible for Medicare Part A for free. The Town will then discuss next steps for assisting you with an alternate enrollment method and payment for Part A and Part B.

Q: Do I have to enroll in Medicare if I'm covering dependents?

A: *Family Exemption:* If you are covering two or more family members (a spouse and dependents) who are not eligible for Medicare, you may continue coverage in your non-Medicare family plan, but must enroll in Medicare. (<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIV/Chapter32B/Section18A> )

Q: I'm covering a spouse, but only one of us is eligible for Medicare, what do we do?

A: If you retire and are not eligible for Medicare, but your spouse is eligible:

- your spouse must enroll in a Medicare plan, and
- you must enroll in individual coverage in a non-Medicare plan.

If you retire and are eligible for Medicare, but your spouse is not eligible:

- you must enroll in a Medicare plan, and
- your spouse must enroll in individual coverage in a non-Medicare plan.

### **Important Contacts:**

#### **Andover Contributory Retirement Office**

36 Bartlet Street  
Andover, MA 01810  
[Home Page | Official Site of the Andover  
Contributory Retirement System  
\(andovermaretirement.com\)](#)  
(978) 623-8540

#### **Massachusetts Teachers' Retirement System**

500 Rutherford Avenue  
Suite 210  
Charlestown, MA 02129  
<http://www.mass.gov/mtrs/>  
(617) 679-1661

#### **Social Security Administration**

439 S. Union St, Ste 106A  
Lawrence, MA 01843  
<https://www.ssa.gov/>  
1-877-746-9850

#### **Medicare**

Centers for Medicare & Medicaid Services  
7500 Security Blvd  
Baltimore, MD 21244-1850  
<https://www.medicare.gov/>  
1-800-MEDICARE (1-800-633-4227)

#### **Town of Andover Human Resources Department**

36 Bartlet Street  
Andover, MA 01810  
978-623-8960  
[hrbenefits@Andoverma.us](mailto:hrbenefits@Andoverma.us)

#### **Blue Cross Blue Shield of Massachusetts**

[www.bluecrossma.com](http://www.bluecrossma.com)  
HMO or PPO: 1-800-932-8323  
MedEx: 1-800-932-8323  
Prescription Drug Plan: 1-888-543-4917  
[Medicare Part D Plans - Blue MedicareRx  
\(PDP\) Insurance Company  
\(rxmedicareplans.com\)](#)

### **Items Included with this Packet:**

Employee Address Change Form  
Current Health & Dental Insurance Rate Information  
Signing Up for Medicare Part A & B Guide  
Enrollment Forms for Health & Dental