

Medical Plan Changes Beginning Jan. 1, 2015

What Employees Should Know

The Missouri Highways and Transportation Commission approved changes to our medical plan beginning Jan. 1, 2015.

The changes will allow MoDOT to maintain affordable, high quality medical coverage for employees and retirees in today's financial situation of declining revenue and rising medical costs. The changes will save \$126 million.

The changes are not new. MoDOT staff has been reviewing potential options on behalf of the Commission for the past few years, and some changes have already been made.

Retiree Medical Benefits

Retiree medical premiums will be based on the total years of service. The Commission will contribute 2 percent per year of service, not to exceed 50 percent of the total premium.

- The 2 percent per year contribution and 50 percent cap applies to the total cost of the premium no matter what level of coverage the retiree is enrolled in.
- Years worked using the backdrop option count towards your years of service.
- Time transferred from other state agencies count towards your years of service.
- Military and other time purchased from MPERS and credited as retirement (such as law enforcement) count towards your years of service.
- Only full years will count, partial years will be rounded down.
- These changes are for both Medicare and non-Medicare members.
- Employees choosing to retire before the changes take affect must retire by Dec. 1, 2014.
- A *Notice of Retirement* form must be received by MPERS by Oct. 31, 2014 in order to retire effective Dec. 1, 2014.

The changes to retiree contributions may affect active employee's decision on the timing of their retirement. No two employees' situations are alike. Several factors will determine the best option for employees, such as the subscriber category they are enrolled in, their years of service, when they are eligible to retire and when they want to retire.

Active Employees' Benefits

Most active employees have been paying 20 percent of their premium for some time. Beginning Jan. 1, 2015, active employees enrolled in the subscriber only category will begin paying 20 percent of their premium. Currently, the percentage paid by these employees is 16 percent. This will complete the transition to employees in this category paying 20 percent of the premium and the Commission paying 80 percent. Now, all active employee categories will have the same cost share percentages.

For More Information

An extensive FAQ provides more detail on the retiree contribution changes and other information. Read the information, visit with Risk and Benefits staff, and attend upcoming retirement seminars if eligible (April thru Sept. at various locations across the state).

Information – <http://www.modot.org/newsandinfo/Retireemedicalfunding.htm>

Seminars – <http://tinyurl.com/ps9z8bp>