Disability Retirement
and Your NYSHIP Coverage

New York State Department of Civil Service, Employee Benefits Division

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

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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 disabled New York State employees who 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 her that she would be filing for a disability retirement. Her HBA recommended that she call the Employee Benefits Division (EBD) to make sure she continued her NYSHIP coverage while she awaited decision on her disability retirement. After being awarded her disability retirement by 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 benefits 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 disabled individuals 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.
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 retirement 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 NYSHIP 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.

2. Satisfy requirements for retiring as a member of a retirement system
   You must be qualified for retirement as a member of a retirement system administered by New York State (such as the Employees’ Retirement System, the New York State Teachers’ Retirement System, or the Police and Fire Retirement System) or any of New York State’s political subdivisions. If you are not a member of a retirement system administered by the State 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 conditions:
   • 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 retirement. 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 another option or defer coverage.

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.

* 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.

Disability Retirement Approved

Once you receive your disability retirement award letter, forward a copy to EBD and your eligibility for 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 does not certify you for retiree coverage you will be notified in writing. If 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.

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 once retiree eligibility has been established.

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 within a year of your disability retirement. 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 his/her retirement, was covered under NYSHIP as the spouse of another employee (either State or Participating Agency), may obtain retiree coverage in his or her 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 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 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.

Eligibility for Medicare begins at age 65, or before age 65 for people with certain disabilities. 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 disability to prevent a reduction of benefits and to begin reimbursement for the standard Medicare Part B premium.

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 also may 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. TTY users should call 1-877-486-2048.