

SEAFARERS HEALTH AND BENEFITS PLAN

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HEALTH BENEFITS FOR PENSIONERS

Since you are considering retirement, you should be aware that the health benefits that the Seafarers Health and Benefits Plan (SHBP) provides to eligible pensioners and their families are different from those that are offered to active employees and their families. If you are eligible for health benefits as an active employee at the time you retire, you will continue to receive those benefits until your eligibility runs out. For more detailed information about pensioners' benefits, you may view the SHBP Guide for Retirees under the Member Benefits tab at www.seafarers.org; or you may contact the Plan at 1-800-252-4674 to request a printed copy of this guide.

This notice contains important information about the eligibility rules for pensioner's health benefits, and the right to purchase COBRA continuation coverage when you retire. Please read this notice carefully.

Eligibility Requirements

In order for a pensioner to be eligible for pensioner health benefits from the SHBP, they must meet the following eligibility requirements:

- **If retiring on a Normal Pension or Early Normal Pension:** 5,475 days of covered employment under the Seafarers Health and Benefits Plan and/or former NMU benefits plans; of which at least 4 years must be covered employment under SHBP;
- **If retiring on a Disability Pension:** 4,380 days of covered employment under the Seafarers Health and Benefits Plan and/or NMU benefits plans; of which at least 4 years must be covered employment under SHBP

AND

- At least 60 days of covered employment in each of the 2 six-month eligibility periods immediately preceding the date in which you **become eligible for and apply** for pension benefits,

OR

- 125 days of covered employment in the calendar year immediately preceding the year in which you **become eligible for and apply** for pension benefits.

Covered employment under the Seafarers Health and Benefits Plan does not include **“Extra Service Credit” or Supplemental Service” earned under the Seafarers Pension Plan. These days do not count for eligibility under the Seafarers Health**

and Benefits Plan. In addition, days for which a participant may receive more than one day's credit for one day worked and/or credit received for Vacation days are not counted towards eligibility under the Seafarers Health and Benefits Plan.

Under the Seafarers Pension Plan Rules, a participant may qualify for a Normal Pension Benefit, an Early Normal Pension Benefit, or a Disability Pension Benefit, but not satisfy the covered employment requirements under the Seafarers Health and Benefits Plan for pensioner health benefits.

COBRA Rights

You have the right to purchase COBRA continuation coverage **if you were eligible for SHBP benefits at the time you retire**, but you do not meet the eligibility requirements for pensioner's health benefits. If you qualify for COBRA, the Plan will send you a COBRA election notice that will explain these rights in more detail.

Even if you are eligible for pensioner's health benefits you will also be eligible for COBRA continuation coverage when your eligibility for active benefits ends. You may purchase COBRA benefits if you want your dependents to continue to have outpatient and prescription benefits if you are at the Core-Plus benefit level. COBRA allows you to continue to receive the same health benefits that you received prior to retirement for a certain period of time set by law (usually 18 months, but sometimes longer). Once the COBRA period ends, if you met the requirements for pensioner's health benefits, you will begin receiving those benefits.

Premium for Pensioners and Dependents not Eligible for Medicare

If you are not eligible for Medicare at the time you retire, you are required to pay a monthly premium to receive Pensioner health coverage. The amount of this premium is \$100 for individual coverage, or \$200 for family coverage (for two or more individuals who are not eligible for Medicare). If you are eligible for Medicare but your spouse is not, you must pay a \$100 premium for your spouse's coverage, or \$200 for your spouse and dependent children. If you give the Plan written permission to make this deduction, the Seafarers Pension Plan will deduct this premium from your pension benefit, so that you do not have to send monthly payments. **PLEASE NOTE**, if you decide to opt out of the Pensioner health coverage, you **cannot opt back in** at a later time.

Premium benefit for Pensioners Eligible for Medicare

If you are eligible for any form of pension with SHBP medical benefits, and you are Medicare-eligible, you must enroll in Medicare Parts A and B **when your eligibility as an active employee ends**, in order to remain eligible for health benefits from SHBP. Once you do so, the Plan will pay you an additional benefit of \$50 a month to help pay your Medicare premium. Your spouse must also enroll in Medicare Parts A and B when he or she becomes Medicare-eligible. Provided that you are also enrolled in Medicare, the Plan will pay another \$50 benefit to help with your spouse's Medicare premium. However, if your spouse dies before you, their \$50 benefit will end upon their death.