

## EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST



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TO:            **Retired Certified Teachers and Administrators Drawing A TRS Pension  
With Egyptian Trust Health Insurance and Active Certified Staff Retiring  
2011**

FROM:        Leo Hefner and Tom Dahncke

DATE:        May 31, 2011

RE:           TRS and Egyptian Trust Health Insurance

The annual Benefit Choice Period for the TRS health insurance plan **has been extended until June 17, 2011** for those who have already retired. TRS **will not** notify you of this opportunity to enroll in a TRS health insurance plan. You will need to contact them to request information be sent to you. You are not allowed to select coverage under the TRS plan at any other time during the year. For those retiring at the end of the current school year, it is our understanding that you may select TRS health insurance coverage to begin after your coverage with the local school district ends. Please verify this with TRS.

The TRS health insurance plans have changed significantly since they first began. Retirees who have not studied the options available through TRS recently may not know that there are several options available to them and that at least one option is less costly and provides better coverage than the Egyptian Trust plan. The purpose of this memo is to try to provide some information to you to help you make the decision whether to stay with the Egyptian Trust or to change to the TRS health insurance plan during the upcoming Benefit Choice Period.

**First of all, retirees are eligible to stay in the Egyptian Trust plan. However, once the decision is made to switch to TRS or any other insurance, the retiree is not eligible to return to the Egyptian Trust plan.** Many retirees chose to stay with the Egyptian Trust in the past because the TRS plan of benefits may not have been as good as the Egyptian Trust. In addition, the premiums for TRS were generally higher if you had to cover a dependent that is not eligible for TRS benefits. These two things may no longer be true. **In fact, at current premium rates retirees in the Platinum Plan with no dependents can save about \$5,300 per year in premiums and have no deductible or out of pocket expense if they choose coverage through the TRS HealthLink Open Access III plan. The savings amount to about \$4,000 if the retiree needs to cover a spouse or one child that is not eligible for TRS.**

**If the retiree needs to cover more than two individuals, it may be less costly to stay with the Egyptian Trust.**

The Egyptian Trust uses the HealthLink Open Access III to provide a network of doctors and hospitals. That exact same network is now available in many counties of Illinois under the TRS plan. If you have HealthLink network access now as a part of the Egyptian Trust, that same access is available to you under the TRS plan. In addition, the TRS Open Access III plan of benefits is better and the cost to the retiree is less than the Egyptian Trust, even if you are covering a dependent (spouse or child) that is not eligible for TRS benefits. The reason it is less costly is that the state is paying 75% of the cost of the retiree. Included with this memo is a spreadsheet that shows the difference in premium between the TRS Open Access Plan and the Egyptian Trust Platinum Plan. Provided below is a short summary of the differences (comparisons are between the TRS plan and the Egyptian Trust Platinum Plan):

1. **DEDUCTIBLE**--There is no deductible in Tier I for TRS while there is a deductible of \$400 for the individual and \$1,200 for family with Egyptian Trust. In Tier II TRS has a \$300 per person deductible and the Egyptian Trust has a \$600 deductible per individual with a family maximum of \$1,800. In Tier III TRS has a \$400 per person deductible and the Egyptian Trust deductible is the same as Tier II (\$600 pp,\$1,800 max). The savings are even greater if you have the Egyptian Trust Gold or Silver plan.
2. **OUT OF POCKET MAXIMUM**--There are no out of pocket expenses in Tier I for TRS while there is a maximum of \$1,200 for the individual and \$2,400 for the family with the Egyptian Trust. TRS has a maximum out of pocket expense per person of \$700 and \$1,400 for family for Tier II and \$1,700 per individual and \$3,600 for family for Tier III. The Egyptian Trust maximum out of pocket expense for Tier II is \$1,800 for individual and \$3,600 per family, and for Tier III \$3,300 per individual and \$6,600 for family. Again, the savings are even greater if you have the Egyptian Trust Gold or Silver plan.
3. **OTHER SERVICES**--For the most part, every service provided in Tier I for TRS is covered at 100% except there is a \$20 doctor office visit copay (\$25 with Egyptian Trust) and there is a \$250 in-patient hospital fee for TRS (\$250 with Egyptian Trust).
4. **DRUG COPAYS**--Drug copays are less with the TRS plan than the Egyptian Trust.
5. **PREMIUMS**—Retirees must look at the premiums between the two plans carefully. TRS premiums are age based and you pay for each person covered. As an example, if you have yourself and three dependents to be covered, you will pay the individual premium for each person covered. **Retirees who only need to cover themselves would save about \$5,300 per year (\$440+/month) in premium costs and have no out of pocket expenses in Tier I. Retirees who need to cover a dependent that is not eligible for TRS benefits would save about \$4,000 per year and have no out of pocket expenses for either person in Tier I. This**

**savings is even greater if the child is less than 24 years of age. Retirees who need to cover more than one dependent not eligible for TRS benefits would probably pay less in premium with the Egyptian Trust.**

**6. PREMIUM COMPARISONS:**

**TRS CURRENT PREMIUMS:**

COVERAGE CATEGORY	UNDER AGE 23	AGE 23-64	AGE 65+ NON-MEDICARE	AGE 65+ MEDICARE PRIMARY
TRS MEMBER		\$184.13	\$250.87	\$72.77
PER DEPENDENT	\$237.20	\$736.50	\$1,003.45	\$252.09

**EGYPTIAN TRUST CURRENT PLATINUM PLAN RETIREE PREMIUMS:**

COVERAGE CATEGORY	RETIREE	RETIREE + SPOUSE OR + CHILDREN	FAMILY COVERAGE
PLATINUM	\$630.80	\$1,303.80/\$1,258.80	\$1,403.80

**THE PREMIUMS LISTED FOR TRS ARE THOSE THAT WILL BE EFFECTIVE JULY 1, 2011 AND EGYPTIAN TRUST PREMIUMS ARE THOSE THAT WILL BE IN EFFECT SEPTEMBER 1, 2011.**

Again, the purpose of this memo is to provide information to you that we hope will help you to make an informed decision about whether to continue your health insurance coverage with the Egyptian Trust or to switch to the TRS health insurance plan. Retirees are certainly welcome and eligible to continue your coverage through the Egyptian Trust. **Those who may decide to change to the TRS plan may continue to have the voluntary dental and vision insurance plan through the Egyptian Trust if they currently have that coverage.**

The information provided to you above concerning the benefit and premium comparisons are our interpretation and understanding. **We strongly recommend that you do your own research by contacting TRS or using their web site to make your own comparisons prior to making your decision.**

We know this is a very important decision for you to make, and that you may have some questions concerning the information provided to you. Please feel free to contact either Leo Hefner at [lhefner@htc.net](mailto:lhefner@htc.net) or at 618-973-8221, or Tom Dahncke at [tdahncke@charter.net](mailto:tdahncke@charter.net) or at 618-791-5541.