

General information about the Opt-Out Credit for health insurance

If you are an employee or retiree who has comparable health insurance to what the State provides, you are eligible to waive your Texas Employees Group Benefits Program (GBP) health insurance and sign up for the Health Insurance Opt-Out Credit to apply toward certain optional coverage. **If you have Medicare, you are not eligible for the credit.**

The Opt-Out Credit is a cost savings program passed during the 79th Legislative Session which provides an incentive to participants to waive their GBP health insurance in order to have a monthly credit. Participants can then apply that credit toward Voluntary Accidental Death and Dismemberment (AD&D) and/or dental (excludes State of Texas Dental Discount Plan) premiums under the GBP. These are the GBP's most popular non-taxable benefits that do not require evidence of insurability (EOI) to enroll. The credit was available as of September 1, 2006.

Voluntary AD&D is not available to retirees unless they return to work at an employer who participates in the GBP and they enroll in the GBP as an active employee.

Your drug benefits are a part of your health benefit. If you opt-out of your health plan, you are also giving up your prescription coverage.

Participants waiving coverage will no longer have the Basic Term Life coverage of \$5,000 for active employees or \$2,500 for retirees that is connected to the health coverage under any GBP health plan. You can elect the Opt-Out Credit during Annual Enrollment or within 31 days of a qualifying life event (QLE).

The amount of the Opt-Out Credit depends on your status

Full-time employees can use a credit of \$60 (\$30 for part-time employees) to apply toward Voluntary AD&D and/or dental coverage (excludes the State of Texas Dental Discount Plan). Full-time retirees can use a credit of up to \$60 (\$30 for part-time retirees) to apply toward dental coverage (excludes the State of Texas Dental Discount Plan). Retirees cannot apply the Opt-Out Credit to Voluntary AD&D unless they return to work at an employer who participates in the GBP and they enroll in the GBP as an active employee.

To get the Opt-Out Credit, you must meet all the criteria

You must be eligible for the state contribution toward your GBP health insurance:

- 100% for full-time employees,
- 50% for part-time employees,
- 100% for full-time retirees or 50% for part-time retirees.

You must be also able to certify that you have comparable health insurance coverage (e.g., through another employer health plan). Excludes Medicare.

You cannot participate in the Health Insurance Opt-Out Credit if you are not eligible for the state contribution toward your health insurance premium, such as a COBRA participant, surviving family member, or an adjunct faculty member.

For more information, go to www.ers.state.tx.us or call ERS toll-free at (877) 275-4377.