

Aug 11, 2026, HBR Alert!



Employees Hired On or After January 1, 2021

As a reminder, employees hired on or after Jan. 1, 2021, are not eligible for retiree health benefits. That means HBRs should not be using the retirement reason code when terminating these employees' coverage. That process was developed to provide employees with an extra month of coverage to bridge the gap between active health benefits and retiree health benefits.

It also facilitates updating Medicare-eligible members to a Medicare primary status that last month of coverage when they are still covered by the employing unit, but already in receipt of a retirement benefit. And finally, that process does not trigger a COBRA offer, because retirees eligible for retiree health benefits will be auto-enrolled into that coverage and don't need COBRA.

The State Health Plan realizes this is not a cut and dry process. Some employees have service from a prior agency that can make determining their initial hire date more complicated.

The Plan has started to receive requests for retro COBRA offers for these employees that have been terminated with the retirement reason code in error. **To ensure these members are offered COBRA on a timely basis, please process these employees' employment termination using the "voluntary termination" reason code.**

Background

The retiree health benefit eligibility change was included in the 2017 Appropriations Act. Specifically, the action amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in the Teachers' and State Employees' Retirement System (or in an allowed local system unit), the Consolidated Judicial Retirement System, and the Legislative Retirement System prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law.

