



## THE OPT-OUT INSURANCE CREDIT

*The Health Insurance Opt-Out Credit is designed for employees and retirees who don't need the State's health insurance now or in the future because they are enrolled in other health insurance that is as good as or better than what the State provides.*

### 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 dental and/or Voluntary Accidental Death and Dismemberment (AD&D) 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

*You should carefully consider any decision to decline health insurance coverage.*

*You may never be able to enroll in the state health plan again, depending on your health condition. 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.*

of \$5,000 for active employees or \$2,500 for retirees that is connected to the health coverage under HealthSelect or an HMO.

### HAVE YOU WAIVED COVERAGE IN THE PAST?

If you can certify that you have comparable health insurance coverage, you are eligible for the Opt-Out Credit during Annual Enrollment or if you experience a qualifying life event during the plan year.

*continued*

### THE AMOUNT OF THE OPT-OUT CREDIT DEPENDS ON YOUR STATUS

Full-time Employees	Part-time Employees	Retirees
Can use a credit of up to \$60 to apply toward dental and/or Voluntary Accidental Death and Dismemberment (AD&D)	Can use a credit of up to \$30 to apply toward dental and/or Voluntary Accidental Death and Dismemberment (AD&D)	<ul style="list-style-type: none"> <li>Retirees eligible for GBP health coverage and the state contribution of 100% toward their health premium can use a credit of up to \$60 toward dental coverage.</li> <li>Retirees eligible for GBP health coverage and the state contribution of 50% toward their health premium can use a credit of up to \$30 toward dental coverage.</li> <li>Retirees cannot apply the Opt-Out Credit to Voluntary AD&amp;D unless they return to work at an employer who participates in the GBP and they enroll in the GBP as an active employee.</li> </ul>

TO GET THE OPT-OUT CREDIT, YOU MUST MEET ALL THE CRITERIA  
FOR YOUR GROUP LISTED BELOW

Full-time Employees	Part-time Employees	Retirees
You must be eligible for the state contribution toward your GBP health insurance—100% for full-time employees.	You must be eligible for the state contribution toward your GBP health insurance—50% for part-time employees.	You must be eligible for the state contribution toward your GBP health insurance—100% for full-time retirees or 50% for part-time retirees.*
You must be able to certify that you have comparable health insurance coverage (e.g., through another employer health plan). Excludes Medicare.	You must be able to certify that you have comparable health insurance coverage (e.g., through another employer health plan). Excludes Medicare.	You must be able to certify that you have comparable health insurance coverage (e.g., through another employer health plan). Excludes Medicare.

\* Employees who retired January 31, 2006 or after and were classified as part-time at any time during the three months prior to their retirement date are considered 'part-time retirees.' If part-time retirees are eligible for health insurance, they receive the part-time 50% state contribution for their health premium.

**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 the ERS website, [www.ers.state.tx.us](http://www.ers.state.tx.us). To sign up for the Opt-Out Credit, log in to your account on the ERS website, [www.ers.state.tx.us](http://www.ers.state.tx.us). You can also call ERS toll-free at (877) 275-4377.