



## LOCAL GOVERNMENT HEALTH INSURANCE BOARD

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February 12, 2020

### MEMORANDUM

TO: Local Government Units

FROM: James J. Bradford, COO  
Local Government Health Insurance Board

SUBJECT: 2020 Retiree Eligibility Rules for Retirees Under Age 60

In 2005, the Local Government Health Insurance Plan (LGHIP) retiree eligibility rules were amended to require retiring employees to have at least ten years of creditable coverage in the LGHIP in order to continue their coverage as a retiree. That change was made to ensure employees had contributed at least ten years of LGHIP premiums before they were allowed to continue their coverage as retirees. Years of service in a retirement plan were only considered for employees retiring before age 60.

In 2020, the retiree eligibility rules were amended again to remove the years of service with a retirement plan requirement for employees under age 60. This was designed to make retiree coverage more accessible to our members under age 60 who may not have 25 years of service credits with a retirement plan, but have 25 years of service with a governmental employer. In addition to service with a participating unit, the Local Government Health Insurance Board (LGHIB) will accept military service and municipal, county and state employer service with a non-LGHIP participating unit toward the 25-year requirement.

As with any new rule, there may arise some situations that the LGHIB may not have anticipated. In that regard, it has come to our attention that there were employees under age 60 without 25 years of service with an acceptable governmental employer who had already begun planning their retirement in 2020 before the new retiree eligibility rules were approved and published to the membership.

In response to this unanticipated situation, for the transition year of 2020, the LGHIB will accept years of service credited from a retirement plan toward the 25 years of service with an acceptable governmental employer requirement.

If you have any questions about the transition rules, please contact the LGHIB Enrollments Division at (334) 263-8326 or 1-866-836-9137.