



Retiree Health Worksheet

For employees who want to estimate the cost of Retiree Medical & Rx Benefits

This worksheet is designed to enable employees eligible for premium sharing to estimate the total annual cost of their medical and prescription drug coverage. Details regarding eligibility may be found in [Fact Sheet #11 - Health Benefits Coverage – Enrolling as a Retiree](#). Please note that this is strictly an estimate based on information from the NJ Division of Pensions & Benefits. Employees are strongly encouraged to contact the NJ Division of Pensions & Benefits at (609) 292-7524 to determine the actual cost of benefits.

1. Determine your Retirement Benefit Amount for the purpose of calculating the cost of Retiree Health Benefits

PERS members should run an Estimate of Retirement Benefits in [MBOS](#). Instructions for running an estimate are outlined in [Fact Sheet #4](#) and in [this video](#).

PERS Retirement Benefit Amount (shown as “salary used in calculation” on the retirement estimate)	(#1a)
---	--------------

ABP members should determine their highest annual salary in the last five years. In most cases, this will be the current annual salary. The annual Retirement Benefit Amount is the annual salary divided by two.

Annual Salary	
Annual Salary divided by 2	(#1b)



2. Identify your Retiree Health Category based on your age, date of hire and when you completed 20 and 25 years of service.

How to determine your category	Sample	Employee
Retirement Age:	66	
Date of Hire:	9/1/1990	
Date with 20 years of service:	9/1/2010	
Date with 25 years of service:	9/1/2015	

If you attained 25 years of service credit **before July 1, 1997**, or retired under an approved Disability Retirement before August 1, 1997, there is no cost to you for any plan. For State enrollees who attained 25 years of service credit in the retirement system **after July 1, 1997, but prior to July 1, 2007** – you have the option to enroll in Aetna Freedom 10 or Horizon NJ Direct 10: [Monthly cost of Aetna Freedom 10 or Horizon NJ DIRECT 10](#)

Years of Service at Retirement	Age at Retirement: Prior to Age 65	Age at Retirement: 65+
25 Years of Service completed before June 28, 2011	Pay 1 .5% of retirement benefit amount. Payment waived with participation in the Wellness Program . Members may select any offered plan.	Pay 1.5% of retirement benefit amount. Payment waived with participation in the Wellness Program . Members may select any offered plan
20+ Years completed before June 28, 2011	Pay 1.5% of retirement benefit amount. Members can select any offered plan for this cost.	Pay 1.5% of retirement benefit amount. Members can select any offered plan for this cost.
LESS THAN - 20 Years of Service completed before June 28, 2011	Member pays Union Negotiated Rates/ Percentage of Salary for Retirees See Rate Calc A	Member pays a Percentage of Premium (because the union negotiated plans will not be available) See Rate Calc B



3. Calculate the cost of Retiree Health Benefits using Rate Calc A or B, as indicated above.

Rate Calc A - Member pays Union Negotiated Rates/ Percentage of Salary for Retirees

To calculate the percentage of your salary that you will pay for any offered plan, refer to the following chart Annual Retiree Contributions Chart (based on salary from #1 above on page 1) and coverage level (single/family) to find the percentage or annual amount on the following chart:

- [CWA](#)
- [Union Negotiated](#)
 - (Manager, AFT, IFPTE, PBA, NJLEAS, NJSOLEA)

	Sample	
	CWA – Single Coverage	Employee
Enter Retirement Benefit Amount from #1 a-b:	\$33,400	
Locate the Retirement Benefit Amount on either the CWA or Union Negotiated chart, rounding up if necessary. Find the % pay contribution on chart that relates to the desired coverage level and enter here:	2.25%	
Multiply the Retirement Benefit Amount by the % pay contribution. This is the annual amount. Enter it here:	\$835	
Divide by 12 for monthly premium share estimate:	\$69.58	



Rate Calc B - Member pays a Percentage of Premium

	Sample PERS Employee/Spouse Coverage Aetna Med Adv PPO#15	Employee
Enter Retirement Benefit Amount from #1 a-b:	\$44,023	
Locate the Retirement Benefit Range on the Health Benefits Contribution - Percentage of Premium Chart . Find the percentage of premium that corresponds with the desired coverage level. Enter the percentage here:	8%	
Locate the desired retiree health plan and corresponding rate by coverage level on the Rates for State Retirees (% of Premium) chart. Enter the monthly rate here:	\$976.72	
Multiply the monthly rate by the percentage of premium. Enter it here:	\$78.14	

Please note that this worksheet is provided for informational purposes only. It does not constitute a quote for retiree health benefits premium sharing. Employees are strongly encouraged to contact the NJ Division of Pensions & Benefits at (609) 292-7524 to determine the actual cost of benefits or to address any questions related to the rates.