

Employer Information Circular

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Medicare Premium Payment Program Extended

Chapter 1032, Statutes of 2000 (Senate Bill 1435—Johnston) established the California State Teachers' Retirement System (CalSTRS) Medicare Premium Payment (MPP) Program effective January 1, 2001. Under this program, CalSTRS pays for Medicare Part A (hospital) premiums for eligible Defined Benefit (DB) Program members who do not otherwise qualify for Medicare either through their own prior employment or through their spouse's employment (once the spouse is at least 62 years old). CalSTRS does not pay the premiums of family members or beneficiaries.

When the MPP Program was originally authorized, only those DB Program members who retired prior to January 1, 2001, were eligible. The Teachers' Retirement Board (Board) has the authority to extend the eligibility for the MPP Program. **At its February 2006 meeting, the Board extended the program to members who retire prior to July 1, 2007.**

DB Program members who retire on or after January 1, 2001, and prior to July 1, 2007, may be eligible for the MPP Program, if they retire from a district that has held a Medicare Division Election. Further, members must retire during or after the actual 10-day election period when members indicate their decision to pay the Medicare tax. In addition, members who are less than 58 years of age at the time of the 10-day election period must vote to be covered by Medicare. Active DB Program members who are age 58 or older at the time of the 10-day election period are not required to elect to be covered by Medicare and may still qualify for the MPP Program.

For additional communications from CalSTRS on this program, see the following:

- Employer Information Circular, Volume 21; Issue 4, May 18, 2005
- Employer Information Circular, Volume 17; Issue 6, April 4, 2001 – Medicare Benefits Program;
- Employer Directive 2002-01, Medicare Division – Clarification; and
- Employer Directive 2001-08, Medicare Division – Report Completed Medicare Division Results.

Information regarding possible future extensions of the coverage to additional DB members who retire on or after July 1, 2007, will be provided to members in the *CalSTRS Connection* and *Retired Educator* and on the CalSTRS Web site at www.calstrs.com.

Questions regarding this circular should be addressed to Service Retirement, Lisa Sargent, 916-229-3561.