Participating in the Plans

This section describes the eligibility and enrollment procedures for the Trust's Early Retiree Plan medical and prescription drug options and voluntary dental and vision coverages. It also describes the Trust's continuation of coverage provisions. Eligibility, enrollment and benefit information that applies to active employees is described in a separate handbook.

Eligibility

This section describes what is required for you as a retiree and your dependents to be eligible for Trust benefits.

Active Employees

The eligibility requirements for active employees are described in a separate booklet. If you have other questions about retiree benefit options, please contact the Trust Office.

Medical and Prescription Drug Coverage

This section describes the eligibility requirements for the Trust's Early Retiree Plan medical and prescription drug options. Different requirements exist and different retiree options are available depending on the bargaining unit from which you retired.

The Trust has two retiree eligibility categories. The first is for retirees who are eligible for a contribution from the District toward the cost of the retiree coverage. The second is for retirees who are eligible to participate in an early retiree option but who do not qualify for a contribution from the District toward the cost of the retiree coverage.

Early Retirees — Eligible for District Contribution for Retiree Coverage

In defined situations, collective bargaining agreements that provide for participation in the Trust for eligible retirees and require that the District make contributions to the Trust for early retiree medical coverage.

The current eligibility rules governing when a retiree is eligible for a District contribution under collective bargaining agreements with the Portland Association of Teachers (PAT) remain in effect until the below sunset dates are met and require that the individual:

- Elects early retirement and is eligible to retire under the Public Employees Retirement System (PERS)
- Has completed at least 15 years of service with the District

- Retires from the District and from an employee classification that participates in the Trust and that is eligible to participate in the Trust Early Retiree Plan
- Is eligible under a retiree plan option then offered by the Trust.

Below are the Sunsets for the different PAT bargaining groups:

- June 30, 2016 – End of deferring of retirement benefits, except those that retired that date or earlier and have chosen to defer
- September 30, 2016 – Members who have 15 years of service with the District, regardless of age, will be eligible for retiree insurance benefits and Early Retiree Insurance stipend
- Those who retire without 15 years of service on September 30, 2016 or retire after that date will only have the self-pay option between the ages of 55 and 65.

Early Retirees — Not Eligible for District Contribution

Individuals not eligible for a District contribution may still be eligible to participate in a Trust Early Retiree Plan if they meet the following requirements:

- Retire from the District and are in an employee classification that participates in the Trust and that is eligible to participate in a Trust Early Retiree Plan
- Are eligible to receive a retirement benefit under the PERS
- Apply within 60 days of their effective date of retirement from the District.

Voluntary Dental and Vision Coverage

The following eligibility requirements apply to the Trust early retiree voluntary dental and vision coverages.

Retirees

You, as an early retiree under the PAT collective bargaining agreement, and your dependents are eligible to elect to participate in the Trust Early Retiree Voluntary Dental and Vision Plan. To be eligible, you must:

- Be participating in a Trust early retiree medical plan option
- Be receiving a retirement benefit under the Public Employees Retirement System (PERS)
- Apply within 60 days of your initial election of Trust early retiree medical coverage.

DEPENDENTS

If you enroll yourself in a Trust early retiree medical plan option, you may enroll your eligible dependents in the same option. Eligible dependents are:

- Your legal spouse or eligible domestic partner
- Your and your legal spouse's or domestic partner's children under age 26, including:
  - Biological and adopted children (or children placed with you for adoption)
  - Stepchildren
  - Eligible foster children who are defined as children placed with you by an authorized placement agency or by a judgment or other order of a court of competent jurisdiction
  - Children related to you by blood or marriage for whom you are legal guardian (you will need to provide a court order showing legal guardianship)
  - Children for whom there is a court order that meets applicable legal requirements, requiring you to maintain coverage, such as for a child in the custody of a former spouse. You may submit a medical child support order to the Trust Office to determine whether it is qualified. Upon request, the Trust Office will provide you with a copy of the procedures for determining the qualified status of a medical child support order.
- Your, your legal spouse's or domestic partner's children 26 or older who are incapable of self-support due to a physical or mental disability. The child's disability must have started *and* been reported to the Trust Office before the child reached age 26. To maintain eligibility under this provision, the child must be unmarried, financially dependent on you and incapable of supporting himself or herself.

ENROLLING DOMESTIC PARTNERS

To enroll a domestic partner or a domestic partner's dependent children, you must submit a completed *Affidavit of Domestic Partnership* to the District HR/Benefits Department. The affidavit defines a domestic partnership as two people of the same or opposite sex who:

- Have shared the same residence for at least six months immediately preceding the date of the Affidavit and intend to continue doing so indefinitely
- Have a close personal relationship with each other
- Are not legally married to anyone else
- Are each at least 18 years of age
- Are not related by blood to a degree of kinship that would bar marriage in the state where you live

Affidavit of Domestic Partnership

The Affidavit of Domestic Partnership is available from the Trust Office at (844) 203-0239, District HR/Benefits at (503) 916-3544, or on the Trust web site at www.sdtrust.com.

- Were mentally competent to contract when the domestic partnership began
- Are each other's sole domestic partner
- Are jointly responsible for each other's welfare, including basic living expenses such as food and shelter. (Partners are not required to contribute equally to these expenses.)

When you submit an *Affidavit of Domestic Partnership*, you may enroll your domestic partner and/or the partner's eligible children who reside in your home for coverage under your Trust-provided medical plan.

Enrollment

Benefits Enrollment Forms Are Available…

- At www.sdtrust.com.
- From the Trust Office at (844) 203-0239.

Submit the form to the Trust Office.

You may enroll in a Trust early retiree medical and prescription drug option and/or Trust early retiree voluntary dental/vision coverage during these times:

- **Initial enrollment —** when you and/or a dependent first becomes eligible or first enrolls for coverage
- **Annual open enrollment —** during a subsequent annual open enrollment only if you have not previously enrolled for coverage because you have suspended or deferred Trust early retiree medical coverage or have dental/vision coverage through another group health plan
- **Midyear enrollment —** following a qualifying change in family status, when you may make midyear benefit changes related to the status change.

See "Enrolling for Medical and Prescription Drug Coverage" on page 6 and "Enrolling for Voluntary Dental and Vision Coverage" on page 9 for more detailed information.

Enrolling for Medical and Prescription Drug Coverage

You may enroll in an early retiree medical and prescription drug plan option when you are first eligible, during open enrollment or if you have a qualifying change in family status.

Initial Enrollment

To participate in an early retiree plan, you must complete and return a *Benefits Enrollment Form* to the Trust Office. Benefit Enrollment Forms are available from the Trust Office or from the Trust web site at www.sdtrust.com.

Even if you plan to defer enrolling in a Trust early retiree medical plan option, you should notify the Trust Office of your decision to defer enrollment before your active employee coverage through the Trust ends.

If You are Eligible for a District Contribution

If you are eligible for a District contribution for retiree medical coverage and do not elect a medical plan option within 60 days of the effective date of your retirement, your enrollment will automatically be deferred (subject to retiree sunset rules) until the first of the month after you have returned a completed enrollment form to the Trust Office.

If You are Not Eligible for a District Contribution

If you are not eligible for a District contribution for retiree medical coverage, you must submit your *Benefits Enrollment Form* within 60 days of the effective date of your retirement; otherwise, you will forfeit your right to self-pay for retiree coverage through the Trust.

If You Defer Enrollment

If you defer enrollment and decline enrollment for yourself and/or your eligible dependents because you have other health insurance coverage, you may enroll yourself and/or your dependents if your or your dependents' other coverage ends. To enroll, you must complete and submit a *Benefits Enrollment Form* to the Trust Office. To activate coverage more than 60 days after the effective date of your retirement, you must show that you and any dependents had creditable coverage from another health plan from the date of your retirement.

Annual Open Enrollment

The Trust holds an open enrollment period each fall. During this period, you have the opportunity to change your benefit elections for medical and prescription drug coverage and add or drop dependent coverage. The elections you make during the annual open enrollment period take effect February 1, 2016 and continue through December 31, 2016. Thereafter, elections will take effect January 1 and continue through December 31.

Under the Trust early retiree voluntary dental and vision coverages, you cannot change your coverage once it has been elected. See "Enrolling for Voluntary Dental and Vision Coverage" on page 9 for more information.

Midyear Enrollment

Certain changes in your family or employment status qualify you to make midyear benefit changes. A "qualifying status change" occurs when you:

- Get married
- Establish a domestic partnership that meets the Trust's requirements
- Divorce, legally separate or end a domestic partnership
- Lose a spouse or domestic partner through his or her death

- Acquire a new dependent child through:
  - Your marriage or domestic partnership
  - Birth, adoption or placement for adoption
  - Assumption of legal guardianship (certain requirements apply)
- Lose a dependent child when:
  - You divorce or dissolve a domestic partnership and a stepchild or domestic partner's child moves out of your home
  - The child passes the age limit for eligibility
  - The child marries or otherwise ceases to be a dependent
  - The child dies
- Lose other health care coverage (for example, through your spouse's employer).

When you experience any of these qualifying status changes, you may make related enrollment changes. To make changes, submit a *Benefits Enrollment Form* to the Trust Office.

Cost of Your Coverage

If you are not eligible for a District contribution, you are responsible for paying the full cost of Trust early retiree medical coverage. The amount is set annually by the Trust.

If you are eligible for a District contribution**,** the District will contribute toward the cost of your medical coverage and toward the cost of medical coverage for your spouse or domestic partner, if he or she is not eligible for Medicare. The amount contributed will be based on the requirements in the collective bargaining agreement covering the unit from which you retired. Provided you meet eligibility requirements, you may choose to receive District contributions during any 60-month period subject to the events listed below which can end coverage before the maximum period. (See "When District Contributions Begin" on page 11 for details.)

You are responsible for paying the full cost of Trust early retiree voluntary dental/vision coverage.

The Trust Office will bill you on a monthly basis for the payment amount that applies given your specific circumstances. For details on contribution rates, contact the Trust Office or visit the Trust web site at www.sdtrust.com. Your payments are due by the fifth of each month.

If you choose to remit payment by Electronic Funds Transfer (EFT), you will not receive a monthly bill. The amount will be automatically deducted from your account on the fifth of each month.

Contribution rates may change from year to year. During open enrollment, you will be notified of the rates for the upcoming plan year (January 1 through December 31).

Enrolling for Voluntary Dental and Vision Coverage

Generally, the Trust early retiree voluntary dental and vision coverages must be elected as a package — either Basic Dental/Vision or Buy-up Dental/Vision — at the time you or your dependents are eligible to make your initial election for Trust early retiree medical coverage. The following are exceptions to this rule:

- You can elect dental/vision coverage separately from medical coverage if you defer or suspend early retiree medical coverage because you have other group medical coverage.
- You may elect dental only coverage if you are enrolled in the Kaiser Permanente HMO.

Except for early retirees who defer or suspend early retiree medical coverage, ***once you have enrolled in Trust early retiree voluntary dental/vision coverage, it must be continuous***. (See "If You Defer Enrollment" on page 7 for details.) That means, if you terminate Trust early retiree voluntary dental/vision coverage for any reason other than suspending or deferring Trust early retiree medical coverage, you cannot reinstate coverage. Coverage under the Trust Early Retiree Voluntary Dental/Vision Plans requires you to make monthly self-payments.

Also, once you elect a Trust Early Retiree Voluntary Dental/Vision Plan, you will not be able to change to another dental/vision coverage option in the future. For example, if you enroll in the Basic Dental/Vision, you may not enroll in Buy-up Dental/Vision or vice versa at a later time.

INITIAL ENROLLMENT

To participate in a Trust Early Retiree Voluntary Dental/Vision Plan, you must complete and return a *Benefits Enrollment Form* to the Trust Office. Even if you plan to defer enrollment to a later date, you must notify the Trust Office of your enrollment decision before your active District employee coverage ends.

You must submit your *Benefits Enrollment Form* within 60 days of the effective date of your retirement; otherwise, you will forfeit your right to self-pay for early retiree voluntary dental/vision coverage through the Trust, except as explained in "If You Defer Enrollment" on page 7.

Annual Open Enrollment

The Trust holds an open enrollment period each fall. You may enroll in a Trust Early Retiree Voluntary Dental/Vision Plan during open enrollment only if you have not previously enrolled for this coverage because you have suspended Trust early retiree medical coverage or you have dental/vision coverage through another group health plan.

If you have terminated dental/vision coverage for any reason other than suspending or deferring early retiree medical coverage, you may not re-enroll for dental/vision coverage during open enrollment. If you have previously elected a Trust Early Retiree Voluntary Dental/Vision Plan, you will not be able to change to another dental/vision plan option during open enrollment. For example, if you enroll in the Basic Dental/Vision, you may not enroll in Buy-up Dental/Vision or vice versa during open enrollment or at a later date.

Midyear Enrollment

Certain changes in your family or employment status qualify you to make midyear benefit changes. These changes are the same that apply to medical coverage and are discussed in “Midyear Enrollment” on page 7.

When Coverage Begins

When Your Medical and Prescription Drug Coverage Begins

If you submit a completed *Benefits Enrollment Form* to the Trust Office before the first month of retirement, your coverage will be effective on the first day you begin early retirement. Coverage for enrolled family members begins when your coverage begins.

If you defer enrollment when you are initially eligible at retirement, you may enroll at a later date by submitting a completed *Benefits Enrollment Form* to the Trust Office. Under this scenario, coverage for you and your enrolled family members begins the first of the month after enrollment.

If you are eligible for a District contribution for retiree coverage and do not elect early retiree medical coverage within 60 days of the effective date of your retirement, your coverage will be deferred until you have submitted a completed enrollment form to the Trust Office.

When District Contributions Begin

If you retire before age 60 and do not elect to begin the District contribution immediately, you must maintain continuous heath coverage from the date your Trust coverage ends to be eligible for District contributions to begin at age 60. If you retire before age 60, however, you may elect to have the District contribution begin upon retirement, but the District's contribution will end after 60 months of contributions subject to the occurrence of an event that ends coverage before the 60-month maximum period.

Alternatively, you may defer participation in a Trust Early Retiree Medical Plan to a date after your retirement. To do this, you must notify the Trust Office of your election to defer coverage and you must maintain other health coverage from the time your active employee coverage ends until the District contribution begins. This is because coverage under the Trust Early Retiree Medical Plan and your other health coverage must be continuous. This other health coverage can be from outside the Trust or result from making self-payments to one of the Trust early retiree medical plan options or by making self-payments under the *Continuation of Coverage* provisions of the plan you had through the Trust while employed.

If you are eligible for a District contribution, the District will contribute toward early retiree medical coverage based on the requirements in the collective bargaining agreement covering the unit from which you retired.

You may suspend your District contribution once it starts if you have other group health coverage. To suspend payment of the District contribution, you must notify the Trust Office in writing when other coverage begins. You must then notify the Trust Office within 30 days of the other coverage ending for the contribution to resume.

Eligibility for a District contribution toward the cost of your coverage will end as provided for in the applicable collective bargaining agreement. Currently under the PAT collective bargaining agreements, this is after 60 months of contributions or, if earlier, when you or a covered dependent reaches age 65 or otherwise becomes eligible for Medicare.

When Your Voluntary Dental and Vision Coverage Begins

If you submit a completed *Benefits Enrollment Form* to the Trust Office before the first month of retirement, your coverage will be effective on the first day you begin early retirement. Coverage for eligible dependents begins when your coverage begins.

If you or your dependents defer or suspend Trust early retiree medical coverage because you have other health coverage, you may defer dental or vision coverage. You may enroll at a later date by submitting a completed *Benefits Enrollment Form* to the Trust Office. Coverage for you and your enrolled family members will begin the first of the month after you enroll.

When Coverage Ends

When Your Medical and Prescription Drug Coverage Ends

RETIREE

Coverage under a Trust Early Retiree Medical Plan automatically ends for you and your covered dependents on the last day of the month (except where noted) when:

- You lose eligibility for coverage
- You reach age 65 or otherwise become eligible for Medicare
- You fail to make any required payments for the following month's coverage
- You die while covered (see "Dependents" on page 12 for benefits available to surviving eligible dependents); if you die, coverage ends on the date of death
- The Trust Early Retiree Medical Plan or the option in which you participate is terminated
- The active employee classification from which you retired no longer participates in the Trust or no longer provides for an early retiree medical plan option for which you are eligible as contained in this handbook.

Your dependents may continue coverage on a self-pay basis if the Trust's requirements for continuing coverage on a self-pay basis are met. (See "Continuing Coverage on a Self-Pay Basis" on page 14 for more information.)

DEPENDENTS

Important!

Please be aware that if an individual who has been reported as your dependent receives benefits after Trust eligibility has or should have ended, the Trust may recover the improperly paid benefits from you.

Coverage for dependents ends when the coverage for the early retiree ends (except for the provision allowing coverage to continue after the retiree's death) and in the following additional situations:

- **Spouse**
  - Coverage ends on the last day of the month before your spouse becomes eligible for Medicare.
  - Coverage for your spouse ends the last day of the month in which a divorce or annulment becomes final. Your ex-spouse may continue coverage on a self-pay basis if the Trust's requirements for continuing coverage on a self-pay basis are met. (See "Continuing Coverage on a Self-Pay Basis" on page 14 for more information.)
  - Failure to make payment for the following month's coverage.
- **Domestic partner**
  - Coverage ends for your domestic partner on the last day of the month before your domestic partner becomes eligible for Medicare.
  - Coverage for a domestic partner and his or her covered children ends on the last day of the month in which the domestic partnership ends. The domestic partner and/or his or her eligible children may continue coverage on a self-pay basis if the requirements for continuing coverage on a self-pay basis are met. (See "Continuing Coverage on a Self-Pay Basis" on page 14 for more information.)
  - Failure to make payment for the following month's coverage.
- **Dependent children**
  - Coverage automatically ends on the last day of the month in which an otherwise eligible dependent child reaches age 26 or the last day of the month in which the child otherwise no longer meets the Trust's requirements for dependent eligibility.
  - Coverage can be continued past age 26 if a dependent child is unmarried, financially dependent on you and incapable of self-support due to a physical or mental disability.
  - A dependent child whose coverage ends may continue coverage on a self-pay basis if the requirements for continuing coverage on a self-pay basis are met. (See "Continuing Coverage on a Self-Pay Basis" on page 14 for more information.)

You should inform the Trust if a dependent spouse, domestic partner or child is no longer eligible to receive benefits from the Trust.

When Your Voluntary Dental and Vision Coverage Ends

Coverage ends when any of the events listed under “When Coverage Ends” on page 12 occurs.

Continuing Coverage on a Self-Pay Basis

Your covered dependents may continue coverage if they lose coverage due to:

- Divorce, legal separation or termination of a domestic partnership
- A child’s loss of dependent status under the plan
- Your becoming entitled to Medicare
- Your death.

Continuation of coverage will end when a covered dependents becomes Medicare eligible.

Notification Responsibility

Your covered dependents are responsible for notifying the Trust Office of a divorce, legal separation, termination of domestic partnership or a child’s loss of dependent status within 60 days after the date coverage would end as a result of the event. If notice is not given, coverage will end as it normally would end under the terms of the plan.

After Notification

When the Trust Office is timely notified that one of the events listed under “When Coverage Ends” on page 12 occurs, it will notify your covered dependent that he or she may elect continuation coverage within 60 days after the later of:

- The date your covered dependent’s coverage would otherwise end
- The date notification is furnished by the Trust Office.

Elections of continuation coverage must be in writing. If a covered dependent does not elect continuation coverage within this 60-day period, coverage will end as it normally would under the plan. If a covered dependent elects continuation coverage within the 60-day period, coverage will be retroactive to the first day after the date coverage otherwise would have ended. Your covered dependents will need to pay the cost for any retroactive coverage.

Available Coverage

The benefits available during continuation of coverage will be the same as those provided to other plan participants.

Cost of Continuation Coverage

Your dependents are responsible for the full cost of continuation coverage plus a 2% administrative fee. The Trust requires that payments be received by the fifth of the month. However, you have a 30-day grace period to make payment. Failure to pay by that date could result in Trust records not showing current eligibility or other inconveniences. If payment is not sent by the last day of the month for the month for which coverage is sought, the right to continue coverage through self-payments will terminate. The only exception is that your dependents have up to 45 days from the date they initially elect continuation coverage to make their first payment to cover the period preceding their election.

How Long Coverage May Continue

If your eligible dependents lose coverage as a result of one of the events described below, they have the following continuation rights:

- ***If you divorce, legally separate, end a domestic partnership or die,*** your eligible dependents may elect to continue coverage for up to 36 months. If your spouse or domestic partner is age 55 or older at the time of the qualifying event, the 36-month limit does not apply — your spouse or domestic partner may continue self-paid coverage until reaching age 65 or otherwise becoming eligible for Medicare.
- ***If your dependent child ceases to qualify as a dependent under the Trust Early Retiree Medical Plan,*** he or she may continue coverage for up to 36 months.
- ***If you become entitled to Medicare while covered under the Trust Early Retiree Medical Plan,*** your eligible dependent children may continue coverage for up to 36 months from the date of your Medicare entitlement. See “When Coverage Ends” on page 12 for information on when spouse/domestic partner coverage ends.

In all situations, continuation coverage ends on the last day of the payment period during which any of the following occurs:

- Payment for continuation coverage for the next monthly coverage period is not made to the Trust Office on a timely basis
- A covered person obtains coverage under any other group health plan after electing continuation coverage. However, continuation coverage will not end if the other plan excludes or limits coverage for a pre-existing condition of a qualified beneficiary, taking into account creditable coverage under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

- A covered person becomes entitled to Medicare after electing continuation coverage
- The maximum period of continuation coverage ends.

In addition, continuation coverage will end if this plan is terminated or if the District begins contributing to another group health plan on behalf of the active employee classification in which you worked while employed by the District. However, coverage may still be available under a succeeding plan.