



# Thought Provokers

Consider these questions as you evaluate your Defined Contribution (DC) retirement healthcare plan election options under Public Act 264.

**Election Deadline: Friday, March 2, 2012, 5:00 p.m. EST**

## 1 What's the future of my state employment?

- How long do I plan to work for the state?
  - At least 4 years to vest in employer contributions to my DC account?
  - At 10 years to vest in the state premium subsidy?
  - More than 10 years but less than 30 years?
  - Do I expect to retire from the state after a career of length sufficient to qualify for the maximum premium subsidy?

## 2 What are my future healthcare needs?

- What do I anticipate my future health situation to be?
- What is my family situation (single, married, divorced, kids)?
- Do I like the coverage the state offers? Would I continue it?
- What type of coverage does my spouse have, if any?
- Does my spouse have health insurance options I can use instead of me keeping the state's health insurance subsidy?
- Does my spouse get retiree healthcare? Might this change?
- Do I expect to have dependent children at the time I retire?
- Do I (or my dependents) have or expect to have health insurance coverage elsewhere?
- Do I anticipate having other insurance to fill the gap between termination of employment and retirement?
- Will I be able to purchase non-state sponsored health insurance in retirement if I have preexisting conditions? If I move to another state?

## 3 What will healthcare look like down the road?

- What do I think healthcare will look like in the future?
- Do I think there will be national healthcare coverage when I retire?

- Do I think the state will make an adjustment to retiree healthcare? If so, what do I think that adjustment will be? If I pick the graded premium subsidy now, does it mean I'll have it in the future? Will I even have a state-sponsored retirement healthcare plan at all?
- Do I expect healthcare costs to rise significantly faster than the rate of inflation?
- What will the state insurance plan and premium subsidy look like when I retire?
- Do I know what subsidy I am currently qualified for?
- Do I know how much I will have to pay out-of-pocket for insurance premiums based on my current subsidy?
- Do I know what my subsidy is projected to be when I retire?
- Do I know how much I will have to pay out-of-pocket for insurance premiums based on my projected subsidy?
- What do I think Medicare will look like when I retire?
- What will be the impact of any future health care exchanges?

## 4 What's my plan for saving for retiree healthcare?

- Can I afford the additional 2 percent contribution to achieve the state's healthcare match?
- Do I have enough discipline to contribute the 2 percent to qualify for the matching contributions and then use those for healthcare expenses in retirement?
- How long do I have between my age when I plan to retire and the age until I'm eligible for Medicare (currently age 65)? Will I have to save additional money to cover my health expenses during that period?
- Do my physicians participate in the state's insurance plan or with Medicare? Will I need to save additional money if they don't?
- If my investments lose money, do I have a back-up plan so I'm still saving money for retirement healthcare?

*Note:* These questions are not designed to guide you toward any particular election option. Instead, these are questions that are representative of those that other state employees are asking as they attempt to determine if one election option is better than another for their own personal circumstances. In some cases, a question may not apply to you at all. In others, your own personal facts may have you consider the weight of one question over another. In addition, no list of questions can cover all of the possible variables that may go into the consideration of the election options. The questions are also not designed to take a position as to any current or future policy. Future federal and state law changes may impact both the answers to the questions and the impact of making various election options. These questions are simply provided to help assist you in considering the election options.