



## Office of the State Comptroller

Health Care Policy and Services Division  
165 Capitol Avenue  
Harford, CT 06106

# RETIREMENT HEALTH TRUST FUND (OPEB) POLICY

## 1. INTRODUCTION

This policy establishes the eligibility criteria and procedures for administering the retirement health trust fund (OPEB) deductions based on provisions established within applicable State Employees Bargaining Agent Coalition (SEBAC) collective bargaining agreements. The purpose is to ensure all State of Connecticut active employees, deferred vested past employees, and employing agencies have a clear understanding of employee requirements for the Retirement Health Trust Fund (OPEB) deductions.

The retirement health trust fund (OPEB) deductions from employees are matched by the state and deposited into the Retirement Health Trust Fund. The funds deposited into the Retirement Health Trust Fund can only be used to cover the cost of providing retiree health coverage.<sup>1</sup>

## 2. EMPLOYEES SUBJECT TO THE RETIREE HEALTH TRUST FUND CONTRIBUTION

Retirement Health Trust Fund (OPEB) deductions are required for any employee whose position entitles them to state sponsored healthcare coverage. The SEBAC Agreements determine how many years an employee must contribute to the fund:

- SEBAC 2009 required healthcare-eligible employees hired on or after 7/1/2009 to contribute 3% of their gross salary for 10 years.
- SEBAC 2011 required all healthcare-eligible employees to contribute to the Retiree Health Fund for 10 years or until retirement, whichever first occurred.
- SEBAC 2017 extended the duration of those contributions to 15 years for new employees hired on or after July 1, 2017.

<sup>1</sup>SEBAC agreements may introduce changes to eligibility, including increasing years of service or adjusting premium cost-sharing for future retirees. Current employees nearing retirement should review the most recent SEBAC agreement to understand how modifications impact their requirement to contribute to the retirement health trust fund to determine eligibility for retiree health insurance benefits.

The following employees are exempt from Retirement Health Trust Fund (OPEB) contributions:

- Those working part-time, less than 0.5 Full-time equivalent (FTE), temporary or seasonal employees.
- Adjunct faculty in higher education who are intermittently eligible for state-paid healthcare coverage; however, if an adjunct faculty member completes sufficient actual service to qualify for retiree health coverage, he or she will be required to pay the required percentage of compensation for the full 10- year period (or such lesser period as may be required).
- Any employee who is not eligible to participate in a State of Connecticut retirement plan (for example, those holding J-1 or F-1 visas).
- An employee who has an approved exemption based on their own entitlement of retiree health coverage through a prior employer. An employee may not seek an exemption based on the entitlement of retiree health coverage as a spouse or dependent.

### 3. PROCESS TO REQUEST AN EXEMPTION BASED ON OTHER RETIREE COVERAGE

An employee may request an exemption based on their own entitlement of other retiree health coverage. The employee must provide the following forms to their agency who will then forward them to the Healthcare Policy and Benefit Services Division, Retirement Health Trust Fund (OPEB) Unit at [osc.opeb@ct.gov](mailto:osc.opeb@ct.gov). The forms can be found on the Care Compass website: [carecompass.ct.gov/forms](https://carecompass.ct.gov/forms)

- a. Form CO-1303 – Retiree Health Fund Affidavit
  - i. This is completed by the employer sponsoring the Other Retiree Coverage under which the exemption is being claimed.
- b. Form CO-1304 – Application For Exemption Retiree Health Fund
  - i. This is completed by the employee claiming exemption as an acknowledgement of the consequences of the exemption request.
- c. Form CO-1301 – Application For Refund of Retiree Health Contributions
  - i. This is completed by both the employee and Agency representative to document the refund amount if the exemption is approved.

The employee must continue to have Retirement Health Trust Fund (OPEB) deductions taken until the Agency of the exemption approval by OSC.

Once the exemption has been approved and processed, it is irrevocable unless the retiree coverage that is the basis for exemption becomes unavailable by reason of some action other than that of the employee.

#### 4. DEDUCTION SETUP AND MONITORING

New employees and rehires will automatically be enrolled for Retirement Health Trust Fund (OPEB) contributions based upon eligibility for health benefits and participation in a retirement plan.

The deduction will automatically close after 120 months of contributions for those subject to the 10-year requirement or 180 months of contributions for those subject to the 15-year requirement.

#### 5. REFUNDS FOR TERMINATING EMPLOYEES

Employees who separate from state service before completing the service requirement to qualify for retiree health coverage are entitled to request a refund of their contributions to the Retirement Health Trust Fund (OPEB). As part of the exit interview, agency HR/ Payroll personnel must advise the terminating employee of the availability of a refund of Retirement Health Trust Fund (OPEB) contributions.

An employee who is entitled to a refund of their Retirement Health Trust Fund (OPEB) deductions at termination may request it by completing Form CO-1301 and returning the completed request to their Agency HR/Payroll personnel. The Agency will complete their portion of the form and submit the request for refund to the Retirement Health Trust Fund (OPEB) Unit for approval and processing.

There are a few circumstances where an employee would not be entitled to a refund:

- a. an employee is transferring to another state agency.
- b. an employee terminating from a present position with your agency but staying on in another capacity.
- c. an employee with an active secondary position at another state agency.

In these situations, no refund is permitted because there has been no separation from state service.

If an employee who has previously received a refund from the Retiree Health Fund returns to state service, they must make a decision regarding restoration of the prior refund within 60 days of their rehire date. If the election to repay the prior refund is not made within the 60 day timeframe, the employee will not receive credit for the prior period covered by the Retirement Health Trust Fund (OPEB) refund and their deduction period of 10 or 15 years will restart from the date of rehire. Agencies should ensure that the employee seeking a refund has a complete understanding of this requirement.

## 6. REFUNDS FOR DECEASED EMPLOYEES

If an employee dies prior to meeting the eligibility requirements for a pre-retirement death benefit from their pension, the beneficiary (as designated for their State Retirement Plan) may be entitled to a refund of the deceased employee's Retirement Health Trust Fund (OPEB) deductions. Agency HR/payroll personnel should submit Forms CO-1301 and CO-628 to the Retirement Health Trust Fund (OPEB) unit for processing to the beneficiary.

## 7. RETIREMENT HEALTH TRUST FUND (OPEB) UNIT CONTACT INFORMATION

Contact the Retirement Health Trust Fund (OPEB) Unit with any questions regarding the Retirement Health Trust Fund (OPEB) deductions at [osc.opeb@ct.gov](mailto:osc.opeb@ct.gov) or 860-702-3535, Option 3.