

Manchester Employees' Contributory Retirement System

Retiree Health Insurance Subsidy Entitlements for City Coverage

MECRS staff continue to receive numerous inquiries regarding the 2023 anticipated changes to health insurance coverage with the City of Manchester/Manchester School District. While we cannot answer questions regarding the coverage, we can assure you that the entitlements for health insurance subsidy remains unchanged.

As of July 1, 2006, any pensioner (this benefit is limited to the pensioner only and does not cover spouses or dependents under any circumstances) is entitled to a health insurance subsidy which can be applied against the cost of remaining on the City's health insurance plan after retirement. The subsidy is limited to retirees affiliated with the City and School District health insurance programs. The amount of the subsidy varies depending upon the member's date of retirement and their years of service in the plan. For those retiring after March 2006, the subsidy ranges between \$93.65 per month and \$374.60 per month. For those retired prior to March of 2006 the subsidy is half that amount. Subsidies will increase by 4% each year. Subsidy levels for 2022 are shown in the table which follows:

Retirement Date	Under 10 Years Service	Over 10 Years Service	Over 15 Years Service	Over 20 Years Service
Prior to 3/2006	\$46.82	\$93.65	\$140.47	\$187.29
After 3/2006	\$93.65	\$187.29	\$280.95	\$374.60

Common retiree questions and answers:

My health insurance plan through the City/School District is changing, will I still be eligible for subsidy?

The subsidy is paid directly to the City/School District, and provided you remain on their affiliated plan, MECRS will continue to remit the subsidy to them on your behalf.

My new plan premium is less than the amount of my subsidy allotment. Will I receive a refund of any excess?

The subsidy is only paid up to the cost of the pensioner's health insurance premium. Any excess remains in the trust. Per Chapter 218:28-VI: No benefit or subsidy shall be payable

directly to a retired member, nor shall any cash equivalent or other form of subsidy be payable for purposes outside of group health coverage provided by the city to its retirees.

Can I apply the balance to coverage for my spouse or dental premium?

It may not apply to coverage for spouses nor dependents, nor other insurance, e.g. dental.

I am eligible for subsidy, but have chosen to obtain my health insurance elsewhere, e.g. new employer, spousal coverage, independent purchase. Can I use my subsidy toward that coverage?

The subsidy may not be used for purposes outside of group health coverage provided by the city to its retirees.

For more information about the subsidy, see the ME CRS Plan Document, Chapter 218:28 Medical Insurance Coverage. The full text may be viewed here:

<https://manchesterretirement.org/wp-content/uploads/Chapter-218-Plan-document-2021-Version.pdf>

Or contact our office at 603-624-6506