

Summary of NEW Policy Amendments to the GIRs for Retired Members, Disabled Members, and Survivors

Changes as of January 1, 2026:

Renaming of the Retiree GIRs

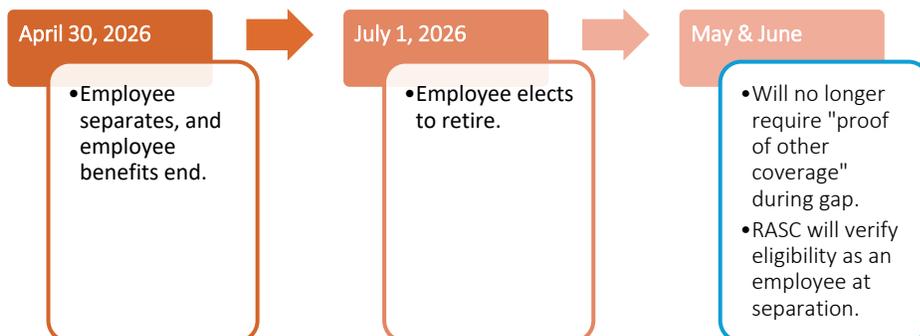
Part IV – Group Insurance Regulations for Retired Members, Disabled Members, and Survivors

- New title accurately reflects populations covered under the GIRs.
- Savings Choice Only Retirees do not receive an annuity.

Continuation of Coverage Rule for new retirees - Section: 6002.A.1.i-ii

- Employees eligible for retiree health coverage will no longer be required to provide “proof of coverage” if there is a gap between when the employee benefits end and when retiree health begins.
- Must still meet other retiree health requirements.
- RASC will verify eligibility as an employee at separation in UCPath.

Example:



Savings Choice Retirement - Section: 6002.D

All Savings Choice service credit will count toward eligibility for Retiree Health, even if the DC account has been distributed.

Savings Choice Only retirees become eligible for Retiree Health benefits in 2026:

- Must be 55 years or older
- 10 or more years of service credit
- **Must elect a retirement date** to be eligible for retiree health benefits

Retirement as a Period of Initial Eligibility (PIE) - Section: 6003

Newly retired members who are eligible for Retiree Health Coverage may elect to make changes to their Retiree Health plans for retirement:

- Includes enrolling/disenrolling eligible family members.
- The PIE begins on the date following the later of the member's retirement effective date or when employee health insurance terminates.
- Applies to survivors and disabled members who become newly eligible for retiree insurance.
 - **Exception:** HealthSavings+ (HS+) is not an option during a PIE. HS+ is only available during OE for non-Medicare retirees.

Process to make a PIE change at retirement:

- 1) Retiree submits a UBEN 100 with their retirement election.
 - Complete the appropriate Medicare UBEN form if applicable (U121, U123, U127).
- 2) RASC processes the enrollment.
 - Members who apply for a later retirement will be enrolled prospectively.

Break in Service Rule - Administrative Supplement II-E

Previously, employees on unpaid leave for more than (2) years experienced a Break in Service for retiree health eligibility and had to return to pay status to requalify, meaning their Retiree Health Group changed.

- Employees can remain eligible for retiree health benefits without returning to pay status for any period of approved leave of absence, regardless of duration, provided they remain eligible for employee benefits.
- This ensures they retain their Retiree Health Group.
- Employees must still meet all other eligibility criteria as outlined in the GIRs.

Coming in 2027:

UC Medicare Offset Penalty - 6008. F-G

Currently, the UC Medicare Offset Penalty applies to members who fail to enroll in Medicare, fail to assign Medicare to their Retiree Health coverage, or fail to maintain Medicare enrollment. Members are currently assessed for a monthly, non-refundable administrative penalty of \$419.60 per month per individual who is out of compliance.

- Beginning 2027 the penalty will be 3 times (**3x**) the Part B Medicare premium.
- The penalty will increase annually thereafter in accordance with changes to the Part B premium as adjusted by CMS.
 - Penalty will be based on the Medicare Part B premium from the prior year. (2027 Medicare Offset Penalty will be based on the 2026 Medicare Part B premium.)
- Administered for each individual out of compliance.
- Members must assign Medicare to their UC-sponsored medical coverage by their next CMS General Enrollment Period.