Print Entire Packet

Dear Retired Member:

Enclosed is the CalSTRS Medicare Benefit informational packet. It contains a four-page fact sheet on the CalSTRS benefit and enrollment in Medicare. In addition, you will find a form that CalSTRS needs in order to pay the Medicare Part A premium on your behalf if you qualify for the benefit.

Please read the material to determine if indeed you qualify to have CalSTRS pay your Medicare Part A premium. If so, you need to call Social Security toll-free at 1-800-772-1213 to enroll in Medicare. You also need to complete and return to CalSTRS the enclosed *CalSTRS Medicare Payment Authorization* form.

If you have questions about CalSTRS paying your Medicare Part A premium, please call during normal business hours the new, toll-free Medicare benefit hotline CalSTRS has established: 1-800-228-5453.

For questions about what Medicare covers, call Medicare toll-free at 1-800-633-4227.

To enroll in Medicare or to learn if you are already eligible for premium-free Medicare Part A, call Social Security toll-free at 1-800-772-1213.

For general information on how Medicare might affect your current health care insurance, call the California Health Insurance Counseling and Advocacy Program, toll-free at 1-800-434-0222.

HB-0985 Letter (Rev. 4/5/02)

Dear Retired Defined Benefit Program Member:

Our records indicate that you recently retired and are 65 years or older or are nearing your 65th birthday. At age 65 most Americans and their spouses who paid the Medicare payroll tax and earned at least 40 credits are eligible for federal Medicare Part A (hospital insurance) coverage without paying a premium.

To determine if you qualify to receive Medicare Part A coverage without paying a premium, ask yourself the following questions:

- Do I (or my spouse) receive Social Security retirement benefits?
- Will I (or my spouse) receive Social Security retirement benefits?
- Did I (or my spouse) earn at least 40 credits by paying the Medicare payroll tax for 10 or more years?

If you answer yes to any of these questions, you may qualify to receive Medicare Part A coverage without paying a premium. To confirm your eligibility, contact the Social Security Administration by calling their toll free number (1-800-772-1213 or TTY 1-800-325-0778) or visit their web site at www.ssa.gov for assistance.

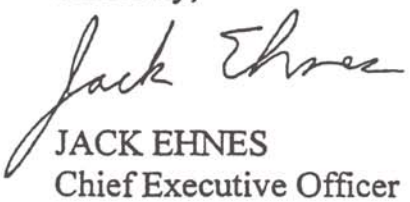
If you answered no to all of these questions, you may qualify for the California State Teachers' Retirement System (CalSTRS) Medicare Premium Payment (MPP) Program. The CalSTRS MPP Program is designed to pay the Medicare Part A premium for those retired Defined Benefit (DB) Program members who did not have the opportunity to pay into the federal Medicare program and are now required to pay a monthly premium for Medicare Part A coverage.

Because CalSTRS does not have information about members' Social Security or Medicare eligibility status, we are sending this letter to all newly retired DB members if they are 65 or older. We also send this to retired DB members as they approach age 65 so we do not miss anyone who might qualify for the CalSTRS MPP Program.

As a convenience to you, CalSTRS can also deduct the Medicare Part B (medical insurance) premium from **your CalSTRS monthly allowance.** You have this option even if CalSTRS does not pay your Medicare Part A premium. For example, if you will receive premium-free Medicare Part A, you can have the Medicare Part B premiums deducted from **your CalSTRS monthly allowance.** See the enclosed *CalSTRS Medicare Payment Authorization* form for details.

We are pleased that CalSTRS DB Program members can now be covered by the federal Medicare Part A insurance without it causing a financial burden.

Sincerely,



JACK EHNES
Chief Executive Officer

Attachments:
1. CalSTRS MPP Program Instructions,
2. IEP Chart, and
3. CalSTRS Medicare Payment Authorization Form (HB-0986)

CalSTRS Medicare Premium Payment Program Additional Information and Instructions

About Medicare Enrollment

The federal Medicare health insurance comes in two parts: Medicare Part A (hospital) and Medicare Part B (medical). To be eligible for federal Medicare health insurance coverage, you must be at least 65 years old, a resident of the United States, and a U.S. citizen or an alien who has been lawfully admitted for permanent residence. A few people under 65 years of age are also eligible.

Most Americans pay the Medicare payroll tax during their working career. As they pay the tax, they earn credits toward Medicare coverage. If they earn 40 credits of coverage, they and their spouses become eligible for Medicare Part A on a premium-free basis. In contrast, all individuals must pay premiums to received Medicare Part B coverage. During 2002, the Medicare Part B premium is $54 per month.

Many California public educators qualify for premium-free Medicare Part A coverage either through their own non-CalSTRS covered employment or their spouses' coverage. If you do not qualify for premium-free Medicare Part A when you turn age 65, but your spouse has enough Medicare or Social Security credits to qualify for coverage, you can still receive Medicare Part A at no charge. Your spouse must be 62 years old or older and you must have been married for at least one year. You may also be eligible if you are divorced from a spouse who is eligible. Your former spouse must be eligible for premium-free Medicare Part A and you must have been married for at least ten years.

To determine if you qualify for Medicare Part A on a premium-free basis, call the Social Security Administration at 1-800-772-1213 (TTY 1-800-325-0778), and then push 5 and 0. A representative will tell you if you qualify for Medicare Part A without paying a premium.

About the CalSTRS Medicare Premium Payment Program

If you are not eligible for premium-free Medicare Part A, you may qualify for the CalSTRS Medicare Premium Payment (MPP) Program. You are eligible to have CalSTRS pay your Medicare Part A Premiums if you:

- retired prior to January 1, 2001, and are receiving a monthly CalSTRS allowance;
- for members who retire after December 31, 2000, and prior to January 1, 2006, see page 2 for additional requirements;
- are not eligible for premium-free Medicare Part A; and
- have enrolled in both Medicare Part A and Part B.

Additional requirement for members who retire after December 31, 2000, and prior to January 1, 2006

School district or Office of Education employees hired before April 1986 were not required to pay the Medicare tax. However, employers could hold a Medicare Division during which employees elected to pay the Medicare tax. If the employee chose to pay the Medicare tax, the employer also paid a matching Medicare tax. All employees hired after April 1986 must pay the Medicare tax.

As of January 2001 approximately 300 school employers have not conducted a Medicare Division.

One eligibility requirement for the CalSTRS MPP Program is that DB Program members must retire from a district that has either completed or is in the process of conducting a Medicare Division.

For **CalSTRS Defined Benefit (DB) Program members who retired in 2001**, CalSTRS will use the date that the district's governing board passed a resolution of the intent to complete a Medicare Division as the date upon which the district will be considered "to be in the process of conducting an election," because this is the initial step of the election process. That is, CalSTRS DB Program members who retire in 2001, on or after the date of their districts' resolution will be eligible for the MPP Program.

CalSTRS DB Program members who retire **in 2002, or thereafter** will need to retire **during or after the 10-day period of the Medicare Division** in order to satisfy the eligibility requirements of the CalSTRS MPP Program. Further, active members who were less than 58 years of age at the time of the election held after January 1, 2001, must have elected to be covered by Medicare. Active members age 58 or older were not required to elect to be covered by Medicare during the 10-day election period in order to receive a benefit under the CalSTRS MPP Program.

There are a few employers in which all the employees hired prior to April 1986 are 58 years of age or more. In addition, there are some employers that unified or consolidated after April 1986. If the employees of these employers paid the Medicare tax after the consolidation, there is no need for the employer to hold a Medicare Division. If you retired from an employer in the above categories, you are eligible for the CalSTRS Medicare Premium Payment Program even though your employer did not hold a Medicare Division.

You need to check with your employer to determine whether the employer has conducted the Medicare Division.

Who Pays What?
If you meet the eligibility requirements, **CalSTRS will pay** your Medicare Part A premium. This benefit is not available to a member's spouse or beneficiaries. However, in order for CalSTRS to pay your Part A premium, federal regulations require you also enroll in Medicare Part B. **You will be required to pay** the Medicare Part B premium. Once you enroll, Medicare will send you a comprehensive handbook on Medicare benefits.

I Qualify, So What Do I Do?
First: Enroll in Medicare during your Initial Enrollment Period, a seven-month period around your 65th birthday, or if you retire after age 65, your Special Enrollment Period, the eight-month period that begins when your group health insurance ends. To enroll, call Social Security toll-free at 1-800-772-1213 (TTY 1-800-325-0778). It may take several calls to get through to Social Security. During the first call you will schedule an appointment with a customer service representative. Usually the scheduled interview will be conducted via the telephone. After the interview, a computer-generated form will be mailed to you. Read the instructions and review the form before signing it and returning it to Social Security. Before the enrollment process is complete, additional telephone interviews and the mailing of proof of age, citizenship and residency documents between you and Social Security may be necessary.

Second: Complete the enclosed *CalSTRS Medicare Payment Authorization* form and return it to CalSTRS along with a copy of the Medicare Premium Due Notice (Medicare bill). Your first premium bill should arrive the month before your Medicare coverage begins. Please do not pay this first premium bill. Because of normal processing time frames, you may also receive another premium due notice with past due premiums. Please do not pay this second bill. CalSTRS will send you a letter to confirm that we have received your documents.

About the CalSTRS Medicare Payment Authorization Form
The enclosed form does not enroll you in Medicare, but is essential for CalSTRS processing purposes. Without this signed form, CalSTRS cannot pay your Medicare Part A premium or deduct the Medicare Part B premium from your monthly allowance. (See the form for details.)

For CalSTRS Information
For questions regarding CalSTRS payment of Medicare Part A or deducting Medicare Part B premiums, please call the CalSTRS Public Service Office Monday through Friday from 8 a.m. to 5 p.m. toll-free at 1-800-228-5453 (TTY 916-229-3541).

Please do not ask Social Security or Medicare about the CalSTRS payment of the Medicare Part A premiums. Their technicians have information on Social Security only, not on the CalSTRS MPP Program.

Frequently Asked Questions and Answers

Q: What do Medicare Parts A and B cover?
A: Medicare is a complicated and multi-faceted federal program. Medicare Part A covers some hospitalization costs and Medicare Part B covers doctor visits. CalSTRS would always like to be able to answer any member's questions. However, at Medicare's request, we must defer questions about the Medicare benefits to Medicare. Call Medicare toll-free at 1-800-633-4227. You may also access information about Medicare at their web site at www.medicare.gov.

Q: I already have medical insurance. Do I need to apply for this benefit?
A: CalSTRS cannot advise you on this question. You need to consult with your health care provider to determine what changes, if any, will occur to your medical coverage if you enroll in Medicare. To get general information on this question, call the California Health Insurance Counseling and Advocacy Program toll-free at 1-800-434-0222.

Q: I already participate in an HMO. Should I cancel my HMO coverage?
A: CalSTRS cannot advise you on this decision. You need to consult with Medicare and your HMO provider to determine what changes to your medical coverage, if any, will occur if you enroll in Medicare.

Q: Can CalSTRS pay my Medicare Part B premium for me?
A: No, CalSTRS cannot pay the monthly premium for Part B coverage. However, you can authorize CalSTRS to deduct the premium from your CalSTRS monthly allowance and send the payment to Medicare.

Q: Can CalSTRS tell me if I already qualify for premium-free Medicare Part A?
A: No, CalSTRS does not have access to Social Security or Medicare records. Therefore, we do not know who already has or is eligible for premium-free Medicare Part A. Call Social Security at 1-800-772-1213, then push 5 and 0 (TTY 1-800-325-0778). A representative will tell you if you qualify for premium-free Medicare Part A. Social Security cannot answer questions about CalSTRS paying the Medicare Part A premium. Their technicians have information on Social Security only, not on CalSTRS paying the premium.

Q: Will CalSTRS pay any surcharges because I did not sign up for Medicare when I was initially eligible?
A: No, CalSTRS will not pay any surcharges if you signed up late for Medicare.

Q: The Social Security representative tells me that I am not eligible or do not have enough credits for Medicare Part A. What should I do?

A: Please inform the Social Security representative that you would like to purchase Medicare Part A. Medicare will then send you a Notice of Medicare Premium Due for Part A (Medicare bill). Please do not pay this bill. Please forward this bill and the CalSTRS Medicare Payment Authorization form to CalSTRS.

Q: I received a form from the Center for Medicare and Medicaid Services (CMS) to authorize the payment of my Medicare premiums from my checking account. What should I do?

A: CMS is offering individuals enrolled in Medicare the option to pay their Medicare premiums through electronic funds transfer (EFT), but you are not required to use this option.

If you are eligible for CalSTRS to pay your Medicare Part A premium, please do not complete the CMS EFT form.

If you already receive Medicare Part A premium-free, you have three choices about how to pay your Medicare Part B payment.

1. You can authorize CalSTRS to deduct your Medicare Part B premium from your allowance check and pay it to CMS on your behalf; **or**
2. You can authorize your bank to use electronic funds transfer to pay the premium each month directly to CMS, **or**
3. You can pay your Medicare Part B payment quarterly when you receive your Notice of Medicare Premium Payment Due (Medicare bill) from CMS.

CMS has indicated that if you inadvertently start the EFT process with your bank and also authorize CalSTRS to pay your Medicare Part A premium or to deduct your Medicare Part B payment, your EFT will stop when CalSTRS starts to send your Medicare premiums to CMS. CMS will be responsible for reimbursing you for duplicate payments of your Medicare premiums.

Initial Enrollment Period

If you turn 65 in	And you enroll in Medicare in	Your Medicare coverage begins in
January	October	January
	November	January
	December	January
	January	February
	February	April
	March	June
	April	July
February	November	February
	December	February
	January	February
	February	March
	March	May
	April	July
	May	August
March	December	March
	January	March
	February	March
	March	April
	April	June
	May	August
	June	September
April	January	April
	February	April
	March	April
	April	May
	May	July
	June	September
	July	October
May	February	May
	March	May
	April	May
	May	June
	June	August
	July	October
	August	November
June	March	June
	April	June
	May	June
	June	July
	July	September
	August	November
	September	December

If you turn 65 in	And you enroll in Medicare in	Your Medicare coverage begins in
July	April	July
	May	July
	June	July
	July	August
	August	October
	September	December
	October	January
August	May	August
	June	August
	July	August
	August	September
	September	November
	October	January
	November	February
September	June	September
	July	September
	August	September
	September	October
	October	December
	November	February
	December	March
October	July	October
	August	October
	September	October
	October	November
	November	January
	December	March
	January	April
	*February	*July
	*March	*July
November	August	November
	September	November
	October	November
	November	December
	December	February
	January	April
	February	May
	*March	*July
December	September	December
	October	December
	November	December
	December	January
	January	March
	February	May
	March	June

*For people with birthdays in October and November, they can enroll through March, during the General Enrollment Period, although their Initial Enrollment Period has passed. Their coverage would begin in July.

California State Teachers' Retirement System
MEDICARE PAYMENT AUTHORIZATION
HB-0986 (Rev 10/2001)

For CalSTRS use only

The California State Teachers' Retirement System (CalSTRS) does not provide health or dental insurance for its' retired members. This form does not enroll you in the Federal Medicare Program.

If you or your spouse is currently receiving a Social Security benefit and a Medicare premium is deducted from that benefit, please disregard this form. However, if you enroll in Medicare Part A (hospital insurance) and will be charged a premium, you may qualify for the CalSTRS Medicare Premium Payment Program. Furthermore, if you are billed for Medicare Part B (medical insurance), you can use this form to authorize CalSTRS to deduct the premiums for Part B from your CalSTRS retirement allowance and send them to the Medicare administrator, as a convenience to you.

This form DOES NOT enroll you in Medicare.

To enroll, you must call Social Security at 1-800-772-1213 (TTY 1-800-325-0778) during your enrollment period.

PLEASE READ THE REVERSE BEFORE COMPLETING THIS AUTHORIZATION

(TO BE COMPLETED BY THE MEMBER)

NAME (Last) (First) (Initial)	SOCIAL SECURITY NUMBER
ADDRESS (Number) (Street) (Apt #)	MEDICARE CLAIM NUMBER
(City) (State) (Zip Code)	TELEPHONE NUMBER ( )

I authorize the California State Teachers' Retirement System to pay Medicare Part A premiums to the federal Center for Medicare & Medicaid Services (CMS), formerly known as the Health Care Financing Administration, the Medicare administrator, on my behalf. With my initials and signature below, I request the federal CMS to send premium notices to CalSTRS rather than to me. With this form I also authorize the federal CMS to furnish CalSTRS with such information from time to time as may be necessary to administer this premium payment arrangement.

Initial one or both of the authorizations that apply:

_____ I hereby authorize CalSTRS to pay **Medicare Part A** (hospital insurance) premiums for me. (See reverse for instructions.)

_____ I hereby authorize CalSTRS to deduct **Medicare Part B** (medical insurance) premiums, which I must pay, from my retirement allowance and send them to the federal Medicare administrator. (See reverse for instructions.)

I hereby release CalSTRS from liability to me or my estate for any claim arising from the nonpayment of Medicare Part B premiums if designated above, or for premiums paid to the Medicare administrator subsequent to my death. **I understand** that if I am electing to have the Part B premium deducted from my allowance, this deduction will continue until I notify in writing CalSTRS otherwise.

RETURN THIS FORM TO CalSTRS AT THE ADDRESS LISTED BELOW
ALONG WITH A COPY OF YOUR FIRST MEDICARE PREMIUM PAYMENT DUE NOTICE.
Please allow 8 weeks for this form to be processed

SIGNATURE	DATE (mo/day/yr)
✍	07/15/2002

Complete and mail to:
California State Teachers' Retirement System, Post Office Box 15275 MS #47, Sacramento, CA 95851-0275
Public Service Office 1-800-228-5453; TTY (916) 229-3541; Fax (916) 229-3616

INSTRUCTIONS
CalSTRS MEDICARE PAYMENT AUTHORIZATION

You must enroll in Medicare. Call Social Security at 1-800-772-1213 (TTY 1-800-325-0778).

Please use a typewriter or print in black or blue ink. Do not erase; erasures are unacceptable and will void your authorization. If you make a mistake, obtain a new form or line through the error, make your correction and initial the correction. Please make a copy for your records.

If you or your spouse is currently receiving a Social Security benefit and a Medicare premium is deducted from that benefit, please disregard this form. Federal regulation does not allow CalSTRS to pay Medicare Parts A or B if you are receiving Social Security. However, if you enroll in Medicare Part A (hospital insurance) and will be charged a premium, you may qualify for the CalSTRS Medicare Premium Payment Program. Complete, initial, sign, date and return this form to CalSTRS in order for CalSTRS to pay Medicare Part A premiums on your behalf. Furthermore, if you enroll in Medicare Part B (medical insurance) and are billed quarterly for Part B, you can use this form to authorize CalSTRS to deduct the premiums for Medicare Part B from your CalSTRS retirement allowance and send them to the Medicare administrator, as a convenience to you.

CalSTRS cannot pay Medicare Part A premiums or deduct Medicare Part B premiums before you enroll in Medicare Parts A and B and CalSTRS receives from Social Security confirmation of your enrollment. **You must send CalSTRS a copy of your first Medicare Premium Payment Due Notice with this form.**

About the two authorization statements:

1. You **must** initial the first statement to have CalSTRS pay the Medicare Part A premium for you.
2. You **can** initial the second statement to have the Medicare Part B premium deducted from your retirement allowance, as a convenience. If you initial the second statement, CalSTRS will notify the federal Center for Medicare & Medicaid Services (CMS), formerly known as the Health Care Financing Administration that CalSTRS will be deducting the Part B premium from your CalSTRS allowance and paying the Part B premium to CMS from this deduction.

NOTES:

Once CalSTRS begins taking deductions, notification of a change in status or a request to cancel premium deductions must be received in writing from you or the Medicare administrator.

Should you find it necessary to contact us, your correspondence should include your social security number, full name, address, and telephone number including area code. This will assist CalSTRS in locating your file without disrupting the processing of your authorization.

California State Teachers' Retirement System, Health Benefits Program MS #47
7667 Folsom Boulevard, Post Office Box 15275, Sacramento, CA 95851-0275
Public Service Office 1-800-228-5453; TTY (916) 229-3541