

DATE: July 28, 2014

TO: Agency Human Resource Staff

FROM: Nathan Moracco, Director  
State Employee Group Insurance Program

RE: 2010 Early Retirement Incentive  
2012 Insurance Rates for HCSP Calculation

On May 13, 2010, Governor Pawlenty signed into law an Early Retirement Incentive (ERI), for Executive, Legislative, and Judicial branch employees. This incentive provided for contributions to an MSRS administered Health Care Savings Plan (HCSP), in an amount equal to the value of up to 24 months of employer paid medical and dental insurance premium contributions for those employees that met the statutory retirement criteria.

Agencies are responsible for depositing contributions on an **annual** basis for individual retirees until the approved incentive period ends. The level of coverage-family vs. single-used to determine the value of the contribution is based on the level of coverage at the time of retirement. The **annual** contribution amount is determined by multiplying the amount of the employer contribution in place during that particular year multiplied by the number of months in that year that the employee has been granted the benefit. The ERI calculation begins with the first month after the actual retirement date, (for example; for a retirement date of May 10 the calculation start date is June 1).

The State Employee Group Insurance Program (SEGIP) has been providing, on an annual basis, Human Resource Offices with the information needed to calculate the annual HCSP deposit for ERI retirees. The enclosed worksheet will assist you in determining the calculation for the 2012 insurance year.

If you have any questions regarding the administration of the HCSP please contact MSRS at 651-296-2761. Questions on how to process the contribution to MSRS for the HCSP should be directed to [deduction.mmb@state.mn.us](mailto:deduction.mmb@state.mn.us). If you have questions regarding the calculation of the HCSP deposits please contact SEGIP at 651-355-0100. All other questions should be directed to your agency Human Resource Office.

Employee Name \_\_\_\_\_  
 Retirement Date \_\_\_\_\_ (1<sup>st</sup> day no longer actively employed)  
 HCSP Calculation Start Date \_\_\_\_\_ (1<sup>st</sup> of the month following retirement date)  
 Months of Employer Contributions to HCSP (Maximum of 24 months) \_\_\_\_\_

Months of contribution per year (max 24 months):

2010 \_\_\_\_\_ +  
 2011 \_\_\_\_\_ +  
 2012 \_\_\_\_\_ +  
 2013 \_\_\_\_\_ =  
 \_\_\_\_\_ Months (max 24 months)

Coverage at time of retirement:

\_\_\_\_\_ health-single coverage; \_\_\_\_\_ health-family coverage; \_\_\_\_\_ waived  
 \_\_\_\_\_ dental-single coverage; \_\_\_\_\_ dental-family coverage; \_\_\_\_\_ waived

Percent of employer contribution at time of retirement \_\_\_\_\_100%; \_\_\_\_\_75%; \_\_\_\_\_50%

2012 Health Plan	Single Coverage			Family Coverage		
	Full Employer Contribution	75% Employer Contribution	50% Employer Contribution	Full Employer Contribution	75% Employer Contribution	50% Employer Contribution
	447.28	335.46	223.64	1185.14	888.86	592.58

2012 Dental Plan	Single Coverage			Family Coverage		
	Full Employer Contribution	75% Employer Contribution	50% Employer Contribution	Full Employer Contribution	75% Employer Contribution	50% Employer Contribution
	22.38	16.80	11.20	48.42	36.34	24.22

**Calculation for the 2012 insurance plan year**

\_\_\_\_\_ (health plan employer contribution)  
 \_\_\_\_\_ + (dental plan employer contribution)  
 \_\_\_\_\_ = Total  
 \_\_\_\_\_ x (Number of contribution months in the 2012 calendar year)  
 = \_\_\_\_\_ TOTAL **2012 deposit** to the Health Care Savings Plan contribution.

SEGIIP will update this document annually when new insurance year rates are established. Agencies are responsible for the re-calculating and depositing funds to the HCSP annually until incentive period has ended.