



**State of Louisiana**  
DIVISION OF ADMINISTRATION

**OFFICE OF STATE UNIFORM PAYROLL**

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June 3, 2005

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2005-50

TO: All ISIS HR Paid and Non-paid Agencies

FROM: Jena W. Cary  
Director

SUBJECT: House Concurrent Resolution 28 – Medicare Divided Vote Referendum  
Referendum Notification for Eligible Employees

Attached are the employee notification documents that were handed to attendees of the June 2, 2005 Medicare Referendum meeting. As discussed in the meeting, agencies must first identify the employees who are eligible to vote in the referendum and then send the attached documents to those eligible employees by **June 15, 2005**. Agencies can prepare and include a cover letter with the attached documents.

Note: The sample ballot, to be included with the referendum notice, is only a sample. Agencies do not need to fill out the "merge" information on this sample ballot (e.g. employee name, retirement system, agency name). This information will be added to the "official" ballot that will be sent to the employees on September 15, 2005.

After the notices are sent to the eligible employees, agencies should spend the next ninety days (June 15 – September 15) doing the following:

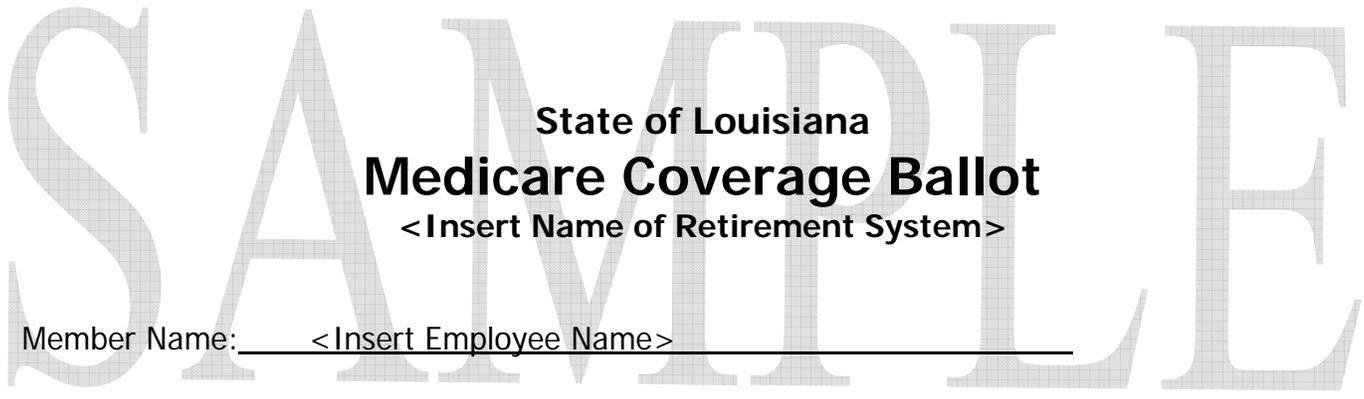
- researching the list of eligible employees to assure that notices were sent to everyone who is truly eligible;
- educating eligible employees (OSUP will be issuing a memorandum once the meeting dates, times, and locations are announced by the Office of Group Benefits.); and
- preparing to mail the official ballot on September 15.

OSUP will be issuing a memorandum in mid summer to further advise agencies on the mailing and collecting of the official ballots. The final "official" ballot and a sample letter will be included with that correspondence.

If a representative from your agency did not attend the June 2, 2005 meeting, and your agency should be included in the referendum called for by House Concurrent Resolution 28, contact Linda Yelverton at (225) 342-0026. Any additional questions regarding the referendum process should also be directed to Linda Yelverton.

JWC/APH/kmb

Attachments: [Medicare Referendum Notice](#)  
[Sample Ballot](#)  
[Educational Literature](#)



**State of Louisiana**  
**Medicare Coverage Ballot**  
<Insert Name of Retirement System>

Member Name: \_\_\_\_\_ <Insert Employee Name>

Member Identification Number: \_\_\_\_\_ <Insert Employee Identification Number>

Please exercise your option to participate or not to participate in Medicare coverage by placing an "x" in one of the boxes below. Note: If you decline or do not return this ballot, you will **not** accumulate Medicare quarters/credits for future Medicare coverage through your **State of Louisiana** position. **Also note that this is an irrevocable election (your decision is final).**

**Elect Medicare Coverage**

I elect **TO PARTICIPATE** in the Medicare coverage option beginning **October 1, 2005**. I understand that my "**Yes**" vote indicates my election to be covered by Medicare is irrevocable and I will be permanently covered by Medicare as long as I am an eligible member of the **<INSERT NAME OF RETIREMENT SYSTEM>**. I understand that I can not change my decision to be covered by Medicare as long as my employment with the **State of Louisiana** continues.

**Yes** I want to be covered by Medicare.

**Decline Medicare Coverage**

I elect **NOT to participate** in the Medicare coverage option. I understand my "**NO**" vote indicates that my election **not** to be covered under Medicare is irrevocable for as long as my employment with the **State of Louisiana** continues.

**No** I do not want to be covered by Medicare.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Return Ballot to: <Insert Agency Name>, <Insert Agency Identification Number>  
<Insert Agency Address 1>  
<Insert Agency Address 2>

## **State of Louisiana Referendum Notice Medicare Only Coverage**

Recent legislation allows you and other state employees hired prior to April 1, 1986, to elect to be covered by Medicare when you turn 65. Your colleagues hired after that date already pay the 1.45 percent Medicare tax and will be eligible for Medicare when they turn 65.

### ***What is Medicare?***

Medicare is a national health insurance program for people 65 years of age and older, certain younger disabled people and people with kidney disease. Generally, you are eligible for Medicare if you **or your spouse** worked at least 10 years in Medicare-covered employment (and paid the Medicare tax), and you are 65 years old.

### ***Why should I consider paying to become eligible for Medicare?***

Even if you already have other health insurance coverage, Medicare coverage can be helpful to you, because:

- Your health insurance's lifetime maximum will last longer, due to the additional coverage. This is an important consideration for people who, unfortunately, may have a serious illness requiring expensive treatment.
- Your coinsurance payments may be less, due to the additional coverage.
- You will have a much greater network of hospitals and doctors available to you, anywhere in the country.

### ***How do I go about choosing to pay my Medicare tax?***

You and other eligible employees will receive a selection form, which is called a *Medicare Coverage Ballot*. On this form to be mailed in mid-September, you can elect or decline to be covered by Medicare. This whole process is called a *Divided Vote Referendum*, because your vote affects only you. This letter is the required 90-day notice of your Medicare Referendum.

If you vote **YES**, Medicare taxes (1.45 percent) will be withheld from payroll payments effective October 1, 2005. Your ballot must be returned by September 30, 2005. Attached is a sample ballot for you to study. Please do not return this sample ballot, because it is not an official document.

**Be careful when you consider your Medicare election. It is an irrevocable election, which means you can never change your decision.**

***What do I do if I need more information?***

The Social Security Administration, which oversees Medicare, will be holding regional meetings between June 15 and September 15 to explain Medicare eligibility. You can contact your Human Resources Office for the dates and times of meetings in your area.

# MEDICARE INFORMATION

## WHAT IS MEDICARE?

Medicare is a national health insurance program for people 65 years of age or older, certain younger disabled people, and people with kidney failure. It is divided into two parts:

**Part A - Hospital Insurance** helps pay for care in a hospital, a skilled nursing facility, and for home health and hospice care. **It is financed by part of the payroll (FICA) tax.**

**Part B - Medical Insurance** covers physician services, hospital outpatient care, durable medical equipment, and other services outside hospitals. **It is financed by a monthly premium paid by people who choose to enroll.**

## WHO'S ELIGIBLE FOR MEDICARE?

**Generally**, you are eligible for Medicare if you or your spouse worked for **at least 10 years (40 or more quarters)** in Medicare-covered employment and you are 65 years old.

Contact the Social Security Administration for specific information on Medicare enrollment at 1-800-772-1213 or <http://www.socialsecurity.gov/pubs/10043.html>

## HOSPITAL INSURANCE

The vast majority of individuals do not pay a premium for Part A coverage. **However, some individuals 65 or older do not meet the requirements for premium-free hospital insurance. If you are in this category, you can get hospital insurance by paying a monthly premium.** If you pay the premium for Part A coverage you must also pay the premium for Part B coverage.

The following example reflects the current monthly premiums an eligible individual pays:

### 2005 MONTHLY PREMIUMS (These figures apply to "*timely*" enrollments.)

	<b>Individual has at least <u>40 credits</u></b>	<b>Individual has <u>30-39 credits</u></b>	<b>Individual has less than <u>30 credits</u></b>
Part A	\$ -0-	\$ 206.00	\$ 375.00
Part B	<u>78.20</u>	<u>78.20</u>	<u>78.20</u>
<b>TOTALS</b>	<b>\$ 78.20</b>	<b>\$ 284.20</b>	<b>\$ 453.20</b>

### 2005 - SOCIAL SECURITY WORK CREDITS/QUARTERS

Earnings required (currently credits are defined as follows):

One credit = \$920.00      Four credits = \$3,680 or more

(Four credits is the maximum per year)

## **MEDICARE INFORMATION**

### **QUESTION FROM AN H/R OFFICE TO SSA:**

It is my understanding that if a spouse of one of our employees is eligible for Medicare, our employee would also be eligible on that spouse's record, is this true?

**YES, an individual can be eligible for Medicare on their spouse's record.**

**For live situations**, the marriage only has to be in effect for 1 year for entitlement under that person's record. The spouse must be at least age 62 and the employee/retiree age 65.

**Widows**--only have to be married to the deceased person for 9 months if they were married when the person died. They can be remarried---but only-if the second marriage happened after age 60—SSA would disregard that second marriage.

Which means, SSA acts as though it did not happen for entitlement purposes. And only if it is to the advantage of the person.

If they remarry before age 60, then the second person they married is the record we look to.

**Divorced persons**--if they are remarried at the time of filing for Medicare, then that second person is the record we will look to see if there is entitlement. Not the divorced person's record. If a divorced person remarried another person by age 65, then that second marriage has to be in effect for 1 year for entitlement under that new person's record.

For divorced situations, the marriage had to be in effect for 10 years.

If the **employee becomes "disabled" before age 65**, the employee will not qualify for disability Medicare until age 65. An employee can NOT qualify for DISABILITY Medicare on a spouse's record before age 65.

### **THIS AN ANSWER FROM SSA ON DISABILITY:**

**The 40 credits can be earned anytime for retirement benefits and Medicare, but for disability, it is a different matter.** A person has to have worked 5 yrs out of the last 10 years just before becoming disabled to still be insured for Soc Sec. If it has been a while since this person worked, they may have the 40 credits for Medicare at age 65, but may have lost eligibility to disability. Which means if the person becomes disabled at age 60 and has not been paying the tax, then they have to wait till age 65 for Medicare. But if this person had been paying the tax, then Medicare entitlement would begin two years and five months after month of disability.

SSA advises employees to look at their statement that they receive each year from SSA--it will tell them how many quarters of coverage they have now. It helps if the employee brings their statement and their spouse's statement to the meeting with the SSA Representative.