

Rule Change Frequently Asked Questions:

Q. If I retire under 55 and don't take NMRHCA's plan before 2021, would I be grandfathered in under the old rules if I purchase an NMRHCA plan after 2021 because my retirement date was before 2021?

A: Yes

Q: If I retire before Jan. 1, 2021 and then decide to go back to work, would I be grandfathered into the existing rules before the minimum age requirement and years of service increase kick in?

A: As long as you don't go back to work for a participating entity that affects your pension, which would nullify your original retirement date. If you go back to work and your new employer offers health insurance, you cannot remain on an NMRHCA Pre-Medicare plan as your primary insurance. But when you leave that employer, you still will be able to go back to NMRHCA under the rules prior to the Jan. 1, 2021 changes.

Q. I won't have 20 years of service until after the rule changes in 2021. Does that mean I have to work five more years to get a subsidy (or discount) on my health insurance premiums through NMRHCA?

A: No. If you retire in 2021 or later and don't have the full 25 years of service (which will be the next maximum years of service per the rule change), you still will get a subsidy or discount toward your health insurance. You just won't get the maximum subsidy offered. Your subsidy still will be based on your years of service, starting at five years that you must have to participate with NMRHCA.

Q. If I'm less than 55 when I retire in 2021 or later and don't sign up for an NMRHCA plan when I first retire, can I still sign up for NMRHCA at a later date?

A. Yes. Your benefit will be available with the subsidy (or discount) you've earned based on your years of service when you turn 55. You do not have to wait for the next open enrollment period. However, just as our rules state that you only have 31 days to sign up with NMRHCA after your retirement date or last day of medical coverage (whichever is later), the same rules apply to the age of 55 rule. If you do not sign up within 31 days of your 55th birthday, then you will be required to wait for the next open enrollment period before you are eligible again to sign up with an NMRHCA plan.

Q. I have voluntary coverage only through NMRHCA, am retired and under the age of 55. I'm currently on my husband's coverage. He's also under 55. Do I have to sign up for my own coverage before 2021 to be grandfathered in to the old rules?

A. No. As soon as your coverage under your husband's plan ends, you can participate with NMRHCA under the current rules of no age minimum and 20 years service to receive the maximum subsidy because your retirement date came before January 1, 2021.

Q: I was told by another employee that I could pay the insurance for 2 months (for my husband and myself) and then drop it and still be grandfathered in, then when he retires I could pick it back up for both of us, is this correct?

A. The question goes back to the retirement date. If your official retirement date with PERA/ERB is before January 1, 2021, you are eligible under the original rules. If your date is on or after Jan. 1, 2021, you fall under the Age Minimum rule.

Q. If my spouse is an active employee under the age of 55 but dies before he/she retires, can I get access to RHCA coverage?

A. No.

Q. Why didn't NMRHCA use a hire date, as PERA did with its tier system, to differentiate retirees under the original rule from retirees under the Age Minimum rule?

A. Because of the time it would take for the new "tier" to age into retirement would. It would take too long for the rule to have an impact on the agency's solvency; the agency would already be bankrupt by the time new tier retirees started enrolling in an NMRHCA plan later in their lives.

Q. Does any service credit time I've purchased with PERA/ERB count toward more years with NMRHCA?

A. No. You have to purchase service credit through NMRHCA separately from PERA/ERB. For NMRHCA purposes, you can only purchase years of service credit (rather than half-years, quarters or months).

Q. If I meet the PERA Tier2 Rule of 85 requirement (age and years or service), can I get insurance if I'm not 55?

A. NMRHCA does not follow PERA's retirement eligibility tiers. The new rule would require retirees to be 55 to be eligible for a subsidy through NMRHCA, regardless of years of service.

Q. If retirees under age 55 are healthier than older retirees, how would NMRHCA save money insuring those individuals? They wouldn't have as many health care costs.

A. There still is a cost to the agency to insure every person. So if someone age 50 wants to participate in NMRHCA, the agency would not have to assume the costs to insure that person for five years before the age of 55, and that's where the savings come in.

Q. Doesn't NMRHCA have to get legislative approval to change the rules?

A. No. NMRHCA's Board of Directors has authority to update any and all rules. NMRHCA complied with all the requirements for a rulemaking change in the New Mexico Administrative Code.

Q. What is an enhanced plan and can I pay more to be an enhanced plan member?

A: Enhanced plan members are members working in public safety (police officers, firefighters, corrections officers, judges). Other active employees are not allowed to pay more to become enhanced plan members.

Q. Can I opt out of paying the 1% of my salary toward the Retiree Health Care Authority?

A. No. The deduction is a condition of your employment with a participating agency with NMRHCA.