

SEAFARERS HEALTH AND BENEFITS PLAN

5201 Auth Way
Camp Springs, Maryland 20746-4275
(301) 899-0675

Margaret R. Bowen
Administrator

HEALTH BENEFITS FOR PENSIONERS

Since you are considering retirement, you should be aware that the health benefits that the Seafarers Health and Benefits Plan (SHBP) provides to eligible pensioners and their families are different from those that are offered to active employees and their families. If you are eligible for health benefits as an active employee at the time you retire, you will continue to receive those benefits until your eligibility runs out. For more detailed information about pensioners' benefits, you may view the SHBP Guide for Retirees under the Member Benefits tab at www.seafarers.org; or you may contact the Plan at 1-800-252-4674 to request a printed copy of this guide.

This notice contains important information about the eligibility rules for pensioner's health benefits, and the right to purchase COBRA continuation coverage when you retire. Please read this notice carefully.

Eligibility Requirements

In order for a pensioner to be eligible for pensioner health benefits from the SHBP, they must meet the following eligibility requirements:

- 5,475 days of covered employment *under the Seafarers Health and Benefits Plan* if retiring on a Normal Pension or Early Normal Pension
- 4,380 days of covered employment under the Seafarers Health and Benefits Plan if retiring on a Disability Pension

AND

- At least 125 days of covered employment in the calendar year immediately preceding the year in which participant becomes eligible for and applies for pension benefits

Covered employment under the Seafarers Health and Benefits Plan does not include “**Extra Service Credit**” or **Supplemental Service**” earned under the Seafarers Pension Plan. **These days do not count for eligibility under the Seafarers Health and Benefits Plan. In addition, days for which a participant may receive more than one day's credit for one day worked and/or credit received for Vacation days are not counted towards eligibility under the Seafarers Health and Benefits Plan.**

Under the Seafarers Pension Plan Rules, a participant may qualify for a Normal Pension Benefit, an Early Normal Pension Benefit, or a Disability Pension Benefit, but not satisfy the covered employment requirements under the Seafarers Health and Benefits Plan for pensioner health benefits.

COBRA Rights

You have the right to purchase COBRA continuation coverage **if you were eligible for SHBP benefits at the time you retire**, but you do not meet the eligibility requirements for pensioner's health benefits. If you qualify for COBRA, the Plan will send you a COBRA election notice that will explain these rights in more detail.

Even if you are eligible for pensioner's health benefits you will also be eligible for COBRA continuation coverage when your eligibility for active benefits ends. You may purchase COBRA benefits if you want your dependents to continue to have outpatient and prescription benefits. COBRA allows you to continue to receive the same health benefits that you received prior to retirement for a certain period of time set by law (usually 18 months, but sometimes longer). Once the COBRA period ends, if you met the requirements for pensioner's health benefits, you will begin receiving those benefits.