



Employee and Retiree Service Center

Cost Changes to Future Retiree Health Benefits

MCPS has redesigned the cost-sharing structure of future retiree health benefits to better recognize and reward employee longevity. In order to minimize the impact of these changes on employees who are least able to shift their long-term plans, you will be affected differently based on the year you were hired and the length of time you have been employed by MCPS when you retire. These changes will ensure the ability of MCPS to continue to provide health benefits to our retirees, while at the same time proactively addressing the increases in health benefit costs.

The new cost-sharing rules for retiree health benefits will affect all employees **hired after July 1, 2006, who are less than 55 years old and all new employees hired after July 1, 2011, of any age**. You are receiving this e-mail because you fall into this group.

Health Benefit Cost-Sharing

For all employees who are subject to the new cost-sharing structure, future retiree health benefits will be granted only after 10 years of eligible service. In addition, the cost of your health benefits will be determined on a service-based scale, rewarding those employees with the most longevity.

Affected employees will pay the following percentage of retiree health benefits cost:

- **10 up to 15 years** eligible service: **You pay 60 percent.** (MCPS will pay 40 percent of the cost.)
- **15 up to 20 years** eligible service: **You pay 50 percent.** (MCPS will pay 50 percent of the cost.)
- **20 or more years** eligible service: **You pay 36 percent.** (MCPS will pay 64 percent of the cost.)

The new cost-sharing structure for retiree health benefits will be effective July 1, 2011, and will apply to all affected employees who retire after that date.

Retirement Planning Assistance

We understand that the new retiree health benefit cost structure may change your existing retirement strategy. For more information about retirement planning, visit the [Retirement Planning](#) webpage.

In addition, as an MCPS employee, you are eligible for a free consultation with the Certified Financial Advisors from Montgomery County Teacher's Federal Credit Union (MCTFCU) to get a complete analysis of your retirement cash flow. Please call 240-599-7490 to schedule a complimentary appointment. You do not have to be a member of MCTFCU to take advantage of this complimentary consultation.

Learn More

Additional information is available on the [ERSC website](#). Here you will find the following helpful information—

- Frequently Asked Questions regarding these changes
- A chart to help you understand who is most affected by these changes
- Definitions of common terms such as “eligible service”

In addition, the Employee and Retiree Service Center (ERSC) will be offering two information sessions to assist you in understanding the changes to employee pensions and future retiree health benefits. During these sessions, ERSC staff members will present information about the changes and will be available to answer your questions. Each session will be held from 4:30 to 5:30 p.m. at the Carver Educational Services Center (CESC) auditorium, located at 850 Hungerford Dr, Rockville, MD 20850.

You may choose to attend either of the following dates—

- Tuesday, May 31
- Thursday, June 16

If you require additional assistance in understanding this change, you may contact ERSC Monday through Friday between the hours of 8:00 a.m. and 4:30 p.m. at 301-517-8100 or ERSC@mcpsmd.org.