



## FACT SHEET

### Retirement at 20 Years: Basics on Health Care and Disability

Last Reviewed: July 24, 2015

#### Background

This fact sheet summarizes basic information on healthcare and disability compensation for PHS Officers who retire voluntarily after 20 years of active duty; it is not intended to be a comprehensive guide to retirement. For more detailed information, please visit PHS Separations Information Website at [http://dcp.psc.gov/ccmis/separations/ASSIGNMENTS\\_separations\\_m.aspx](http://dcp.psc.gov/ccmis/separations/ASSIGNMENTS_separations_m.aspx) or contact a Separations Counselor at [PHSCCSeparations@hhs.gov](mailto:PHSCCSeparations@hhs.gov).

#### Eligibility

Voluntary retirement from the USPHS is based on:

- ▶ “Retirement Credit Date” – must serve at least 20 years active duty, at least 10 of which were in USPHS
- ▶ Fulfillment of all terms under special pay contract, if applicable

#### Highlights

##### Healthcare Benefits in Retirement

- ▶ For members age <65 years and not eligible for Medicare, TRICARE options are Prime, Extra, or Standard.
- ▶ Unmarried dependent child’s eligibility for TRICARE coverage:
  - Until age 21 (age 23 if full-time student), or beyond age limit if child has mental or physical incapacity
  - Remain eligible after parents’ divorce or remarry
  - Stepchildren lose eligibility after divorce.
  - Certain dependents may extend TRICARE coverage until reaching age 26 with the premium-based TRICARE Young Adult program.

	TRICARE Prime	TRICARE Extra	TRICARE Standard <sup>†</sup>
<b>Summary</b>	Need referral by designated primary care provider at military treatment facility (MTF); has priority for care at MTF	No referral needed*, in civilian setting, must use network providers who provide care at contracted rates and file claims; care at MTF on space-available basis	No referral needed*, may use network or non-network providers (who may not accept contracted rates or file claims); care at MTF on space-available basis
<b>Annual deductible</b>	None	\$150 individual or \$300 family	\$150 individual or \$300 family
<b>Transition from active duty to retirement</b>	Must re-enroll before retirement to continue without lapse in coverage	Re-enrollment not needed	Re-enrollment not needed
<b>Annual enrollment fees</b>	\$277.92 for individual or \$555.84 for family	None	None
<b>Cost sharing and co-payments</b>	Varies across type of service, whether in-network or out-of-network, and other factors. Review current options at <a href="http://www.tricare.mil/Costs/HealthPlanCosts.aspx">http://www.tricare.mil/Costs/HealthPlanCosts.aspx</a> .		

\* However, some services require prior authorization (check regional contractor’s web site).

† Call TRICARE Service Center for full explanation of TRICARE Standard fees.

- ▶ TRICARE For Life (TFL): for TRICARE members eligible for Medicare based on age or disability
  - At age 65, retiree no longer eligible for main TRICARE options listed in table above
  - No fee involved but must be enrolled in Medicare Part B
  - Medicare is primary and TFL is secondary payer, thus minimizing out-of-pocket expense.
- ▶ US Family Health Plan: Specially legislated TRICARE Prime option available only in specific locations (<http://www.usfhp.com/>)

- Designated providers participate through a contract with the Department of Defense
- Available to retirees and to family members meeting eligibility criteria (listed on website)
- Retirees age  $\geq 65$  years may participate (even if not enrolled in Medicare Part B)
- ▶ Dental care
  - Transitional care: VA provides one-time care for veterans who apply within 90 days after separation if dental examination and treatment not provided by military within 90 days before separation.
  - TRICARE Retiree Dental Plan: available to retirees and their eligible family members (same criteria as for medical care)
    - Enrollment with 12-month commitment required
    - Monthly premium – amount varies by area, electronically deducted from retirement pay
    - 100% coverage for cleanings & exams; cost-share for most other services
    - Annual maximum \$1,300/person/benefit year; orthodontic maximum \$1,750/person/lifetime

### Department of Veterans Affairs Disability Compensation

- ▶ Eligibility: discharge status other than dishonorable with a compensable service-connected disability
  - Disability ratings and compensability are determined by the VA from medical record documentation and pre-retirement physical exam; may appeal initial rating within 1 year after retirement.
  - Ratings  $\geq 10\%$ : eligible for compensation; amount determined by rating only (if  $< 30\%$  )
  - Ratings  $\geq 30\%$ : eligible for additional allowances for dependents, including spouses, minor children, children age 18 to 23 attending school, children incapable of self-support due to disability arising before age 18, dependent parents
- ▶ Service-connected disability – due to injury or disease incurred or aggravated while on active duty
  - Some conditions (e.g., hypertension) are “presumed” service-connected if diagnosed within one year after retirement.
  - For some conditions (e.g., back pain), a definitive diagnosis is not needed in order to make disability claim.
- ▶ Retirement pay is offset by amount of disability compensation received, but compensation is tax-free
- ▶ Concurrent retirement and disability pay - monthly restoration of some or all of VA disability offset
  - Must have service-connected VA disability rating of 50% or higher
  - Enrolled automatically if qualified (no need to apply); this compensation is taxable

### Resources

- ▶ [http://dcp.psc.gov/ccmis/separations/ASSIGNMENTS\\_separations\\_m.aspx](http://dcp.psc.gov/ccmis/separations/ASSIGNMENTS_separations_m.aspx) - PHS Separations Information Website, a very important resource
- ▶ [http://dcp.psc.gov/ccmis/separations/ASSIGNMENTS\\_seminar\\_m.aspx](http://dcp.psc.gov/ccmis/separations/ASSIGNMENTS_seminar_m.aspx) - web-based PHS retirement seminar
- ▶ [http://dcp.psc.gov/cbulletin/articles/Retirement\\_FAQ\\_05\\_2013.aspx](http://dcp.psc.gov/cbulletin/articles/Retirement_FAQ_05_2013.aspx) - column in the Commissioned Corps Bulletin will occasionally feature answers to retirement related questions
- ▶ [http://www.tricare.mil/LifeEvents/InjuredonAD/TransitionVA/Retiring.aspx?sc\\_database=web](http://www.tricare.mil/LifeEvents/InjuredonAD/TransitionVA/Retiring.aspx?sc_database=web) - TRICARE information for retirees
- ▶ [http://www.va.gov/opa/publications/benefits\\_book/benefits\\_chap02.asp](http://www.va.gov/opa/publications/benefits_book/benefits_chap02.asp) - VA benefits information for service-connected disabilities

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**Note:** Feedback and suggestions for this fact sheet are welcome and may be sent to [PPACBenefitsSC@gmail.com](mailto:PPACBenefitsSC@gmail.com). While we do not respond to emails, we do read them and will consider all comments received.

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