

IBM moving some retirees off its health plan

September 8 2013, by David Koenig

IBM plans to move many retired workers off its health plan and give them money to buy coverage on a health-insurance exchange. The move is part of a corporate trend away from providing traditional retiree health benefits as costs rise.

The company says it acted after projections showed that costs under its current plan for Medicare-eligible retirees will triple by 2020 and that the increases would be paid by retirees through premiums and out-of-pocket costs.

An IBM spokesman says the change will affect about 110,000 retirees who are eligible for Medicare.

Under the change, IBM will make annual contributions to health-retirement accounts. Retirees would use the money to buy Medicare Advantage or supplemental Medigap policies through a private Medicare exchange.

The change affects medical, prescription drug, dental and vision coverage.

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