



CHAPTER: 06 - Human Resources Policies	POLICY #:	06.04.01.01
	OFFICE/DEPARTMENT:	Human Resources
SECTION: 04 - Benefits	EFFECTIVE DATE:	October 1, 2015
	CITY MANAGER:	Erdal Donmez
SUBJECT: 01 - Employee Insurance Coverage	PAGE:	1 of 3
	ITEM: 01 - Premiums – Retirees and Disabled Employees	

PURPOSE

To specify situations where health insurance benefits will be provided to former employees and at what premiums those benefits will be provided. In the event of disability, income replacement is available to employees through the City's long term disability insurance policy, City of Coral Springs Police and Fire Pension Plans and/or Social Security. Employees should consult specific plan documents or policies for eligibility criteria.

POLICY

Definitions

1. Regular Full-Time Employee: An individual occupying a budgeted position and scheduled to work a regular forty (40) hour work week.
2. Regular Retired Employee: A former regular full-time employee who meets the criteria for retirement as specified in the City retirement plan in which the employee is a member.
3. Service Incurred Disabled Employee: A regular full-time employee who qualifies for permanent or long-term disability under the City's long-term disability insurance policy or through the Police Officer's Pension Plan as a result of an occupational accident or as defined by Worker's Compensation parameters, while in the performance of duties for the City.
4. Non-Service Incurred Disabled Employee: A regular full-time employee who qualifies for permanent or long-term disability under the City's long-term disability insurance policy, except as defined in section 3, Service Incurred Disabled Employee.
5. Dependent Family: The immediate family, defined as spouse and/or children, covered on the city's health plan on the date of an employee's retirement or disability.

6. COBRA: The Consolidated Omnibus Reconciliation Act of 1985. This Act requires that a group health plan offer continuation coverage to people who would otherwise lose coverage as a result of certain events. These events include, among other events, termination of employment due to death or disability.

Provisions

1. Retiree health insurance shall be available to regular full-time employees retiring from continuous service to the City and their dependent family at 50% of the premium costs associated with health insurance coverage.

Active Employees and Retirees Age 65 and Younger: The 50% rate is in effect until the retiree reaches the age of Medicare eligibility. After reaching Medicare eligibility, the retiree may continue City health insurance as a Medicare supplemental policy, paying 100% of the premium costs associated with health insurance coverage.

If the retiree is subsequently employed and is eligible to receive health insurance from the new employer, said insurance shall be primary for the retiree and any eligible dependents and the insurance provided by the City, if elected, shall be secondary for so long as the retiree remains eligible for the insurance provided by the new employer. If the other employment ends, the retiree would be able to elect City health plan coverage as primary again. If secondary coverage is elected, the retiree shall pay 100% of the premium costs associated with health insurance coverage.

A retiree cannot "upgrade" coverage after their retirement date, i.e. elect dependent coverage if at retirement they have single coverage. Upon Medicare eligibility the retiree may elect City coverage as a Medicare supplemental policy at the rates effective at that time.

2. Service Incurred Disabled Employees and Dependent Family will be permitted to continue their health insurance coverage with the City at active employee premium rates until the employee is entitled to receive Medicare benefits. Upon Medicare eligibility, the service incurred disabled employee will be treated as a retiree (see Policy section 1). This coverage will remain in force for so long as the long term disability carrier continues to pay disability income benefits.
3. Non-Service Incurred Disabled Employees and Dependent Family will be permitted to continue their health insurance coverage, as provided by law, under COBRA.
4. Life insurance and long-term disability coverage provided by the City will be discontinued upon retirement or disability. However, life insurance, long term disability and other coverages, if any, may be continued by the employee at his sole cost if permitted by the carrier. Information about these policies will be available through the Human Resources Department.
5. In the case of employee death, other than resulting from service incurred injury, the Dependent Family, if covered on the health plan, will have health insurance coverage sponsored by the city at active employee rates for thirty (30) days following the death. After thirty (30) days, the family will be permitted to continue their health insurance as provided by law, under COBRA.

In case of employee death resulting from service incurred injury, the Dependent Family will remain eligible for health coverage in the same fashion set forth in paragraph 2 of the Policy for Service Incurred Disabled Employees. This coverage will continue for the surviving spouse until such time as the surviving spouse is eligible for other coverage through an employer, re-marries or reaches the age of Medicare eligibility. This coverage will continue, at active employee rates, for dependent children for so long as they remain eligible for coverage under the City's health plan (to age 26). Dependent coverage may be continued from age 26 to 30 for the full (unsubsidized) cost of coverage as long as the dependent meets criteria pursuant to Florida Statute.

RESPONSIBILITIES/PROCEDURES

1. The Regular Retired Employee Service Incurred or Non-Service Incurred Disabled Employee, or Dependent Family will receive information from the **Human Resources staff** regarding the continuation of coverage, the payment amount and payment due date, coverage limitations, etc.
2. The **Regular Retired Employee Service Incurred or Non-Service Incurred Disabled Employee, or Dependent Family** will be responsible for making timely payments for the insurance coverage; two late payments of more than thirty (30) days will result in cancellation of coverage.

ADMINISTRATIVE REPEAL

This administrative policy shall supersede and replace all prior policies and procedures on the same subject, including but not limited to Administrative Policy 06.04.01.01 dated 12/1/1995 and 09/01/08. Provisions of this policy relating to retirement benefits will apply to employees who retire after November 15, 1997.

APPROVAL

City Manager	<u>Erdal Donmez</u>
Human Resources	<u>Dale Pazdra</u>