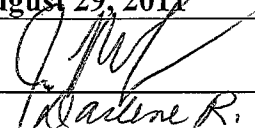


450
BENEFIT CONTINUATION

Revision Number: 1	Effective Date: August 29, 2011
Supersedes: 450	Issue Date: August 29, 2011
Revision Date: 0-January 15, 2008	Approvals: HR Director:  Commission: <u>Maureen R. Buena</u>

PURPOSE

This policy is designed to facilitate the retirement of those employees who wish to and are eligible to retire prior to becoming eligible for Medicare, to soften the financial impact of employees who become disabled, and to give incentive to individuals to run for office by allowing elected officials to continue coverage after leaving office.

SCOPE

This policy sets forth guidelines for continuing County benefits.

CROSS REFERENCES

Listing of Employee Benefits, Policy 460

POLICY & PROCEDURES

1. **Medical Benefits.** Extending “core” health care insurance coverage favorably complements COBRA requirements. The “core” coverage consists of the health and medical portion of the group plan only such as office visits for injury/sickness, inpatient hospital services, preventive care, outpatient/emergency room services, mental illness, drug and alcohol services, outpatient physiotherapy services, and prescription drugs. Vision care and dental are excluded.
 - A. Eligibility – Current employees, spouses, and qualified dependents. The employee must want to retire and be qualified to receive a monthly retirement benefit from the Utah Retirement System as defined by the retirement plan.
 - B. Should a participant or spouse become eligible for coverage under some other group plan, he or she would become ineligible under this policy. Coverage would cease at the end of the month following the eligibility. If a covered individual becomes eligible for Medicare, the other covered individual(s) may continue subject to the other rules of this policy.
 - C. Participation – The employee must notify the HR Department, which will determine the employee’s eligibility and premium.
 - D. Premium Calculation
 1. The employee, spouse included, will be allowed to continue “Core” health

insurance under the County's group plan at the same coverage level at the time of retirement. Coverage will be provided at a reduced premium.

2. The County will share the total monthly insurance premium under the following formula:

The employee pays 10% of the premium PLUS, the balance of the remaining 90% after it has been reduced by a factor of 5% times each year of service.

For example, suppose the monthly premium for 2-Party coverage is \$1,000 per month and the employee is 62 at retirement with 11.5 years of service.

The following table shows the calculations an employee would use to determine premiums under this policy:

Total Monthly Premium	\$1000.00
10% of Total Monthly Premium	\$100.00
5% x 11.5 years of service	0.58
Service Discount (0.58 x \$900)	\$522.00
90% Premium (\$900) – Service Discount (\$522)	\$378.00
10% of Total Monthly Premium \$100.00 + \$378	\$478.00

This formula has been designed to credit employees who have several years of service. In the example above, if the employee had 19 years of service he would only pay \$105 per month. If an employee has worked 20 years or more, the premium will be 10% of the Total Monthly Premium.

3. Payment

- a. An eligible employee can apply any accrued leave, compensatory time, and 50% of any accrued sick leave upon retirement toward the premium.
- b. Determination shall be made within 30 days of retirement and may not be changed.
- c. Participants must pay their share of the premium by the 20th day of the preceding each month of coverage.

4. Long-Term Disability Provisions

- a. The LTD carrier starts covering the cost of an employees health insurance (including spouse and dependents, if applicable) after the employee is disabled for two years or when the employee becomes eligible for retirement. Coverage will cease when the disabled employee becomes eligible for Medicare whether by age or disability status.

- b. Employees on disability status will be administratively terminated after two years from the date of disability. When coverage ceases, the spouse and dependent children will be eligible for COBRA coverage. Should the spouse and children become eligible for coverage under some other group plan; they will become ineligible for coverage under this policy.
 - c. This policy terminates for former employee and dependents at the end of the month if the former employee, for whatever reason, no longer receives LTD, excepting upon death of former disabled employee, upon which, dependents may continue coverage under COBRA. Participation, premium calculation, and payment are identical to those listed above.
5. Elected Officials Provision – Current elected officials, 50 years of age or older, regardless of how many terms of office served or whether s/he qualifies for a monthly retirement benefit, can extend health care insurance coverage until eligible for Medicare, or until such time as s/he qualifies for coverage under another group plan. The premium calculation for elected officials is 10% per year of service up to a maximum of 90% of the total premium.

- 2. **Employee Assistance Program (EAP).** Coverage ceases upon termination of employment.
- 3. **Life Insurance.** Continuation of benefit is optional.
- 4. **Long-Term Disability.** Coverage ceases upon termination of employment unless the employee is receiving the benefit upon termination of employment.
- 5. **Employee Fund.** Coverage ceases upon termination of employment.
- 6. **Holidays.** Ceases upon termination of employment.
- 7. **Educational Assistance.** Coverage ceases upon termination of employment.
- 8. **Leave.** Coverage ceases upon termination of employment. All accrued leave shall be paid to employee at time of separation at the current rate on the separation date.