

# STANDARD PROCEDURE

## CITY OF WILSON

## PERSONNEL MANUAL

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Retired Group Medical Benefits	C – 5		June 6, 2000		1 of 2
Prepared By:	Policy Review Committee		Approved By:	Edward A. Wyatt City Manager	

### 1.0 Purpose

To provide medical benefits to retired employees in accordance with City Policy.

### 2.0 Policy

The City of Wilson will provide retiring employees with medical benefits in accordance with the criteria listed below:

- 2.1 Full-time employees hired prior to July 1, 1991 who depart City employment through retirement
- 2.2 Full-time employees hired from July 1, 1991 and through June 30, 1993, who depart City employment through retirement
- 2.3 Full-time employees hired on July 1, 1993 and thereafter, who depart City employment through retirement.

### 3.0 Scope

All full-time employees are covered by this policy.

### 4.0 Definitions

- 4.1 Years of Service: Total years of continuous full-time service with the City of Wilson.

### 5.0 Rules/Procedures

- 5.1 Full-time employees hired prior to July 1, 1991 and who depart City service through retirement will be permitted to continue their medical coverage through the City's Retired Group Medical Plan until they become eligible for Medicare. The retiree will pay that portion of the premium that is consistent with City policy.
- 5.2 Full-time employees hired between July 1, 1991 and June 30, 1993 and who depart City service through retirement will be permitted to continue their medical coverage through the City's Retired Group Medical Plan until they become eligible for Medicare. The retiree will pay premiums according to the following schedule:

#### YEARS OF SERVICE

#### RETIREE PREMIUM CONTRIBUTION

0 - 10	100%
11 - 15	75%
16 - 20	50%
21+	Approved City Policy

- 5.3 Employees hired on July 1, 1993 and thereafter will be offered medical coverage upon departure from City service consistent with the requirements of the Consolidated Omnibus Budget Reconciliation Act (COBRA).

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**6.0 Provisions related to continuation under the City’s Retired Group Health Plan until eligible for Medicare:**

- 6.1 Coverage will only be allowed to continue at the same level which was in effect at retirement. The retiree will not be allowed to increase the level of coverage after retirement.
- 6.2 The retiree may reduce coverage upon request; however, if the retiree or dependent drops coverage, he/she will not be permitted to re-enroll nor will they be eligible for COBRA coverage if they have already continued for at least 18 months. If they have not continued 18 months of coverage prior to dropping, they will be offered the remaining balance of the 18 month period under COBRA.
- 6.3 Coverage under the City’s Retired Group Health Plan will end for the retiree and/or dependent when he/she becomes eligible for Medicare. The retiree or dependent will be transferred to a Medicare Supplement policy. The retiree will be required to pay a portion of the premium and the dependent must pay the entire cost of the Medicare supplement premium.
- 6.4 Children will become ineligible for coverage beyond the age of 19 unless they are enrolled as a full-time student at an educational institution which would extend their coverage until age 26. Once they become ineligible, they will be offered coverage under COBRA.
- 6.5 Upon the death of a retiree, dependents will be permitted to continue under the City’s Retired Group Health Plan at the appropriate level of coverage until they either become ineligible for coverage or eligible for Medicare at their cost.
- 6.6 The retiree or dependent will be responsible for paying all premiums to the City of Wilson in a timely manner. Payments may be made at the collections window, by mail or bank draft.