
808.51 SUBJECT: POST-EMPLOYMENT HEALTH INSURANCE

:1 OBJECTIVE:

To provide a pension service-related method of qualifying and determining eligibility for City-provided post employment health insurance for certain retirees and certain Long-Term Disability (LTD) recipients. This Policy is applicable to all employees not otherwise covered by post-employment health insurance benefits specifically contained in a collective bargaining agreement.

:2 AUTHORITY:

This procedure amended by City Council December 11, 2017, Item A-4.

:3 DIRECTION:

Chief Administrative Officer, Human Resources Division Manager, Human Resources Division.

:4 METHOD OF OPERATION:

A. Definitions

1. **Credited Service** – The number of full years of service the employee had credited for pension calculation purposes at the time of retirement or separation of employment.
2. **Active City Contribution** – The City’s contribution toward Employee-Only HMO health insurance premium for active employees.
3. **Retiree City Contribution** – The City’s contribution toward the cost of health insurance premium for certain eligible retirees and certain Long-Term Disability (LTD) recipients. The contribution is equal to a percentage of the Active City Contribution.
4. **Retirement-Eligible Employee** – An employee who is eligible and who immediately receives a Defined Benefit (DB) pension immediately upon termination or is a member of the City’s Defined Contribution (DC) Pension Plan and who is either: at least age fifty-five (55) with ten (10) years of Credited Service, age sixty-five (65) with five (5) years of Credited Service, or who is any age with twenty-five (25) or more years of Credited Service.

B. Policy

The City of Orlando contributes toward the payment of the post-employment health insurance premium for certain Retirement-Eligible Employees and certain eligible LTD recipients. The Retiree City Contribution will be based upon a) the employee’s Credited Service at the time the employee terminates active employment or ceases LTD status and b) their status as either a retiree or LTD recipient as described in sections B.1. - B.3. of this Policy. The Active City Contribution and Retiree City Contribution may be adjusted.

1. Employees hired prior to January 1, 2006

The chart below provides the Retiree City Contribution percentage:

Credited Years of Pension Service	Retiree City Contribution Percentage
20 or more	100% of Active City Contribution
15 but less than 20	75% of Active City Contribution
10 but less than 15	50% of Active City Contribution
Less than 10 years	0% of Active City Contribution

Eligibility for this benefit under the foregoing schedule will be effective upon termination of City employment for any Retirement-Eligible Employee.

Those persons who have been elected prior to January 1, 2006 and who have served at least ten (10) years as an elected official are eligible for 100% of the Active City Contribution immediately upon termination. Such benefit must be immediately taken and only dependents currently enrolled at the time of separation may continue in the plan at the person's expense (explained further in Section 4.b. below).

Appointed officials hired prior to January 1, 2006 who have at least ten (10) years of Credited Service are eligible, at their option, for either the appropriate service-related Retiree City Contribution Percentage which they must elect immediately upon termination or for 100% of the Active City Contribution upon attaining age fifty-five (55), at which time they will have one final opportunity to enroll themselves and their eligible dependent(s) that were covered at the time of termination in the City's health insurance plan. If they choose to waive enrollment at that time, they will not be permitted to enroll in the future. Enrollment guidelines are further explained in Section 4 of this Policy.

Appointed officials hired prior to 2006 who have at least ten (10) years of Credited Service and are eligible to receive severance upon termination are eligible to immediately receive 100% of the Active City Contribution. Such benefit must be immediately taken and only dependents currently enrolled at the time of separation may continue in the plan at the person's expense (explained further in Section 4.b. below).

2. Employees hired on or after January 1, 2006 – Retirement-Eligible Employees, including Appointed Officials, hired or re-hired on or after January 1, 2006 are not eligible after retirement to any Retiree City Contribution toward coverage under the City's Group Health Plan, regardless of their years of Credited Service. Persons who have been elected on or after January 1, 2006 are not eligible after retirement to any Retiree City Contribution toward coverage under the City's Group Health Plan, regardless of their years of service.

3. LTD Participants

- a) Those on long-term disability under the City's LTD program with a date of hire prior to January 1, 2006 or with a date of long-term disability before June 30, 2017 will receive 100% of the Active City Contribution, regardless of credited years of pension service, while

they are on LTD. Enrollment requirements apply and are explained in Section 4 of this Policy.

- b) Retirement-Eligible Employees hired on or after January 1, 2006 and with a date of long-term disability on or after June 30, 2017 may elect to remain on the City Group Health plan at their expense with no Retiree City Contribution. Enrollment requirements apply and are explained in Section 4 of this Policy.
- c) Employees hired on or after January 1, 2006 who are not Retirement-Eligible Employees and have a date of long-term disability on or after June 30, 2017 are not eligible for any Retiree City Contribution and are not eligible to participate or remain on the City's health insurance plan.

4. Additional Policies that apply to all retirees, LTD recipients, and appointed and elected officials described in Sections B.1. - B.3.above

As used throughout this Policy, retiree and LTD recipients includes eligible appointed and eligible elected officials, and rules related to retirees and LTD recipients apply equally to eligible appointed and eligible elected officials.

- a) Effective January 1, 2019, retirees and LTD recipients, their spouse and their dependent child(ren) enrolled in the City's group health insurance plan at the time of retirement (or enrolled January 1, 2019 if already retired) or at the time they go out on LTD may continue coverage after retirement or after going out on LTD in accordance with Plan eligibility requirements. If at any point the retiree/LTD recipient, their spouse, or their dependent child(ren) cease coverage under the City's group insurance plan for any reason at any time after retirement or while on LTD they will not be permitted to re-enroll. A retiree/LTD recipient who continues uninterrupted coverage after retirement or while on LTD may add a new spouse only if they marry after retirement or while on LTD. A retiree/LTD recipient who continues uninterrupted coverage after retirement or while on LTD may add a new dependent child and an existing spouse only if the dependent child is born or adopted after retirement or while on LTD. The new spouse or dependent child must be added within 31 days inclusive of the date of the marriage, birth, or adoption.
- b) Retirees and LTD participants are responsible for the balance of any individual coverage they select and the full cost of any group dependent coverage they may elect. Dependent coverage must be the same type as the retiree's or LTD recipient's (e.g. POS, HMO). Retirees and LTD recipients must agree to payroll deduction of premium payments from their pension or LTD benefit checks. If the cost of the premium exceeds the net payment or if the former employee/retiree is not receiving a payment directly from the City Of Orlando or its agents, the retiree shall pay directly any balance due to the appropriate vendor as directed by the City of Orlando Human Resources Division. Should a premium payment be more than sixty (60) days in arrears, group coverage will be automatically and permanently terminated by the Human Resources Division with the retiree or LTD recipient so notified.

- c) The Retiree City Contribution may be adjusted at such time as the former employee becomes eligible to apply for Medicare coverage to provide an aggregate equivalent benefit. Medicare-eligible Retirees, LTD recipients, and covered dependents are required to make timely application for Medicare. Once such individual becomes eligible for Medicare, the City will provide health insurance coverage, secondary to Medicare, under the City's Group Health Plan and will pay the entire cost of the individual retiree/LTD recipient contribution for such secondary coverage unless that cost exceeds the Active City Contribution, in which case the lesser of the two shall apply.
- d) Terminated employees who do not meet the definition of a Retirement-Eligible Employee immediately upon termination from employment with the City will not be eligible for coverage for themselves or their dependents under the City's health plan at any time after termination, except as required under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

:5 FORMS:

None.

:6 COMMITTEE RESPONSIBILITIES:

None.

:7 REFERENCE:

This procedure adopted by City Council August 12, 1991, Item 4/LL; amended June 21, 1993; amended February 22, 1999, Item 8-XX; amended June 3, 2002, Item B24; amended September 15, 2003; re-formatted only April 2004; amended July 25, 2005, Item A11; amended June 18, 2007, Item A-2; amended December 11, 2017, Item A-4.

:8 EFFECTIVE DATE:

This procedure effective December 11, 2017.