

## POST RETIREMENT HEALTH BENEFITS

### Employees retired after 07/01/2021

(Revised 11/01/2021)

#### PURPOSE AND POLICY:

As part of the overall retirement benefits program, Frederick County Government provides eligible employees the means to continue health, dental, and vision insurance benefits when they retire from employment and immediately elect to receive monthly benefits from the Frederick County Employees Retirement Plans or the Maryland State Retirement Plan. This insurance payment is deducted from the monthly retirement/pension check, unless the retirement benefit cannot cover the deduction, in which case the retiree pays Frederick County Government directly for the insurance benefit. This policy applies only to those employees and dependents who are covered by one of the county's health, dental, and/or vision insurance plans immediately prior to the date of retirement. The only exception will be for a newly born or newly adopted dependent child(ren). The retiree will be required to notify Human Resources within 30 days of the child's birth or adoption date in order to be added to coverage.

#### ELIGIBILITY AND COST PROVISIONS:

This policy applies to regular employees of Frederick County Government. From July 1, 1992 to June 30, 2021, retiring employees were required to have 10 years of consecutive County service immediately prior to retirement in order to be eligible for retiree health insurance. Effective July 1, 2021, retiring employees receive credit for all years of health benefit-eligible County service, even if there was a break in service, when calculating the minimum years of service. Exceptions for certain line-of-duty disability or line of duty death retirements are noted below. For purposes of determining eligibility for retiree health coverage, non-earned service (e.g. military service, transferred service, or purchased service, etc.) is not included.

Eligible employees receive benefits based on their original service date for retirement benefits, as shown here:

1. Employees with an original service date **before July 1, 1992**. When an employee retires, coverage may be continued for the employee and for those dependents already enrolled in the plan at the time of retirement or a newly born or newly adopted dependent child(ren), at the same rate as an active employee of 15% of the premium for the health plan, and at the full premium cost for the dental and vision plans.
  - a. When employees in this group retire on or after May 1, 2015 and either the retiree or their covered dependent becomes eligible for Medicare benefits for any reason, the health coverage under this plan becomes secondary to Medicare. When the retiree or the covered dependent reaches age 65, they will be given a choice between their current plan and a Medicare Supplemental plan. Benefits in both of these plans are based on the assumption that the retiree or dependent has coverage from Medicare Parts A & B.

Implemented: 1-20-1993

Revised: 5-4-1999, 12-31-2001, 7-1-2007, 8-1-2008, 4-21-2011, 9-16-2011, 5-1-2014, 4-10-2015, 5-1-2015, 6-21-2016, 5-2-2018, 3-5-2020, 7-1-2020, 7-1-2021

2. Employees with an original service date **on or after July 1, 1992 and before August 1, 2008**. Coverage may be continued for the employee and for those dependents already on the health plan at the time of retirement or a newly born or newly adopted dependent child(ren), at a rate of 50% of the premium or, if the retiring employee has 25 or more years of service, at a rate of 45% of the premium, and at the full premium cost for the dental and vision plans, if the following conditions are met:
  - a. The employee must have worked for Frederick County Government for a minimum of 10 total years, in a regular and health benefit-eligible position.
  - b. An exception to the 10-year service requirement will be made for employees age 65 or older who are retiring July 1, 2021 or later, and have at least 5 years of total service. Service must be earned in a regular and health benefit-eligible position. Such employees will pay 80% of the monthly premium and the County will pay 20%.
  - c. Retirees will only be allowed to enroll in the County designated HMO plan. However, if a retiree resides outside the HMO service area, then the out-of-area plan (if offered) would be available at the same percentage contribution.
  - d. When employees in this group retire on or after May 1, 2015, and either the retiree or their covered dependent becomes eligible for Medicare benefits for any reason, the health coverage under this plan becomes secondary to Medicare. When the retiree or the covered dependent reaches age 65, they will be given a choice between their current plan and a Medicare Supplemental plan. Benefits in both of these plans are based on the assumption that the retiree or dependent has coverage from Medicare Parts A & B.
  
3. Employees with an original service date **on or after August 1, 2008**. Coverage may be continued for the employee and for those dependents already on the health plan at the time of retirement or a newly born or newly adopted dependent child(ren), at a percentage of the premium based on years of service, and at the full premium cost for the dental and vision plans, if the following conditions are met:
  - a. The employee must have worked for Frederick County Government for a minimum of 10 total years, in a regular and health benefit-eligible position.
  - b. The employee portion of the health plan monthly premium will be determined at the time of retirement according to the following scale:

<u>Years of Service*</u>	<u>Monthly Premium</u>	
	<u>Retiree Pays</u>	<u>County Pays</u>
5 to 9.9 <sup>(1)</sup>	80%	20%
10 to 14.9	75%	25%
15 to 19.9	65%	35%
20 to 24.9	55%	45%
25+	45%	55%

<sup>(1)</sup> Only applicable to employees retiring on or after July 1, 2021, who have reached age 65 and completed 5 years of County service in a regular and health benefit-eligible position.

\*As defined in Section 3a

- c. Retirees will only be allowed to enroll in the County designated HMO plan. However, if a retiree resides outside the HMO service area, then the out-of-area plan (if offered) would be available at the same percentage contribution.
  - d. When employees in this group retire and either the retiree or their covered dependent becomes eligible for Medicare benefits for any reason prior to age 65, coverage under this Plan becomes secondary to Medicare. When the retiree or dependent reaches age 65, coverage comparable to that offered to active employees will end, and the retiree or the covered dependent will be offered a Medicare-supplemental plan. In order to be covered under the Medicare-supplemental plan, the retiree or dependent must have enrolled for coverage under both Medicare Parts A & B.
4. Full-time Deputy Sheriff or Correctional Officers at the rank of Sergeant and below are eligible for line of duty health care coverage, regardless of years of service, provided the employee retires under a line of duty disability on or after July 1, 2019. All sworn, regular, nonexempt uniformed employees at or below the rank of captain within the Frederick County Division of Fire and Rescue Services are eligible for line of duty health care coverage, regardless of years of service, provided the employee retires under a line of duty disability on or after July 1, 2020.

The employee must have existing health care coverage through the County at the time of retirement. Coverage may be continued for the employee and for those dependents already on the health plan at the time of retirement or a newly born or newly adopted dependent child(ren) at a rate of 50% of the premium. If the above applicable Deputy Sheriff or Correctional Officer is eligible for a lower premium based on original service date and years of service as listed in this policy, the lower premium would apply.

- a. Retirees will only be allowed to enroll in the County designated HMO plan. However, if a retiree resides outside the HMO service area, then the out-of-area plan (if offered) would be available at the same percentage contribution.
  - b. When employees in this group retire and either the retiree or their covered dependent becomes eligible for Medicare benefits for any reason prior to age 65, coverage under this Plan becomes secondary to Medicare. When the retiree or dependent reaches age 65, they will be given a choice between their current plan and a Medicare Supplemental plan. Benefits in both of these plans are based on the assumption that the retiree or dependent has coverage from Medicare Parts A & B.
5. Covered dependents of active employees who pass away based on a Line of Duty death on or after July 1, 2021, will be eligible to continue coverage at a rate of 15% of the premium. The employee must have had existing health care coverage through the County at the time of death. Coverage may be continued for those dependents already on the health plan at the time of death or a newly born or newly adopted dependent child(ren).

## **PROVISIONS APPLICABLE TO ALL ELIGIBLE GROUPS:**

1. Coverage must be carried on the retiree and any covered dependents for at least one month as a retiree in order to be eligible for coverage throughout your retirement period.
2. New dependents or spouses may not be added to coverage at the time of retirement or after retirement except in the case of a newly born or newly adopted dependent child(ren).
3. Upon the death of the retiree, the current covered spouse/dependents may continue coverage under the plan, but may not add a new spouse or dependents to their coverage.
4. Dependent coverage is subject to the age limitations in the health plan contract.
5. If a dependent is dropped from coverage after retirement, he/she may be re-enrolled during the annual open enrollment period. However, if extenuating circumstances exist (e.g. other health coverage is discontinued by an employer or insurance company), the dependent may re-enroll outside the open enrollment period.
6. If a retiree chooses to drop the County insurance plan after having been covered for one or more months, the retiree will have the option of re-enrolling in the plan during the annual open enrollment period. However, if extenuating circumstances exist (e.g. other health coverage is discontinued by an employer or insurance company), the retiree may re-enroll outside the open enrollment period.
7. A retiree and his/her spouse may be enrolled in two different plans during the time when one is Medicare-eligible, and the other is not yet Medicare-eligible. When both the retiree and spouse are eligible for Medicare, they must both be covered by the same plan.
8. The retiree is responsible for providing timely written notification to Frederick County Government Human Resources of any changes to address and/or dependent information. Human Resources will make appropriate changes with insurers.

## **CONTINUING HEALTH INSURANCE TO SPOUSES/DEPENDENTS OF DECEASED EMPLOYEES: (3/21/05)**

In the event of the death of an active regular employee, retiree health and dental coverage under the County plan(s) may be continually provided to the employee's spouse and/or covered dependents at the employee retirement rate under the following conditions:

1. The employee must be eligible to retire under the rules, regulations, and conditions of the pension plan of which he/she is a member.  
Or  
The employee's death was the result of a line-of-duty (on the job) accident or cause.
2. The spouse or dependent(s) must be covered under the employee's health plan at the time of death.
3. The spouse cannot add a new spouse (in the case of remarriage) or a new dependent (unless the spouse is pregnant at the time of employee's death) to the plan at any time.
4. Dependent child (ren) will continue to be treated as dependent child (ren) in accordance with the terms of the health insurance contract.

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5. The surviving spouse or dependent(s) will be responsible for following the required payment schedule provided by the County. If payments are not received according to the schedule, coverage will cease.

**ELIGIBILITY FOR HEALTH INSURANCE IF RETIREE RETURNS TO WORK FOR THE COUNTY, THEN RETIRES FOR THE SECOND TIME:**

1. Retiree had health insurance at first retirement
  - a. Would continue health coverage at same rate when employee retires the second time
2. Retiree did not have health insurance at first retirement, but enrolled in plan while an active employee during second employment, and wants to continue coverage during second retirement
  - a. Employee must be eligible to continue health insurance after retirement, according to Policy for Retirees on County Health Plans based on the second hire date.
  - b. The second date of hire will be used to determine what rate retiree will pay at second retirement.

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