

Post-Retirement Health Benefits Policy
Employees retired prior to 07/01/2021
(Revised 07/01/2021)

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 Plan, the Maryland State Retirement Plan, or the City of Frederick Retirement Plan (a specific group of transferred employees only). 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, except for employees working in fully or partially grant-funded positions who were new hires or first became benefit-eligible on or after September 16, 2011 and enrolled in the 401(a) Defined Contribution retirement savings plan.

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

1. Employees with a 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 for the health plan, and at the full premium cost for the dental and vision plan.
 - a. For employees in this group who retired between January 1, 2008 and April 30, 2015, when either the retiree or their covered dependent becomes eligible for Medicare due to age (usually age 65), the health coverage under this plan becomes secondary to Medicare. At that time, the retiree or the covered dependent will be given a choice between their current plan and a Medicare-supplemental health plan. Benefits in both of these plans are based on the assumption that the retiree or dependent has coverage from Medicare Parts A & B.
 - b. 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-

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

supplemental health plan. Benefits in both of these plans are based on the assumption that the retiree or dependent has coverage from Medicare Parts A & B.

2. Employees with a 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 plan, if the following conditions are met:
 - a. The employee must have worked for Frederick County Government for a minimum of 10 consecutive years, in a regular and health benefit-eligible position, and excluding credit for non-earned service (e.g. military service, transferred service, or purchased service, etc.). If the employee has previously worked for the County and returns to County employment, this previous service will not be credited toward the 10-year minimum service requirement. However, if the employee is reinstated to the same or similar position within one year of resignation, as defined in the Frederick County Personnel Rules, the adjusted service date will be used to determine years of service for eligibility.
 - b. 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.
 - c. For employees in this group who retired between January 1, 2008 and April 30, 2015, when either the retiree or their covered dependent becomes eligible for Medicare due to age (usually age 65), the health coverage under this plan becomes secondary to Medicare. At that time, the retiree or the covered dependent will be given a choice between their current plan and a Medicare-supplemental health plan. Benefits in both of these plans are based on the assumption that the retiree or dependent has coverage from Medicare Parts A & B.
 - 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 health 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 a 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 plan, if the following conditions are met:

- a. The employee must have worked for Frederick County Government for a minimum of 10 consecutive years, in a regular and health benefit-eligible position, and excluding credit for non-earned service (e.g. military service, transferred service, or purchased service, etc.). If the employee has previously worked for the County and returns to County employment, this previous service will not be credited toward the minimum service requirement. However, if the employee is reinstated to the same or similar position within one year of resignation, as defined in the Frederick County Personnel Rules, the adjusted service date will be used to determine years of service for eligibility.
- 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>
10 to 14.9	75%	25%
15 to 19.9	65%	35%
20 to 24.9	55%	45%
25+	45%	55%

* 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 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 hire/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.

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

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, a Medicare supplement plan will be offered to you. If the retiree's hire/service date is prior to August 1, 2008 you will have the choice between your current medical plan or the Medicare supplement plan. If your hire/service date is on or after August 1, 2008, your current medical plan coverage will end and the retiree will be offered the Medicare supplement 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.

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 Medicare-eligible retiree hired before August 1, 2008 may change between the two supplemental plans one time after the initial election, and the change will be processed during the annual open enrollment period.
8. 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.
9. 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.

Implemented: 1-20-1993

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