



Retiree Medical Insurance Policy

Effective January 1, 2022 per resolution # 092721-D the following parameters are in place for Retiree Medical Insurance Contributions.

- Resolution shall remain in force until City Council adopts a new resolution which at that time this resolution shall be null and void.

City Contributions:

The portion of the health insurance premiums paid by the City for eligible, retired City employees' group health insurance coverage will be based on the number of years of service the retired employee has at the City of Alabaster prior to retirement. **(Number of years for this policy reflects full time years of service or full-time years worked?) Needs clarification.**

- For eligible retired City employees with 25 years of service of more at the City of Alabaster, 75% of the total retiree insurance premium will be covered by the City, regardless of insurance election **at time of retirement? Needs clarification.**
- For eligible retired City employees with 10 years of service of more at the City of Alabaster, 65% of the total retiree insurance premium will be covered by the City, regardless of insurance election **at time of retirement? Needs clarification.**
- Any retiree that elects Medicare single coverage prior to the effective date will be grandfathered in at the old contribution rate of \$212.50 per month and will receive the greater of \$212.50 per month or the qualifying coverage amount.
- All elections or changes to Medicare after the effective date of resolution # 092721-D will be covered by the qualifying percentages:
 - 25 years of full-time service or more at the City of Alabaster, 75% of the Medicare retiree insurance premium will be covered by the City.
 - City employees with 10 years of full-time service of more at the City of Alabaster, 65% of the Medicare retiree insurance premium will be covered by the City.
- City will absorb charges for processing cost associated with online payments made by retirees for their health insurance premium that is issued by the city.
- Retiree whose benefits are suspended by the Retirement Systems of Alabama due to post retirement employment is not eligible for the City to pay any portion of their health insurance premium through this insurance program or any other program.
- **Employees retiring with an active local government health insurance plan but with less than 10 years of full-time employment with the City of Alabaster does not qualify for any City paid contributions toward retiree medical insurance if applicable. Needs clarification & added to policy. "service credit vs work" example: EE works at Pelham for 8 years under local government health plan, comes to Alabaster works 2 years and they turn 60 and wants to retire. They can stay on the insurance as a retiree under local government's rules. Is Alabaster going to pay 65% or not?**

- Disability retirement will follow the same guidelines for years of service as listed within this policy for contributions toward retiree insurance. **Needs clarification and added to policy.**

- Employee applying for retirement with Retirement Systems of Alabama may not use sick and or vacation time to remain as an active employee on city payroll to reach a specific retirement date. This causes a hardship on the city by preventing the position from being backfilled. **Needs clarification & added to policy.**

- **Clarity on definition of “service” vs “work” to ensure documents read correctly for interpretation:**
 - **Work:** employee is active on the city payroll and working said schedule until he/she actively works 10 years or 25 years to qualify for the 65%/75% insurance coverage to be applied.
 - **Service:** employee may use sick time conversion to get to the years of service to reach 10 years or 25 years for the 65%/75% insurance coverage to be applied.

Example: EE “works” 24 yrs. 6 months at Alabaster and wants to use 6 months sick time to get to 25 yrs. of credit. (RSA allows the credit of 1-year sick time to be applied to get to 10 years or more, which is the minimum # of years to officially retire with RSA and qualify for retiree medical insurance)