



Retiree Medical Insurance Policy Administrative 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. The number of years for this policy reflects full-time years of "worked or service" years.

- For eligible retired City employees with 25 years of (worked?) service or more at the City of Alabaster, 75% of the total retiree insurance premium elected at the time of retirement will be covered by the City, regardless of insurance election. If the retiree changes elections after an official retirement date in accordance with Local Government Health Insurance rules, the city shall not exceed the 75% cost of the retiree single coverage insurance election from that date forward.
- For eligible retired City employees with 10 years of (worked?) service or more at the City of Alabaster, 65% of the total retiree insurance premium elected at the time of retirement will be covered by the City, regardless of insurance election. If the retiree changes elections after an official retirement date in accordance with Local Government Health Insurance rules, the city shall not exceed the 65% cost of the retiree single coverage insurance election from that date forward.
- 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 (worked?) 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 (worked?) service or 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.
- Retirees 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 who apply and are approved for disability retirement under RSA and or Local Government Health Insurance will follow the same guidelines for years worked/ service as listed within this policy for contributions toward retiree insurance.
- Employee applying for retirement with Retirement Systems of Alabama may not use accrued time to remain as an **active** employee on city payroll to reach a specific retirement date. This causes a hardship for the city by preventing the position from being backfilled.
- **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 **OR**
 - **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)