

Policy: Insurance**Policy No. 500.03 Effective****Chapter:** 500.00 Benefits and Services**Date:** 10/01/2025**STATEMENT OF PURPOSE:**

Our mission is to promote health awareness and to encourage healthy lifestyles. Our goal is to improve employee health and increase employee moral by offering preventative health care programs and motivate employees to be proactive about personal health and wellness.

PROCEDURES:

Employee insurance benefits cover part of the cost incurred for medical care. Coverage is provided for an eligible employee and if applicable, eligible dependents. The City of Mission is committed to providing a flexible and cost-effective medical and life insurance program for each regular full-time employee and eligible part-time employees. Employees are eligible to participate in a Cafeteria Benefit Plan which offers savings through the use of pre-tax dollars. The employee portion of all insurance premiums shall be paid through payroll deductions.

A. HEALTH INSURANCE

1. *Regular full-time employees*—are eligible for medical insurance benefits and must enroll within thirty (30) days from date of hire. If an employee fails to enroll eligible dependents or enroll in voluntary supplemental coverage within that period, he/she must wait for the annual open enrollment period. Insurance coverage begins on the first day of the month following thirty (30) days from date of hire. This insurance is effective so long as the employee remains on regular full-time payroll.
2. *Part-time employees*—~~who average a minimum of thirty (30) hours per week in a 12-month period are eligible to purchase the medical plan and voluntary products.~~ Part-time employees ~~who average less than thirty (30) hours per week in a 12-month period~~ are not eligible for medical insurance benefits or voluntary supplemental insurance products.
3. *Temporary/seasonal employees*—are not eligible for medical insurance benefits or voluntary supplemental insurance products.
4. It is the employee's responsibility to notify the Human Resources Department of any family status or eligible dependent changes so that proper coverage can be obtained and the correct premium amount be charged. New dependents acquired by marriage or birth must be added on a timely basis in accordance with the provisions of each respective plan. Coverage for any dependent ceases when the dependent is no longer eligible.
5. The City of Mission reserves the right, in its discretion, to change the nature of the benefits offered to employees, or to change insurance carriers, deductibles, premiums, or other features of any benefit. In addition, the City of Mission may decide to discontinue one or more benefits. Covered employees will be notified of such changes or discontinuations as soon as practicable.

B. RETIREE HEALTH COVERAGE

The City shall offer employees retiring with the City the option to purchase continued health benefits coverage as outlined in the Texas Local Government Code §175.001, as amended.

1. An employee can elect retiree coverage only if the employee was covered under the plan at the time of retirement. Similarly, a retiree may elect to cover only those eligible dependents that were covered under the plan at the time the employee retired, at the employee's expense for a period not to exceed eighteen (18) months of COBRA coverage. A dependent who was not covered under the plan at the time of the employee's retirement is not eligible for coverage.
2. The level of retiree coverage will be as per the Retiree Plan. The City may provide for a different monthly premium rate(s) for retirees and their dependents who elect to continue health benefits coverage.
3. Regular full-time employees with less than twenty-five (25) years of employment with the City, upon retirement, shall be eligible for health benefit coverage with the City at their expense, until the age of 65 or Medicare eligible. Regular full-time employees with twenty-five (25) years or more of employment with the City upon retirement, the City shall pay the full cost for the COBRA coverage for a maximum of twelve (12) months, until the age of 65 or Medicare eligible.
4. After the twelve (12) months of City paid COBRA coverage, the City will cease to continue paying the cost of coverage for the employee. Once the City's contribution ceases the entire cost of COBRA and retiree continuation coverage (if applicable) shall be paid by the retiree.
5. An employee is eligible to retire from the City of Mission at age sixty (60) with five (5) years of service or at any age with twenty (20) years of service. In any event, coverage under the City health plan, shall end upon the retiree reaching the age of 65 or Medicare eligible.

C. CONTINUATION OF INSURANCE (COBRA)

The federal Consolidation Omnibus Budget Reconciliation Act (COBRA) provides that all employees are eligible to continue their group insurance for a maximum of eighteen (18) months when employment is terminated due to resignation, retirement, reduction in employees, reduction of work hours, or dismissal for reasons other than gross misconduct. The law also entitles dependents of a covered employee to continue their group insurance coverage for a maximum of eighteen (18) months upon the separation of a covered employee or a reduction in such employee's hours of employment; and up to thirty-six (36) months upon the death of a covered employee, divorce or legal separation, when dependent children are no longer "eligible dependent" under the definition in the policy, or when the employee becomes Medicare eligible. The employee or dependent must request continuation of coverage and must pay the full cost of coverage.