

Adopted  
November 7, 2007

**TOWN OF SOUTHERN SHORES  
RETIREE HEALTH AND DENTAL  
INSURANCE BENEFITS  
POLICY**

**A. HEALTH INSURANCE FOR RETIREES HIRED ON OR AFTER NOVEMBER 1, 2007**

For employees hired on or after November 1, 2007, the term "qualified retiree" is defined as an employee who:

- (1) Retires from the Town with **25 20** completed years of service with the Town, will have their premiums paid 100% by the Town, employees with 15-19 years of completed service with the Town, will have 75% of their insurance premiums paid by the Town and those employees with 10-14 years of completed service, will have 50% of their medical premiums paid by the Town; **and**
- (2) Retires with **unreduced benefits** from the NC Local Government Employee's Retirement System. See definition of unreduced benefits in Section F of this policy.

A qualified retiree will have their individual health and dental insurance coverage paid for by the Town if the retiree elects to retain health and dental insurance for themselves through the Town. In the event that the Town's health insurance plan does not provide retiree health coverage, the Town shall reimburse the qualified retiree for monthly health premiums paid by the qualified retiree for individual employee only coverage. This shall be done upon receipt of proof of payment. ~~The amount the Town will pay for coverage or will reimburse a qualified retiree for coverage shall not exceed the then current health benefit paid by the Town for active employees for individual employee only coverage.~~ The Town will pay the premium (as stated above), for health and dental coverage **only** until the qualified retiree becomes eligible for Medicare coverage. Upon a qualified retiree becoming eligible for Medicare coverage or reaching the age of 65 whichever comes first, the Town will no longer pay premiums for health or dental coverage of any kind.

**B. HEALTH INSURANCE BENEFITS FOR RETIREES HIRED BEFORE NOVEMBER 1, 2007**

For employees hired before November 1, 2007, the term "qualified retiree" is defined as an employee who:

- (1) Retires from the Town with **10** completed years of service with the Town; **and**
- (2) Retires with **unreduced benefits** from the NC Local Government Employee's Retirement System. See definition of unreduced benefits in Section F of this policy.

A qualified retiree will have their health and dental insurance coverage paid for by the Town if the retiree elects to retain health and dental insurance for themselves through the Town. In the event the Town's health insurance plan does not provide retiree health coverage, the Town shall reimburse the qualified retiree for individual employee only coverage. The Town will not pay for a plan richer in benefits than what is being offered for an active employee.

The amount the Town will pay for coverage or will reimburse a qualified retiree for coverage shall not exceed the then current health benefit paid by the Town for active employees for individual employee only coverage.

Upon a qualified retiree becoming eligible for Medicare coverage or reaching the age of 65 whichever comes first, the Town will pay premiums for a Medicare supplement and prescription plan only. The Town will no longer pay dental or vision premiums. Under no circumstances will the Town pay more than the amount the Town pays for individual employee only coverage for employees actively participating in the Town's health program.

Dependent coverage may also be purchased but must be paid entirely by the qualified retiree.

In the event of the death of the retired employee, covered dependents may continue coverage for 36 months under COBRA.

#### **C. ELECTION OF RETIREE HEALTH INSURANCE COVERAGE**

Qualified retirees must decide within thirty (30) days after their retirement if they wish to continue Town health/dental insurance coverage, if it is available through the Town's plan. Before insurance can be reinstated, the qualified retiree must make payment arrangements for any premium due during the 30 day election period. If a decision has been made not to continue coverage, coverage will not be reinstated at any future date.

#### **D. PAYMENT OF PREMIUM**

Payment of premiums for coverage on dependents and the portion of the qualified retiree's premium not covered by the Town must be made by the last business day of the month prior to coverage. For example, payments of premiums for coverage during the month of July must be made on or before June 30. (If June 30 is a Saturday, the payment must be made by June 29<sup>th</sup>). A 2% administrative fee may be charged in addition to the monthly premium. Payments can be made monthly or quarterly and can either be mailed or brought to the Town's Finance Department so long as the payment is actually received before the last business day of the month. Monthly statements will be sent out indicating any balances due. Failure to pay the required premium to the Town's Finance Department within thirty (30) days of the due date will result in cancellation and loss of coverage. Once coverage has been cancelled for any reason, it cannot be reinstated.

**E. AMENDMENTS**

This policy is subject to change from time to time as the coverage requirements of the NC Local Government Employee's Retirement System or other benefit plans sponsored by the Town change. All benefits are contingent on the financial condition of the Town and the provision for such funding in each annual budget. The insurance benefits are subject to change with or without notice and in no way should this section be construed as a contract or guarantee of provision of these benefits beyond the current fiscal year. This policy supersedes all other policies relating to health/dental benefits.

**F. DEFINITION OF UNREDUCED BENEFITS**

The NC Local Government Employee's Retirement System classifies unreduced benefits to be one of the following:

- Law Enforcement Employees who are age 55 and have completed 5 years of creditable service as an officer **OR** 30 years of creditable service at any age.
- All General Employee's who are age 65 and completed 5 years of creditable service **OR** age 60 with 25 years of creditable service **OR** 30 years of creditable service at any age.

Revised 7/6/10

Revised 4/1/14

Revised