

# Chapter 7 – Employee Benefits

## 7.01 Life Insurance

*Effective Date: 3/7/2022*

The City provides basic life insurance in the amount of one-time the employee's annual salary (rounded to the nearest \$1,000) at no cost to the employee. Full-time and regular part-time employees who work more than 1,200 hours per year are eligible for coverage the 1st day of the month following 30 days of employment.

The imputed cost of coverage in excess of \$50,000 must be included in income and is subject to social security and Medicare taxes.

Additional coverage may be purchased at the employee's expense and paid through payroll deduction.

## 7.02 Health, Dental, and Vision Insurance

*Effective Date: 3/7/2022*

The City provides group health, dental, and vision insurance to all permanent, full-time employees. Insurance is effective on the 1st day of the month following 30 days of employment. Plan details are set forth in separate plan documents issued when an employee becomes eligible to participate; additional copies are available from the City Clerk/Human Resources Director. The City reserves the sole discretion to determine what insurance and level of benefits to offer. Employees may be required to contribute toward the cost of the monthly premiums as established by the City Council and contributions will be payroll deducted.

## 7.03 Health Savings Account (HSA) Contributions

*Effective Date: 3/7/2022*

Employees participating in a High Deductible Health Plan (HDHP) are eligible for employee contributions to a Health Savings Account (HSA) via payroll deduction.

## 7.04 Continued Health Insurance

*Effective Date: 3/7/2022*

### Disability Retirement

Employees forced to retire under disability provisions of OASI will be required to apply for Social Security benefits, including Medicare. Coverage will continue from the time of retirement through the determination of eligibility for Social Security benefits, not to exceed 24 months.

### Normal Service Retirement

For employees hired after September 18, 2000, a minimum of 15 years of full-time employment with the City of Two Rivers shall be required to qualify for this benefit. Employees hired on or after April 15, 2011 are not eligible for a City-provided post-retirement health benefit of any kind upon their retirement.

An employee retiring at age 55 or older shall be eligible for continued health insurance coverage (single or family plan, as may be applicable). As of January 1, 2014, the City shall contribute the current split percent rate of the medical premiums, on behalf of eligible retirees, and the premium co-payment required of retirees shall equal the current split rate applicable to active employees **as of the date of the employee's retirement**.

This benefit may be exercised immediately upon retirement by qualified employees retiring at age 55 or older (50 or older for Police and Fire employees). Alternatively, an employee retiring at age 55 or older (50 or older for Police and Fire employees) may leave the City's health insurance plan upon retirement and re-enroll in that plan at a later time prior to age 65, with partial City payment of premiums as described above for the duration of the employee's post-retirement health insurance benefits. Provided, however, that a retiree may re-enroll in this manner only one time.

Police Union and Management employees, Fire Union and Management employees and certain non-union employees who are eligible for this post-retirement health insurance benefit have individual letters of agreement with the City that are in their personnel files, which address the number of years of such coverage they qualify for. Any other employees who qualify for this benefit qualify for the number of years cited below:

- a. Employees with over 25 years of service as of December 31, 2013: 3 years of continued health insurance.
- b. Employees with over 10 years of service as of December 31, 2013: 1 year of continued health insurance.
- c. Employees with less than 10 years of service as of December 31, 2013: No benefit.

City contributions will not **continue past the retired employee's** Medicare-eligibility.

When a retired employee reaches age 65, the employee's spouse, if under 65, becomes eligible for continuation of health coverage under COBRA.

A minimum 30-day advance notice of termination must be given to qualify for this benefit.

A retiree forfeits and waives all benefits under this provision if the employee should obtain employment with another employer (for more than a 30 day grace period) that has a group health insurance plan and is eligible to participate in such plan, or if the retiree becomes covered by any other group health insurance plan.

#### Survivor Coverage

The surviving spouse and/or dependents of a participating employee who dies while actively employed by the City or while retired from City employment, may elect to continue to be covered as part of the group under the rules of the plan set forth in Section above, by payment of the insurance premium co-pay, not to exceed 24 months.

## 7.05 Voluntary Waiver of Health Insurance Coverage

*Effective Date: 3/7/2022*