

Kenosha County
Other Post-Employment Benefit Policy-Health Insurance

Prepared By:

Department of Finance and Administrative Services

Policy Effective Date – January 1, 2013*

Post-Employment Health Insurance Benefits

Non-Protective Employees (see definition section)

Coverage Provisions

Eligibility

Active employees (see definition section) hired before January 1, 2012, who have had at least 10 years of continuous employment with the County as of the effective date are eligible for the benefit below. Active employees who have less than 10 years of continuous employment with the County as of the effective date are not eligible.

Benefit

Eligible active employees who as of the date of retirement are at least 60 years of age and have had at least 15 years of continuous employment with the County are eligible to receive the post-employment health insurance benefit (see definition section), which includes paying the same copayments, deductibles, and premium contributions and remaining in the same risk pool as active employees. Eligibility continues until the retired employee is eligible to enroll in Medicare. Medicare-eligible retirees may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense. (Note: Separate provisions apply to active employees hired before January 1, 2012 who met the age and years-of-service requirements as of the effective date and to certain employees who choose to retire in 2013, see below.)

Eligible active employees who retire at age 55, 56, 57, 58, or 59 with 15 years of continuous employment with the County as of the date of retirement may find alternative health insurance coverage and then return to the County health insurance plan (one re-entry allowed per retiree) at or after age 60 subject to the terms described in the preceding paragraph if the retiree has no other health coverage. In addition, eligible active employees who retire after age 60 with at least 15 years of continuous employment with the County as of the date of retirement may find alternative coverage and then return to the County health insurance plan (one re-entry allowed per retiree) subject to the terms described in the preceding paragraph if the other coverage ends. Under either of these options, proof of other insurance is required.

General Provisions

COBRA- Employees may be eligible to continue coverage under the County health insurance plan by paying the monthly budgeted premium cost (see definition section) (at an implicit subsidized rate-see definition section) adding the allowed administrative cost in accordance with

* The effective date of this policy will be extended to March 31, 2013 only for members of the Local 70 (Highway) bargaining unit in the interest of maintaining an efficient staffing level for the 2012-2013 winter plowing season.

State and Federal law concerning a qualifying event. This may occur as the result of resignation, layoff, reduction in hours, injury or illness and other leaves of absence.

Consolidation of Years of Service- An employee who is reemployed by the County may request a bridge in service from the Director of Personnel Services if that employee had a minimum of five years of previous service with the County and had resigned in good standing. Such a request may be made only after the employee has been reemployed for a period of 24 months.

National Health Insurance- In the case a plan of national health insurance should be established, the County reserves the right to make changes to a retiree's health insurance benefit. Such changes could include but are not limited to the reduction or cessation of the County's contributions for that benefit, changes in plan design, or changes in the benefits available under the plan. For example (and without limitation), the County could reduce its contribution or the benefits available in proportion to benefits which may be provided by the government under any plan.

Early Retirement Packages- This policy does not limit the County's ability to offer early retirement packages that may include post-employment health benefits where they are determined to be in the best financial interest of the County. Each individual early retirement package shall be presented by the Director of the Division of Personnel Services to the Department of Finance and Administrative Services through the administrative proposal process for fiscal review, and County Executive and Finance & Administration Committee for approval.

Other Provisions

For active employees who are not eligible for a post-employment health insurance benefit as described in the preceding paragraphs, the County agrees to include retired/former employees in the group for which the County shall negotiate a comprehensive hospital-surgical-major medical coverage policy. Retiring/terminating employees (other than employees who are terminated for cause) who are at least 55 years of age as of the date of retirement/termination may enroll in the County health insurance plan at the monthly budgeted premium cost (see definition section) and may maintain coverage until they become eligible to enroll in Medicare. Any terminating/retiring employee who intends to elect such coverage shall notify the Division of Personnel Services of this intent in writing at least 30 days before the effective date of termination/retirement. For individuals who elect coverage under this option, payments of the budgeted monthly premium will be due one month in advance. Employee/Retiree payment terms and conditions are at the discretion of the County. Failure to pay as required by the County may result in the loss of health insurance benefits as permissible by law.

Employees who retire after January 1, 2012, must discontinue enrollment in the County health insurance plan when they become eligible to enroll in Medicare. Medicare-eligible employees may purchase coverage under the County-sponsored Medicare supplement or another Medicare supplement plan.

If a retiree and the retiree's spouse are both participating in the County health insurance plan under this policy and the retiree becomes eligible to enroll in Medicare and is therefore no longer eligible for coverage under the County health insurance plan, the spouse may purchase single

coverage under the County health insurance plan at the budgeted premium cost until he/she becomes eligible to enroll in Medicare.

Employees hired on or after January 1, 2012 are not eligible for post-employment health insurance benefits; however, COBRA benefits in accordance with State and Federal law as described above may be available.

Active employees who otherwise had qualified for a post-employment health benefit who retire as the result of a disability are eligible to purchase County health insurance benefits in the specific plan they were previously enrolled in at the monthly budgeted premium cost and may continue coverage under the plan until becoming eligible to enroll in Medicare. Medicare-eligible retirees may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

In the event a retired employee who otherwise had qualified for a post-employment health benefit who has family coverage under the County health insurance plan dies before reaching Medicare eligibility age, his/her surviving spouse may continue ~~h~~ coverage under the County health insurance plan until becoming eligible for Medicare by paying the monthly budgeted premium cost (at an implicit subsidized rate) for single coverage. Medicare-eligible spouses of retired employees may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

Employees Meeting Age/Years-of-Service Requirements as of Effective Date

Eligibility

Active employees hired before January 1, 2012, who are at least 60 years of age as of the effective date but who have not reached Medicare eligibility age and have had at least 15 years of continuous employment with the County as of the effective date are eligible.

Benefit

Upon retirement, eligible employees are eligible for coverage under the County health insurance and dental plans at no premium cost to the retired employee. Eligibility ceases when the retired employee becomes eligible to enroll in Medicare. The coverage available is the same coverage that is offered to active employees, including any required employee costs (other than premium contributions), such as co-pays and deductibles. The coverage is subject to any changes to the coverage offered to active employees, such as changes to co-pay and deductible amounts. Medicare-eligible retirees may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

Eligible Employees Who Retire in 2013

Eligibility

Eligible active employees who are at least age 60 and have at least 15 years of continuous employment with the County as of the date of retirement and who retire during the 2013 calendar year are eligible.

Benefit

Upon retirement, eligible employees are eligible for coverage under the County health insurance and dental plans at no premium cost to the retired employee. Eligibility ceases when the retired employee becomes eligible to enroll in Medicare. The coverage available is the same coverage that is offered to active employees, including any required employee costs (other than premium contributions), such as co-pays and deductibles. The coverage is subject to any changes to the coverage offered to active employees, such as changes to co-pay and deductible amounts. Medicare-eligible retirees may purchase coverage under the County-sponsored Medicare supplement plan or another Medicare supplement plan at their own expense.

Protective Employees (see definition section)[†]**Coverage Provisions****Eligibility**

Any classified or non-classified sworn active employees who are between the ages of 50 and Medicare eligibility age as of the effective date are eligible.

Benefit

Eligible sworn active employees who retire at age 53 or later will retain the post-employment health insurance benefit (see definition section). The County's premium obligation shall terminate when the retired employee becomes eligible to enroll in Medicare. If the retired employee decides to purchase supplemental Medicare benefits, it will be at their own expense. An eligible sworn active employee may retire at age 50, 51, or 52 and remain covered under the County health insurance plan if he/she participates at their own expense or is covered as the spouse of another County employee. Upon reaching age 53, the retired employee will be eligible for the benefit described in the preceding paragraph. An eligible active employee who retires at age 50, 51, or 52 but who chooses not to be covered under the County health insurance plan may, upon reaching age 53, also qualify for the benefit described in the preceding paragraph if he/she can show proof of insurance for the period during which he/she was not covered under the County plan.

General Provisions

COBRA- Employees may be eligible to continue coverage under the County health insurance plan by paying the monthly budgeted premium cost (at an implicit subsidized rate) adding the allowed administrative fee in accordance with State and Federal law concerning a qualifying

[†] This policy is not intended to change the retiree health benefits available to protective employees from those benefits available immediately prior to the effective date. Protective employees who retire on or after December 31, 2009 are eligible to retain the same health insurance benefit, pay the same copayments, deductibles, and premium contributions and remain in the same risk pool as active employees.

event. This may occur as the result of resignation, layoff, reduction in hours, injury or illness and other leaves of absence.

Consolidation of Years of Service- An employee who is reemployed by the County may request a bridge in service from the Director of Personnel Services if that employee had a minimum of five years of previous service with the County and had resigned in good standing. Such a request may be made only after the employee has been reemployed for a period of 24 months.

National Health Insurance- In the case a plan of national health insurance should be established, the County reserves the right to make changes to a retiree's health insurance benefit. Such changes could include but are not limited to the reduction or cessation of the County's contributions for that benefit, changes in plan design, or changes in the benefits available under the plan. For example (and without limitation), the County could reduce its contribution or the benefits available in proportion to benefits which may be provided by the government under any plan.

Early Retirement Packages- This policy does not limit the County's ability to offer early retirement packages that may include post-employment health benefits where they are determined to be in the best financial interest of the County. Each individual package shall be presented by the Director of the Division of Personnel Services to the Department of Finance and Administrative Services through the administrative proposal process for fiscal review, and County Executive and Finance & Administration Committee approval.

Other Provisions

Any sworn active employee who becomes totally disabled due to work-related injury or illness shall continue to receive health insurance coverage paid by the County during such period of disability until such employee becomes eligible for coverage under any present or future federal hospital-surgical-medical insurance plan.

Any sworn active employee who is out due to illness shall continue to receive coverage paid by the County for six months after such employee exhausts his/her sick leave. Such employee may continue coverage for an additional six months by paying in advance to the Personnel Office the monthly premium for his/her coverage.

In recognition of the fact that bargaining unit members are protective service employees, the family of a sworn active employee with twenty or more years of department seniority who dies prior to retirement or reaching the age of 65 shall continue to receive coverage consistent with policy age limits for children at the County's expense, until such time as they are covered under another plan or the date the employee would have reached 65 years of age, whichever is sooner.

The above-referenced twenty years or more of seniority shall be waived for any sworn active employee who dies in the line of duty as defined by the worker's compensation statute as follows:

Seniority

0 – 2

3 – 20

Years of Insurance

Two years

Equal to number of years e.g. 3 yrs seniority = 3 years of coverage

Former Elected Officials (see definition section)

Eligibility

Any former elected official including the positions of County Board Supervisor, County Executive, County Sheriff, County Clerk, Register of Deeds, Treasurer, and Clerk of Courts.

Benefit

Former elected officials prior to becoming eligible to enroll in Medicare may voluntarily continue the County hospital-surgical-major medical and dental coverage at the monthly budgeted premium cost (at an implicit subsidized rate) indefinitely. Upon becoming eligible to enroll in Medicare, former elected officials may voluntarily continue in the County's group health and dental insurance plan provided they pay the full cost rate (see definition section) and the County's insurance is secondary to Medicare or they may purchase supplemental Medicare benefits on their own.

Notes (applicable to entire policy)

Medicare Eligibility Age- This policy assumes that the Medicare eligibility age is 65. If in the future the Medicare eligibility age is changed, the County reserves the right to review and modify this policy as it deems appropriate, including (without limitation) the right to make changes to the benefits available to both current and future retirees.

Scope- To the extent permitted by law, this policy supersedes (without limitation) any and all previously or concurrently adopted or communicated provisions, policies, procedures, rules, regulations, resolutions, ordinances, memos, handbooks, statements, or the like, whether written or verbal, that address the subject matter addressed in this policy. This policy is not intended to alter any vested benefits or benefits provided under the terms of an individual contract of employment with the County.

Amendment- From time to time, it shall be necessary to amend this administrative policy, and the County reserves the right to modify this policy at its discretion. Financial Services shall be authorized to amend this policy to comply with County, IRS, or other federal and state legislation, with the approval of the County Executive.

Term Definitions

Post-employment health insurance benefit- hospital-surgical-major medical coverage policy benefit for eligible retired employees, which includes paying the same copayments, deductibles, and premium contributions and remaining in the same risk pool as active employees; benefits provided to retirees are subject any changes to the benefits provided to active employees

Active employees- employees who qualify for County health insurance plan benefits in accordance with the rules established by the Personnel Division, including part-time employees who qualify for such benefits subject to a proportional premium-contribution requirement; part-time employees who are eligible for a post-employment health insurance benefit under this policy will be subject to the same proportional premium-contribution requirement that was applicable when they were active employees

Non-Protective Employee- non-sworn employee who is not under the terms of law enforcement statutes per WRS provisions

Budgeted premium cost- Kenosha County Single/Family monthly budget rate as adopted in County budget

Non-classified employee- non-represented employee

Implicit subsidized rate- Single/Family rate which transfers a portion of the full true cost of retiree health insurance benefits to the County; for example, a retiree that pays the blended County budget rate is generally paying less than the full true cost of the coverage

Full cost rate- annually determined rate developed by County actuary that is the actuarial true cost of coverage

Sworn non-represented- Kenosha County Sheriff's Department managerial employees who are not represented by a bargaining unit

Classified employee- represented employee

Sworn protective employee- Kenosha County Sheriff's Department employee represented by the Deputies

Former elected officials- individuals who have officially held the position (not as interim) of County Board supervisor, County Executive, County Clerk, Register of Deeds, Treasurer, Sheriff, or Clerk of Courts

County health insurance plan- the County-sponsored self-insured hospital-surgical-major medical plan, as amended from time to time