

CITY OF CHESAPEAKE, VIRGINIA

NUMBER: 2.20 (21.7)

ADMINISTRATIVE REGULATION

EFFECTIVE DATE: 07/01/07

**SUBJECT: DEPARTMENT OF HUMAN RESOURCES
HEALTH INSURANCE BENEFITS FOR
CERTAIN RETIRED EMPLOYEES**

SUPERCEDES: 02/10/04

I. PURPOSE

This Policy will establish a method of providing benefits for full-time employees, who retire after long-term continuous service to the City of Chesapeake, by providing access for them and eligible dependents to the City's group medical coverage. Access to the City's Post-65 benefit is restricted to employees hired prior to July 1, 2007.

II. ELIGIBILITY

A. Pre-Medicare Medical Plan

Full time employees, under age sixty-five (65) and not eligible for Medicare, who retire after fifteen (15) or more years of continuous service to the City of Chesapeake, which is credited by the Virginia Retirement System (VRS) will be eligible for the Pre-Medicare Medical Plan benefit. Employees with less than 15 years of continuous employment with the City of Chesapeake, which is credited by the Virginia Retirement System, who have retired due to line-of-duty injuries, are also eligible for the Pre-Medicare Medical Plan. (Employees under age sixty-five (65), who retire on VRS disability retirement after fifteen (15) or more years of continuous service, may obtain coverage for their dependents as specified in paragraph III G).

B. Post-Medicare Medical Plan

This benefit plan is only available to employees hired prior to July 1, 2007. Employees who retire with at least fifteen (15) years of City continuous service credit to the VRS and are enrolled in Medicare parts A and B may enroll in the City's Post-Medicare Plan. Employees with less than 15 years of continuous employment with the City of Chesapeake, which is credited by the Virginia Retirement System, who have retired due to line-of-duty injuries, and enrolled in Medicare parts A and B may enroll in the City's Post-Medicare Plan.

III. DEFINITION

1. **Retirement** is defined as leaving the City's employment and immediately drawing monthly retirement benefits under the Virginia Retirement System (VRS).

IV. PROCEDURE: Pre-Medicare Medical Plan

- A. Eligible employees must notify the Department of Human Resources, in writing, that: (1) they intend to continue under the City's Group Health Care Plan, and (2) they wish to receive the City's payment towards this coverage. In order to insure continuous coverage, the Department of Human Resources should receive this notification no later than the employee's effective date of retirement.
- B. The amount the City pays for the eligible retiree with twenty (20) or more years of service credited into VRS will be the same amount as it pays for an active employee enrolled in the City's Group Health Insurance Plan. Retirees with at least fifteen (15) but less than twenty (20) years of City service credited into VRS will pay the entire premium for coverage.
- C. The retiree will be responsible to pay any additional cost of the category of coverage selected on the first of each month following retirement. Checks are to be made payable to the City of Chesapeake and sent to the Finance Department by the first of each month and no later than the fifteenth of the month, to insure continuous coverage.
- D. This benefit will cease for the **retiree** under the following conditions:
 - 1. The retiree reaches age sixty-five (65); or
 - 2. The retiree becomes eligible for Medicare coverage.

When either of these events occur, the retiree is eligible to transition onto the City's Post-Medicare Medical Plan as outlined in section V if the retiree was hired by the City prior to July 1, 2007.

- E. This benefit will cease for the **dependents of the retiree** under any of the following conditions:
 - 1. The retiree reaches age sixty-five (65); or
 - 2. The dependent reaches age sixty-five (65); or
 - 3. The dependent becomes eligible for Medicare.

When any of these events occur, the retiree or dependent is eligible to transition onto the City's Post-Medicare Medical Plan as outlined in section V if the retiree was hired by the City prior to July 1, 2007.

- F. When the retiree becomes ineligible for this benefit due to reaching age sixty-five (65), covered dependents can continue under the City's Group Health Insurance Plan however, the retiree or eligible dependent, must pay the entire premium for the selected plan
- G. When the retiree becomes ineligible for this benefit due to qualifying for Medicare coverage before age sixty-five (65) or death, covered dependents can continue under the City's Group Health Insurance Plan until the retiree reaches (or would have reached) age sixty-five (65), or the dependent reaches age sixty-five (65) or becomes eligible for

Medicare, whichever comes first. However, the eligible dependent, must pay the entire premium for the selected plan.

- H. In instances where an employee retires from the City under a VRS Disability Provision and has twenty (20) or more years of City service, the covered dependents may remain under the City's Group Health Insurance Plan until the retiree reaches age sixty-five (65) or becomes eligible for Medicare, whichever comes first.

V. PROCEDURE: Post-Medicare Medical Plan

- A. The retiree, who has at least fifteen (15) years of City service credited to the VRS, was hired prior to July 1, 2007, and is transitioning from the City's Group Health Insurance Plan or the Pre-Medicare Plan, may enroll in the Post-Medicare Medical Plan if there is no lapse in any of the City sponsored medical plans. The retiree must be enrolled in Medicare parts A and B. This provision also applies to those retirees, hired prior to July 1, 2007, who had less than fifteen (15) years of continuous City Service credited to VRS and were retired due to line-of-duty injuries.
- B. The City and retiree share in the costs of the Post-Medicare Plan. The cost sharing ratios are as follows:

Years of Service	Retiree Portion	City Portion
15 to 19 Years	54%	46%
20 to 24 Years	52%	48%
25 Plus Years	50%	50%


- C. The retiree's spouse may enroll in the Post-Medicare Medical Plan if the spouse is covered under Medicare parts A and B, and elects coverage at the time the spouse becomes eligible. The retiree's spouse pays 100% for his/her coverage.

VI. KILLED IN THE LINE OF DUTY (GENERAL EMPLOYEE)

If a General City Employee is killed in the line of duty, the deceased employee's spouse and children may stay on the City's Group Health Insurance Plan as if the employee is still living and receives the City contribution for the Health Plan coverage. The surviving spouse may remain on the Plan unless he/she remarries. The coverage will cease for the dependents when they reach the maximum age of coverage for the plan they are enrolled in. In both of these situations, the spouse and dependent children are eligible for COBRA coverage once regular coverage ceases.

VII. KILLED OR DISABLED IN THE LINE OF DUTY (SWORN PUBLIC SAFETY OFFICERS AND THEIR DEPENDENTS)

Continued health insurance coverage for the surviving spouse and dependents of Sworn Public Safety Officers who are killed or disabled in the line of duty is provided for under sections 9.1-400 through section 9.1-406 of the Code of Virginia, the Line of Duty Act.



William E. Harrell, City Manager

7/16/07

Date