

**CALHOUN COUNTY
BOARD OF COMMISSIONERS
POLICY STATEMENT**

SUBJECT: RETIREE INSURANCE	DATE APPROVED: 12/1/2022	EFFECTIVE: Immediately	POLICY NO. 362
		REPLACES: #362 of 12/3/2015	

This policy applies to all eligible Calhoun County or Court employees who retire after January 1, 2016. Retirees prior to January 1, 2016 should refer to Policy #361. Upon the retirement, disability or death of a Calhoun County or Court employee, retiree insurance shall be permitted subject to the provisions of this policy:

1) **Eligibility to Participate.**

Former Employee: The term “former employee” means a person who was a full-time employee of Calhoun County, the 37th Circuit Court, the 10th District Court, or Probate Court, and includes all elected and appointed officials with the exception of County Commissioners. Former employees and their spouses are eligible to participate in the retiree health insurance plans or program(s) provided the following conditions are met by the employee at time of termination:

- a) Attained the minimum age of 50 years old.
- b) Completed at least 10 years of service.
- c) Eligible for full-retirement benefit(s) under a County sponsored retirement plan, including pension, 401(k), or 457 plan.
- d) If the employee had not participated in a County sponsored retirement plan, then the minimum age required is 60 with a minimum of 20 years of service.
- e) The former employee is not covered by a collective bargaining agreement which provides for any type of health insurance coverage for employees whose employment terminates as a result of retirement.

Surviving Spouse: A surviving spouse of a former employee is eligible to participate in the group health insurance plans after the former employee’s death as provided below:

- a) the former employee and the spouse were covered by the plan under the provisions of this policy at the time of death.
- b) the spouse is not eligible for other employer paid coverage.

2) **Election to Participate.** Former employees and surviving spouses who are eligible to participate in the Employer sponsored plan or program as indicated in Section 1 may elect coverage as provided in this section.

- a) **Time for Making Election.** In the case of retirement or disability, the former employee must make the election no later than 14 days after the date of termination

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of employment. In the case of death, the surviving spouse must make the election no later than 60 days after the date of death.

- b) **Manner of Making Election.** Elections must be made in writing on a form or other process established by the Human Resources Department within the permitted time frame. After the initial election period, the renewal process will occur during an annual open enrollment process.
 - c) **Failure to Make Election.** If an election to continue coverage for a former employee or spouse is not made in the allotted time after the event of retirement, disability, or death, an election may not be made at any later time, unless there is a qualifying event as described in Section e below.
 - d) **Termination of Coverage.** If an election to continue coverage for a former employee or spouse is made, and the coverage is later terminated, an election to resume coverage may not be made at a later time, unless there is a qualifying event as describe in Section e below.
 - e) **Qualifying Event.** Former employees shall be entitled to a one-time qualifying event that allows for enrollment in the retiree health care plans or program(s) with the applicable discount or funding from the County upon loss of other insurance coverage. A qualifying event shall occur when insurance coverage from another source is terminated, such as in the event of the death of a spouse, divorce, and/or spouse’s termination of employment. The former employee must provide proof of insurance coverage loss within 31 days of the event to the Human Resources Department in order to be eligible for a qualifying event under this policy. Enrollment due to a qualifying event is limited to one-time, and as such if the former employee later declines coverage again they shall not be able enroll in coverage again even if another qualifying event occurs.
- 3) **Former Employees and Their Spouses Under Age 65.** Former employees and surviving spouses who elect must pay the cost of the coverage.
- a) **Cost of Coverage.** If benefits under the plan are provided entirely through one or more contracts of insurance with a fixed premium for a specified period of coverage, the cost of the coverage for any period of coverage will be the premium charged by the insurer for that period of coverage. If the benefits under the plan are

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fully or partially self-insured by the County, or are provided through contracts of insurance funded on a minimum premium or other variable premium basis, the cost of the coverage for any period of coverage will be the amount estimated by the County, in its complete discretion by any manner whatsoever, to be the total cost of the coverage for that period of coverage. The cost of the coverage may change from one period of coverage to another.

b) **Discount For Certain Former Employees and Their Spouses Under Age 65.**

A former eligible employee who retires after January 1, 2016 and is under 65 years of age, shall receive a discount equal to \$10 per month for each year of full credited service, but not more than the cost of coverage. This discount will also apply to the surviving spouse of such a former employee for a period of one year after the date of the former employee's death unless the spouse is eligible for employer paid coverage from another source.

Time for Making Payment. Payments for the cost of coverage must be made on a monthly basis, and will be due each month on the date specified by the Human Resources Department. There will be a 30-day grace period for late payments; but if any payment is not made within 30 days after the due date, the coverage may be terminated.

Manner of Making Payment. Payments must be made by personal check payable only to the County, or by other methods (if any) approved in advance by the Human Resources Department. A payment will be deemed to have been made only when personally received by an employee working under the direct supervision of the Human Resources Department. It shall be the responsibility of the former employee or surviving spouse to ensure that payments are on time.

4) **Former Employees and Their Spouses Age 65 and Older.**

An eligible former employee who is 65 years of age or older and eligible for Medicare shall be provided with retiree insurance plan options through a retiree health care exchange program. A Health Care Savings Plan account through MERS will also be established for eligible retirees, along with funding from the County that may be used for qualified medical expenses and/or insurance premiums. The amount of funding for each account will be determined by the County on an annual basis prior to the annual open enrollment period.

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- 5) **Relationship to COBRA Continuation.** Coverage continuation provided under this policy is an alternative to coverage continuation rights provided under COBRA.
- 6) **Amendment and Termination.** The County may, in its complete discretion, amend or terminate, any provision of this policy, or completely terminate this policy, at any time, with respect to some or all former employees or spouses or both, including (but not limited to) former employees and spouses who are already continuing their coverage under the provisions of this policy at the time of the amendment or termination. The County also reserves the exclusive right to amend or terminate any specific benefit plan(s) at any time and for any reason.