

Section Name: Employee Relations  
Section Number: 400  
Policy Number: 442  
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Effective Date: August 14, 2001  
Date of Revision: October 25, 2011

Subject: Retiree Health Care Plan and Retiree Health Care Fund

1. Purpose: The purpose of this policy is to designate the retiree health care benefits that will be made available for all regular full-time, non-union employees of Monroe County. Employees hired on or after October 28, 2003 shall not be eligible for retiree health care benefits and shall not be required to make contributions to the Retiree Health Care Fund as referenced below.
  
2. Statement of Policy: The County shall provide all regular full-time, non-union employees hired on or before October 27, 2003, who separate for purposes of retirement and who, concurrent therewith, receive benefits under the Monroe County Employees Retirement System Ordinance, the following health care coverage.
  - A. General. All regular full-time employees who were hired prior to October 28, 2003, shall be eligible for retiree health care benefits as provided in paragraph B below. The spouse and eligible dependents<sup>1</sup> of such employees shall be eligible for retiree health care benefits as provided in paragraph C below. The retiree's contribution to the cost of coverage for himself/herself and/or his/her spouse and eligible dependents shall be payable on a monthly basis through automatic deduction from the retiree's pension benefit.

All coverage shall be subject to the specific terms, conditions, exclusions, limitations, deductibles, co-payments, premium cost-sharing and other provisions applicable to each of the plans.

The County reserves the right to change, at any time, any and all plan benefits, including, but not limited to, cost sharing, and other provisions of this policy, to mirror the benefits the County provides its full-time non-union employees.

To be eligible for the health care benefits provided herein, the retiree and spouse must document all coverage available under the spouse's medical plan and cooperate in the coordination of coverage to limit the Employer's expense. If an employee's spouse or eligible dependent children work for an employer who provides medical coverage, they are required to elect

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<sup>1</sup> Eligible dependents as referenced herein shall include the employee's spouse and children as defined and provided for in each of the respective plan documents.

medical coverage with their employer. The Monroe County Plan shall provide secondary coverage.

B. Retiree Coverage

Pre-Medicare: Employees who retire on or after January 1, 2010, will be provided the same health care benefits, including but not limited to, cost sharing, that it provides to its active employees until the retiree becomes eligible for Medicare.

Medicare: Retirees must enroll in the Part B Medicare program commencing on the date they first become eligible to participate in the program. Retirees shall be responsible for the cost of such coverage.

The Employer shall make available to those retirees who are properly enrolled in the Part B Medicare Program as above provided, the United American Medicare Supplemental Plan F with a \$100 deductible, which Plan will have the same Rx drug benefits the County provides its active employees.

C. Spousal and Dependent Coverage: The spouse and eligible dependents of an employee at the time of his retirement shall also be permitted to participate in any of the Retiree Health Care Plans in which the retiree participates, if they are not otherwise eligible for health care benefits through another employer. Upon payment of the required contribution to the illustrated premium by the retiree, retiree's spouse and/or dependent child(ren), the County shall pay 50% of the remaining part of the illustrated premium for a participating retiree's spouse and eligible dependents and the retiree shall pay the difference; provided, however, the County shall pay an additional 2.27% of such remaining part of the retiree spouse's and eligible dependents health care illustrated premiums for each year of the retiree's credited service in excess of eight (8) years of credited service, not to exceed a total of thirty (30) years credited service or 100% of the applicable illustrated premium not covered by retiree contribution.

The retiree's spouse shall also be allowed to continue to receive health care benefits following the death of the retiree under the same terms and conditions as if the retiree had survived as long as the spouse is covered by the retiree's health care plan at the time of the retiree's death and continues to receive the deceased retiree's retirement allowance. If a deceased retiree's spouse remarries, health care benefits shall not be available to the new spouse.

Dependent children of the retiree are also eligible for continued health care coverage after the retiree's death, provided the dependent children are covered by the retiree's health care plan at the time of the retiree's death and

continue as dependents of the surviving spouse of the retiree who is receiving the deceased retiree's retirement allowance.

If a dependent child is directly named as the deceased retiree's beneficiary, continues to receive the deceased retiree's retirement allowance, and is also enrolled in the retiree's health care plan at the time of the retiree's death, such child shall be allowed to continue to receive health care coverage under the same terms and conditions as if the retiree had survived, but in no event longer than that period provided in the applicable plan documents.

D. Retiree Health Care Fund.

The Employer shall begin to immediately pre-fund the Retiree Health Care Plan by establishing a separate fund called the "Retiree Health Care Fund." The Employer shall annually budget sufficient funds to contribute to the Retiree Health Care fund, based upon the actuarially determined amount to be reserved for the future cost of retiree health care premiums. Employees hired on or after October 28, 2003, are not required to contribute to the Retiree Health Care Fund.

Effective with the first payroll paid in January 2011 all employees hired prior to October 28, 2003 are required to contribute 3.0% of their bi-weekly base pay to this fund. Such monies shall be deposited into the "Retiree Health Care Fund" to fund future health care benefits for the retiree, spouse and eligible dependents. If the employee quits or leaves County employment for any reason prior to becoming eligible for retirement benefits and/or retiree health care benefits, the employee shall be refunded the amount the employee has contributed to the Retiree Health Care Fund, along with the accumulated interest thereon as determined by the Employer.

E. Voluntary Irrevocable Waiver of Retiree Health Care Benefits.

Any eligible employee may, at any time during their employment, voluntarily and irrevocably waive their retiree health care benefits for the employee, spouse and eligible dependents by notifying the County and executing a retiree health care benefit waiver form provided by the County.

Upon executing a voluntary irrevocable waiver of retiree health care benefits for the employee, spouse and eligible dependents, no additional contributions from the employee will be required. The employee shall be refunded the amount, if any, the employee has contributed to the Retiree Health Care Fund, along with the accumulated interest, if any, as determined by the employer. The refund of any retiree health care contributions shall be made to the employee within forty five (45) days of the voluntary irrevocable waiver of retiree health care benefits being submitted by the employee.

3. Definitions: None.
4. Application: This policy shall apply to all departments and administrative units of Monroe County government.
5. Responsibility: The County Administrator/Chief Financial Officer or designee shall be responsible for implementing and overseeing this policy.
6. Administrative Procedure: None
7. Legislative History of Authority for Creation or Revision:

Adopted pursuant to action of the Monroe County Board of Commissioners, dated August 14, 2001.

Revised pursuant to action of the Monroe County Board of Commissioners, dated March 22, 2005.

Revised pursuant to action of the Monroe County Board of Commissioners, dated August 23, 2006.

Revised pursuant to action of the Monroe County Board of Commissioners, dated November 13, 2007.

Revised pursuant to action of the Monroe County Board of Commissioners, dated October 27, 2009.

Revised pursuant to action of the Monroe County Board of Commissioners, dated November 9, 2010.

Revised pursuant to action of the Monroe County Board of Commissioners, dated January 11, 2011.

Revised pursuant to action of the Monroe County Board of Commissioners, dated October 25, 2011.