

**CITY OF BEAUMONT
POLICIES AND PROCEDURES MANUAL**

Policy Number: 4.6

Subject: Retiree Medical Insurance Program

Effective Date: July 1, 2020

Approved by: Kyle Hayes | 07/01/2020
City Manager | Date

Chris Catalina | 07/01/2020
Personnel Director | Date

I. PURPOSE

- A. The purpose of this policy is to provide consistent guidelines and procedures for participation in the City's medical insurance program upon retirement; and
- B. To inform employees of the eligibility requirements for continued participation in the City's medical insurance program upon retirement.

II. RULES/PROCEDURES

- A. Eligible retirees are those, who retire in accordance with the Texas Municipal Retirement System (TMRS) and/or Fire Pension Fund, and who meet the City's retirement requirements.
- B. The retiree may elect to continue his/her medical insurance coverage, inclusive of eligible dependents, only if he/she will not have coverage through another employer after leaving the employment of the City.
- C. The employee must inform the City of his/her decision to elect to continue coverage under the City's medical plan, not later than the date of his/her retirement. To be eligible to elect medical coverage, the employee's retirement date and termination date must directly correspond.
- D. The term "employee" is interchangeable with the term "retiree" for this policy only.
- E. The retiree is responsible for keeping the City informed of his/her current address and telephone number.
- F. This policy supersedes any provision of the summary plan description which is in conflict with this policy.
- G. The retiree and his/her dependents may continue coverage under the City's plan until the retiree or dependent(s) are eligible for Medicare/Medicaid.

1. If the retiree and/or spouse is not eligible for Medicare/Medicaid, the retiree and/or spouse must provide proof of ineligibility for Medicare/Medicaid.
 2. Eligible children may remain on the medical insurance until their 26th birthday.
 - a. Dependents who meet the disability requirements of the plan must provide proof of disability for continued eligibility past their 26th birthday. However, dependents that are eligible for Medicare/Medicaid are not eligible for coverage under the City's plan.
- H. Once coverage for the retiree is discontinued, for any reason, the coverage shall not be reinstated.
- I. Once retired, the retiree may not add dependents.
- J. The retiree may drop dependents to his/her coverage during Annual Enrollment, or with a family status change (divorce, death of a spouse or dependent, dependent becoming eligible for Medicare/Medicaid, or a dependent child reaching the dependent age limit). Failure to drop an ineligible dependent in a timely manner, will result in a non-refund of contribution.
- K. The retiree monthly contribution rate shall be determined on an annual basis. Firefighter and Police Officer monthly premiums are in accordance with their contract. Civilian employees who retire and were hired by the City of Beaumont on or before December 31, 2016 will be offered Civilian retiree insurance at the same rate as in effect for Police and Fire retirees. Civilian employees who retire and were hired by the City of Beaumont January 1, 2017 or later will be offered insurance at unsubsidized rates.
- L. The medical insurance program, herein, refers to medical insurance coverage only, exclusive of dental.
 1. An election to continue coverage under the dental plan shall be done in accordance with the COBRA guidelines, as administered by CLEAT/ Employer Plan Services or the employer's Third Party Administrator (TPA).
- M. The City may elect to change the contribution rates, and shall inform the retirees of such change within 30 days of the effective date of the rate change.
- N. The City reserves the right to change/amend the plan and/or rate structure without prior notice to, or consent of the retiree.
- O. Retirees are responsible for ensuring the City receives payment for retiree medical insurance premiums.

1. Monthly statements are mailed, if applicable, at the first of each month to the retirees who participate in the retiree medical insurance program.
 2. The retiree will not receive a reminder telephone call for premiums due.
 3. Any payment not received and posted by the City's Cash Management division by the last business day of the month will be considered late. *Time is of the essence. There are NO EXCEPTIONS to this policy. Payment must arrive by the last business day of the month.*
 4. The City will send a notice of pending cancellation by certified mail, the first and second time a payment is late. If an account is 15 business days past due, the insurance will be cancelled and not reinstated.
 5. If the payment is late a third time in the calendar year, the insurance will be cancelled without further notice due to late payment and will not be reinstated.
- P. Eligible civilian retirees pay for their medical insurance by cash, cashier's check, money order, check or electronic payment. TMRS remits to the City Police and EMS medical payments. Firefighter's medical payments are received from the Fire Pension office.
1. Payments placed in the night deposit drop box in the front of City Hall after 8 a.m., are not considered received until the next business day.
 2. Civilian retirees who elect to pay their premiums by electronic payment, may obtain forms from Finance or Cash Management.
 - a. The premiums will automatically be deducted from the retiree's bank account on the 15th of each month (or next business day), when electronic payment is elected by the retiree.
 3. If an electronic payment or a check is returned, the retiree must bring cash, a cashier's check or a money order, for the amount due plus, an additional return item fee by the date indicated on the return item notice.
 - a. Receipt of a 2nd returned item within the calendar year, will result in cancellation of enrollment in electronic payment and the retiree's insurance premium account will be converted to a cash only status. The only acceptable form of payment will be cash, money order and/or cashier's check. If there is one late payment within the same calendar year of the returned items, the insurance will be cancelled without further notice due to late payment and will not be reinstated.