



Plano

City of Excellence

- Retiree Health Insurance

- Retiree Life Insurance

- Other Post-Employment Benefits (OPEB)
 - Health
 - Dental
 - Life

Revised April 2018

RETIREE HEALTH INSURANCE

Eligibility to Continue Coverage Requirements

- A retiring employee must qualify for early, normal, late or disability retirement as defined by Texas Municipal Retirement System (TMRS) **AND** have at least five (5) years of continuous full time City of Plano service.
- Retirees and/or eligible dependents who qualify for Medicare coverage are no longer eligible to participate in the City of Plano health, vision or dental plans.

Enrollment

- A retiring employee has 31 days from their effective retirement date to:
 - Make a decision regarding continuation of coverage
 - Complete and submit applicable form(s)
 - Make premium payments
- Continuation of coverage includes all coverage (medical, dental, & vision) an employee is enrolled in at time of retirement. Changes to coverage may only occur during the open enrollment period.
- A retiree with coverage elsewhere may elect to continue partial coverage (i.e. only dental, or vision) if the plan they are enrolling in does not offer a particular coverage.

Dependent Coverage

- Eligible dependent(s) not on the health plan at the time the employee retires can only be added:
 - During annual open enrollment; or
 - If there is a qualifying event as defined by the Internal Revenue Service. Examples of a qualifying event are: marriage, birth, divorce, loss of job, etc. A certificate of creditable coverage is required.
 - Proof of dependent eligibility must be provided.
- If retiree turns 65, dependent can stay on all plan until they reach 65 years of age.

Primary and Secondary Coverage

Health insurance coverage from other sources will be primary with City of Plano coverage being secondary payer responsibility.

Service Credits

Before January 4, 2010, if rehired your service credits will be calculated on original date of hire. Look at job data under benefits service date. After that date, use RSP date to calculate service credits.

- Retiring employees who meet the retirement eligibility requirements and have at least ten (10) years of continuous full time employment are eligible for service credits equal to \$11 for each full year of service (i.e. 12 years X \$11 = \$132) with a maximum of thirty (30) years (\$330).
- Service credits apply to the cost of premiums for the retiree **only**. Any excess credits cannot be used for dependent coverage.
 - Non Medicare eligible retirees: service credits apply only to medical and dental premiums.
 - Medicare eligible retirees: service credits apply only to Medicare medical and prescription drug premiums offered through the City of Plano.
- Retirees approved for Retirement Security Plan (RSP) Total and Permanent Disability Retirement will receive a 50% reduction in the cost of the retiree's applicable premium. Any service credit amount is applied after the 50% reduction.

Service Credit Chart

10 years = \$110	17 years = \$187	24 years = \$264
11 years = \$121	18 years = \$198	25 years = \$275
12 years = \$132	19 years = \$209	26 years = \$286
13 years = \$143	20 years = \$220	27 years = \$297
14 years = \$154	21 years = \$231	28 years = \$308
15 years = \$165	22 years = \$242	29 years = \$319
16 years = \$176	23 years = \$253	30 years = \$330

Premium Payments

- Retiree is responsible for full premium minus service credits.
- Payments are due the first of each month.
- Retirees (non-Medicare) who have been approved for Total and Permanent disability through RSP are eligible for a 50% reduction in their medical and dental premium(s) in addition to any applicable service credits.
- Retirees (Medicare) who have been approved for Total and Permanent disability through RSP are eligible for a 50% reduction in their medical and prescription drug premiums in addition to any applicable service credits.
- Premiums may be set up to be directly deducted from the retiree's checking account by completing the necessary form and submitting it to the City of Plano accounting department.
- Public Safety retirees (Police and Fire) have the option of deducting directly from their monthly TMRS payments to pay for their medical coverage. Public Safety retirees electing to exercise this payment option need to complete the TMRS HLPS form available through the TMRS website at www.tmrs.org.

If direct payment is selected, Public Safety retirees must keep deduction amounts accurate based on changes in premiums. Open enrollment changes resulting in a decrease or increase in premiums REQUIRE each retiree to update and submit a new HLPS form to TMRS on an annual basis, if applicable.

- Failure to update the HLPS form to reflect the correct amount to be deducted by February 28 for March 1st coverage as a result of a **DECREASE** in insurance premiums will result in an administrative fee of \$20.00 for processing a refund check.
- Failure to update the HLPS form by February 28 for March 1st coverage as a result of an **INCREASE** in insurance premiums will result in monthly late fees and penalties as provided below.

Late Fees and Penalties:

Payments received after the 5th of each month will result in a late penalty as follows:

- 1st late payment in a calendar year will result in a \$25 fee. The monthly premium and \$25 late fee must be paid by the 15th of the month for which the premium is owed. Failure to meet this deadline will result in loss of insurance coverage. Once coverage is lost, it cannot be reinstated.
- 2nd late payment in a calendar year will result in a \$50 fee. The monthly premium and \$50 late fee must be paid by the 15th of the month for which the premium is owed. Failure to meet this deadline will result in loss of insurance coverage. Once coverage is lost, it cannot be reinstated.
- 3rd late payment in a calendar year will result in the loss of 50% of the retiree's service credits. Once service credits are lost, they will not be reinstated. Failure to submit the late payment by the 15th of the month for which it is due will result in loss of insurance coverage. Once coverage is lost, it cannot be reinstated.
- 4th late payment in a calendar year will result in the loss of **ALL** service credits. Once service credits are lost, they will not be reinstated. Failure to submit the late payment by the 15th of the month for which it is due will result in loss of insurance coverage. Once coverage is lost, it cannot be reinstated.
- 5th late payment in a calendar year will result in the loss of retiree health insurance. Once coverage is lost it cannot be reinstated. A total and permanent disability retiree and/or dependent of a Medicare eligible retiree, having no service credits, will lose health insurance coverage effective the 1st of the month for which payment was due when they have more than 2 late payments in a calendar year. Once coverage is cancelled, it cannot be reinstated.

Nonpayment of any portion of dependent's premium will result in loss of coverage for both the retiree and their dependent(s). Once coverage is lost for non-payment, it cannot be reinstated.

Annual Open Enrollment

- Each year, typically in the September/October timeframe, open enrollment information will be provided electronically via e-mail to non-Medicare eligible retirees and also posted on the City of Plano retirement center site.
- Plan changes for non-Medicare retirees can only occur during open enrollment for coverage effective the following January 1st.

Retiree Life Insurance

Employees who retire on or after October 1, 1994, under the early normal, late or disability provisions, with at least ten (10) years of continuous full-time employment with the City of Plano are eligible for:

- Life insurance equal to 1 times annual salary, maximum of \$20,000, at no cost to the retiree;
- Conversion option (information provided at retiree out-processing). Retirees who qualify for Total and Permanent Disability Retirement under the Retirement Security Plan (RSP) may be eligible for additional life insurance under the “waiver of premium” provision.