

County of Cumberland Board of Chosen Freeholders	Policy Number: 2.11	Pages: Page 1 of 7
Chapter: Employee Benefits	<b>Effective Date: November 1, 2017</b> <b>Supersedes Policy 2.11 Dated 07/01/2016</b>	
Subject: Health Benefits Insurance		

## **I. Policy**

Cumberland County Government shall make available to eligible County employees and eligible retirees basic health insurance benefits.

## **II. Definitions**

### A. Eligible Employee:

A person who is paid through the County payroll system and who is scheduled to work a minimum of 30 hours/week qualifies as an eligible employee under this policy.

Effective December 24, 2010, the following elected officials and appointed officials shall be eligible employees until completion of their existing terms of office. Upon completion of their existing terms of appointment or election, incumbents re-appointed or re-elected to any of the following titles and/or categories shall no longer be eligible for County-provided health benefits coverage. Effective December 24, 2010, those newly appointed or elected to any of the following titles and/or categories shall not be eligible.

- Member, Board of Elections
- Member, Board of Taxation
- County Counsel and Attorneys (Except those appointed to regular employment status)
- County Treasurer
- (Part-Time) Recreation Director
- Freeholder

### B. Eligible Dependent:

Eligible dependents under this policy are spouses or civil union partners and child dependents of eligible employees. Spouse is defined as lawfully married to or in a civil union with an eligible employee.

### C. Child Dependents:

Individuals who have not attained the age of 26 and are:

- The natural born children or stepchildren of an eligible employee and/or the employee's spouse, regardless of where or with whom the children live;
- Children who are (a) legally adopted by an eligible employee and/or the employee's spouse, regardless of where or with whom such children live; or (b) placed with you for adoption. Proof of such adoption or placement satisfactory to the insurance carrier in its sole discretion must be furnished to the County when requested;
- The legal wards of an eligible employee and/or the employee's spouse or civil union partner who (a) reside with you in a regular parent-child relationship; and (b) are chiefly dependent on you for support and maintenance. Proof of guardianship satisfactory to the insurance carrier in its sole discretion must be furnished to the County when requested.

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D. Termination of Spousal/Civil Union Coverage:

Coverage for spouses/civil union partner will end: (a) on the date of the spouse's/civil union partner's death; (b) at the end of the Benefit Month in which the spouse or civil union partner and employee divorce; or (c) the applicable effective date following an employee's request to remove a spouse/civil union partner from coverage during Open Enrollment.

E. Termination of child dependents occurs on December 31 of the year in which the child attains the age of 26. Please also refer to Section H "Retiree Health Benefits."

F. Definitions for Retirement Purposes:

- Employee: Means a person on the County payroll, whether a hiree, elected official or appointee, who at the time of retirement is eligible and/or enrolled in the County's Health Benefits Plan and meets the criteria for retiree benefits.
- Spouse: Means a person lawfully married to or in a civil union with an eligible employee on the date the employee retires and who continues to be married to the employee.
- Veteran: Means a person who has served at least one year of active service in the military of the United States and holds other than a dishonorable discharge from that service.
- Federal Medicare: Means the coverage provided under Title XVIII of the Social Security Act as amended.

**III. Procedure**

Cumberland County shall provide health benefits to eligible employees through the County's Health Benefits Plan.

A. Eligibility:

- When husband and wife or civil union partners are both eligible employees of the County, only one spouse or civil union partner will be the designated insured for health benefits.
- The husband and wife or civil union partners may select who shall be the designated insured. In the event the husband and wife or civil union partners fail to so elect, the County shall automatically designate the insured as the employee with the most seniority.
- No opt out benefit shall be available when husband and wife or civil union partners are eligible employees of the County.

B. Enrollment:

The following method shall be used to determine the effective dates for health and life insurance benefits for newly hired employees:

- The first day of the month following sixty (60) days of employment.
- Department Heads, Constitutional Officers and Division Heads shall be eligible as of the first day of the month following the date of hire.

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C. Changes in Enrollment:

- The Department of Personnel and Human Resources shall administer Open Enrollment periods each year. During this period, changes in enrollment, changes in plans, changes in dependent coverage, etc. may be made.
- Applicable regulations regarding qualifying life events also apply as designated under Section 125 Cafeteria Plan under IRS regulations.

D. Termination of Benefits (Separation of Service):

- Termination of benefits at separation of service shall occur at the end of month following thirty (30) days from the employee's termination date.
- COBRA information shall be sent to the separated employee, spouse, or civil union partner as applicable.
- Upon an employee's death, with spousal, civil union, or family coverage, coverage for those family members will terminate at the end of the month following 30 days from the date of death. Those affected by this situation will be offered COBRA benefits.

E. Termination of Benefits (Unpaid Suspension):

- For the time during which benefits are being maintained by the County, employees shall remain responsible for contributing their portions of the cost for benefits per Chapter 78, P.L. 2011.
- Termination of benefits during an unpaid suspension shall occur at the end of month following thirty (30) days from the start of the employee's unpaid suspension.
- Employees may elect to continue health coverage at their expense.
- Employees who do not continue their health coverage shall receive COBRA information as applicable.
- Employees who do not continue their health coverage shall have their benefits resumed on the first day of the month following their return to work.

F. Family and Medical Leave Act (FMLA) and New Jersey Family Leave Act (FLA):

- Health benefits shall be maintained by the County for the duration of approved paid/unpaid FMLA and/or FLA leaves of absence.
- For the time during which benefits are being maintained by the County, employees shall remain responsible for contributing their portions of the cost for benefits per Chapter 78, P.L. 2011.

G. Leave of Absence Without Pay:

- Health benefits shall be maintained by the County until the last day of the month following 30 days from the start of the approved unpaid leave.
- For the time during which benefits are being maintained by the County, employees shall remain responsible for contributing their portions of the cost for benefits per Chapter 78, P.L. 2011.

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- Employees may elect to continue health coverage at their expense.
- Employees who do not continue their health coverage shall receive COBRA information as applicable.
- Employees who do not continue their insurance coverage past the 30 days grace period shall have their benefits resumed on the first day of the month following their return date.

#### H. Retiree Health Benefits:

- Cumberland County shall provide certain health benefits insurance to eligible retired employees whose employment commenced prior to December 31, 2012 and to their eligible spouses or civil union partners on a cost share basis and shall afford to other retired County employees, and their eligible spouses or civil union partners, and to the spouse/civil union partner of an eligible deceased retired employee, who meet the qualifications, opportunity to purchase the health benefits for themselves at full group rates plus an administrative charge. In no case is a child dependent of a retiree eligible to receive retiree benefits.
- Eligible retirees will receive health benefits at the level and in accordance with those provided to current employees unless otherwise required by written agreement or contract.
- Eligibility for Retired Employees and Dependents:

This Plan requires that covered persons who are eligible for Medicare (Retirees), based on individual, spousal, or former spousal eligibility, regardless of premium requirement, must be enrolled under the Medicare program for Part A/Medicare Hospital Insurance and Part B/Medicare Medical Insurance in order to be a participant under this Plan. This Plan will not pay for benefits that would have been paid by Medicare.

Participants are required to enroll in Medicare Part A & Part B by the first day of the calendar month following 30 calendar days of the qualifying event if eligible for enrollment during the Medicare Special Enrollment period, or during the next available Medicare Open Enrollment period (January 1<sup>st</sup> through March 31<sup>st</sup> of each year to be effective by the following July 1<sup>st</sup>) following the qualifying event.

Any prescription drug benefits that may be provided through the Plan are equal to or better than the benefits provided by the standard Medicare Part D plan. In that case, most Medicare eligible participants and/or their Medicare eligible dependents need not enroll in Medicare Part D prescription drug coverage.

A Retired Employee must follow the same rules for enrollment in the Plan as Active Employees. It is the Retired Employee's responsibility to notify the Plan of any changes. If family members cease to be eligible, claims will not be paid.

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The actual change in coverage will not take place until the Retired Employee has formally requested the change in writing. A Retired Employee may change plans during open enrollment or during a rate change period.

1. Twenty Percent (20%) Cost Share Plan. Eligible retired employees who elect to participate in this plan will receive medical and prescription drug coverage equal to that provided to current eligible employees.

To be eligible for the 20% Cost Share Plan, the employee must:

- Retire from active employment with Cumberland County under the NJ State Pension Program; and
- Be eligible and/or enrolled in the County's Health Benefits Plan; and
- Have at least 25 years of continuous or 35 years of non-continuous employment service with Cumberland County if a non-veteran, or at least 20 years of continuous or 30 years of non-continuous employment service with Cumberland County if a veteran.

Under this 20% Cost Share Plan, the County will allow eligible retirees to waive coverage and receive reimbursement in the amount of 80% of the premium cost of the applicable Plan to which they qualify.

Eligible retirees will receive Health Benefits at the level and in accordance with those provided to current employees unless otherwise required by written agreement or Union contract.

The following retired employees shall be excluded from eligibility even though they would otherwise qualify:

- Retirees who are covered under another group program covering the retiree or his/her spouse or civil union partner until such time as the retiree shall lose such coverage because of a qualifying event (loss of employment resulting in loss of coverage; death of spouse, divorce, etc.) providing the retiree notifies the County of such event in writing within 30 calendar days of the event.
- Anyone hired on or after December 31, 2012, shall not be eligible for any retirement health benefits unless otherwise required under Union contract or written agreement.
- All coverage under this plan shall terminate upon the death of the retired employee.
- The spouse or civil union partner of a deceased eligible retiree who has maintained coverage under this plan shall have the right to continue his/her health coverage under the full pay plan provided he or she elects that coverage within 30 days after the death of the retiree.

If a retiree qualifies for retiree coverage, and they are covered by another plan due to enrollment within a spousal or civil union situation outside of County benefits, the retiree must complete the "Retiree Deferred Benefits" form within 30 calendar days of their retirement date. When and if a

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situation occurs whereas coverage is lost through a qualifying life event, the retiree must inform Cumberland County Human Resources Department within 30 calendar days of the event to enroll into the County Plan.

2. One Hundred Percent (100%) Cost Share Plan:

The following retirees/spouse/civil union partner are eligible to enroll:

- Employees who retire from active employment with Cumberland County under the State Pension Program, are eligible and/or enrolled in the County's Health Benefits Plan and have at least ten (10) years of Cumberland County service.
- The spouse of a deceased retired employee covered under the 20% Cost Share plan or full Cost Share plan at the time of the retiree's death.
- The cost of the plan shall be a sum equal to the full cost of the plan plus 2% to cover administration of the plan.
- Eligible retired employees will receive health benefits at the level and in accordance with those provided to current employees unless otherwise required by written agreement or Union contract.
- Anyone hired after December 31, 2012, shall not be eligible for any retirement health benefits unless otherwise required by union contract or written agreement.

I. Miscellaneous Retired Employee Information:

- Employees who are eligible for retiree health benefits shall have 30 calendar days after the date of retirement from the County employment to elect coverage.
- Eligible retired employees will receive health benefits at the level and in accordance with those provided to current employees unless otherwise required by written agreement or Union contract.
- If the retired employee fails to make the cost share premium payment when due, the coverage shall be terminated within 30 days from date of notice. Once terminated, through lack of premium payment, the retired employee shall not be eligible for reinstatement of coverage.
- The Department of Human Resources or their designee shall administer Open Enrollment periods each year. During this period, changes in enrollment, changes in plans, changes in dependent coverage, waiver of coverage, etc. may be made. Applicable regulations regarding life qualifying events also apply.

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J. COBRA Coverage:

1. The Consolidated Omnibus Budget Reconciliation Act provides for continuation of health benefits for persons enrolled for coverage through an employer group plan. Employees and/or covered dependents have the opportunity to continue group coverage for another 18-36 months as a result of:
  - Termination from employment - 18 months;
  - Reduction of hours below applicable eligibility threshold - 18 months;
  - Death of employee - 36 months;
  - Divorce - 36 months;
  - For covered dependents when the employee enrolls in Medicare - 36 months;
  - Child no longer qualifies for coverage - 36 months.
  
2. Eligible persons shall have 60 days from the date of the qualifying event, or when the notice of continuation rights is provided, whichever is later, to elect continuation of coverage.
  
3. The County Human Resources Office shall insure that:
  - Eligible employees and/or dependents are notified of their right to continue coverage under the group plan.
  - Monthly statements for billing purposes are mailed.
  - Appropriate records and files are maintained.