



RETIREMENT BENEFITS POLICY

Policy Topic: Retirement Benefits

Policy Contact: Human Resources

Version: III

Effective Date: 7/23/18

Approved By: HR/Legal/City Manager

Statement of Policy

The City of Waynesboro offers a healthcare plan for City retirees. In order to ensure prompt and correct administration of retiree benefits, each retiree is responsible for ensuring that their personal data on record with the Human Resources Department is complete and current. Retirees must report the following changes to the Human Resources Department:

- Name
- Address and telephone number
- Emergency contact
- Any changes to benefits due to qualifying events

Health Insurance

Retirees are eligible to participate in the City's group health insurance program through a selected carrier. Retirees may elect not to participate in the group health insurance plan. Terms and costs of health insurance coverage are subject to change. Current details regarding group health insurance benefits are available from the Human Resources Department.

1. Eligibility for Continuation of Health Insurance Upon Retirement
 - a. A retiring employee who is participating in the employer's medical plan, and who is a service retiree as defined by the Virginia Retirement System (VRS), is eligible to participate in the City's group health insurance plan under the cost sharing terms listed in this policy.
2. Termination of Medical Coverage After Retirement
 - a. Once a retiree reaches age 65, medical coverage on a City plan will end.
 - b. Coverage for disabled lives will end at the attainment of age 65 or upon first eligibility for Medicare, whichever is earlier.
3. Employee Cost Sharing For Retirees and Family Members
 - a. Current retirees and employees hired on or before July 1, 1988 and retire with 10 or more years of consecutive full-time service with the City of Waynesboro will be grandfathered in at the 60% purported rate for elected coverage.
 - b. Employees hired after July 1, 1988:
 - i. Employees with 10 to 14 years of service with the City of Waynesboro shall contribute 100% of the purported rate.
 - ii. Employees with 15 to 19 years of service with the City of Waynesboro shall contribute 90% of the purported rate.

- iii. Employees with 20 to 24 years of service with the City of Waynesboro shall contribute 80% of the purported rate.
- iv. Employees with 25 to 29 years of service with the City of Waynesboro shall contribute 70% of the purported rate.
- v. Employees with 30 or more years' service (25 years for LEOS employees) with the City of Waynesboro shall contribute 60% of the purported rate.
- c. If a spouse/dependent continues coverage after the retiree is no longer on the plan, spouse/dependent contributions shall be 100% of the medical plan rate regardless of employee's years of service specified in sections i.-v. above.

4. Retiree Spousal Coverage and Affidavit

- a. Retirees spouses who have access to affordable health care that provides minimum value (as defined by the Affordable Care Act) through another employer are not eligible for enrollment in the City of Waynesboro Health Plan. Retirees' who want to cover their eligible spouse on the City Health Plan must complete the Retiree Spousal Affidavit Form. If the Retiree Spousal Affidavit Form is not completed and returned to Human Resources, and a retiree elects to enroll in Employee (Retiree) + Spouse or Family coverage including a spouse, the spouse will be dropped from the plan and the retiree will be enrolled in Employee (Retiree) Only or Employee + Child or Children coverage respectively.

5. Enrolling & Making Changes to Benefits

- a. Changes to medical benefits can be made:
 - i. When enrolling in benefits as a newly eligible retiree
 - ii. During the annual open enrollment period
 - iii. When a change occurs to a retiree's family status (i.e. birth of a baby) or their dependents' status (i.e. dependent loss off coverage) that is considered a Qualifying Life Event (QLE) in accordance with Internal Revenue Service (IRS) Notice 2014-55.
 - 1. Retirees have 30 days from the date of the qualifying event to make a change to their benefit plan. If the change is not made within the 30 day window an employee may need to wait until open enrollment to make the change.

Interpretation and Administration

This policy was adopted by unanimous affirmative vote (5:0) by City Council on 7/23/18.

The City Manager and Human resources are responsible for the interpretation and administration of this policy and its various provisions. The City of Waynesboro has the authority to change, modify, or approve exceptions to this policy at any time without notice.

Date	Version	Approver	Change Description
06/12/2017	II	Nichole Nicholson	Separated retirement benefits policy from active employee benefits policy and added clarifying language to section 3, subsection c. Added the Enrolling & Making Changes to Benefits and Retiree

			Spousal Coverage and Affidavit sections.
7/23/18	III		Define service retirement as "service retiree as defined by the Virginia Retirement System (VRS)."