

Retiree Health Insurance

HRPDC/HRTPO policy, offers eligible HRPDC/HRTPO retirees specific health insurance benefits effective upon retirement. Retirees are able to choose from existing health insurance plans offered by the HRPDC/HRTPO to its active employees.

A. Retirees with a hire date before January 1, 2021

All full-time regular employees with a hire date before October 1, 2020 will be grandfathered under the health insurance retirement policy in effect before this date. An employee is eligible to receive such retiree health insurance benefits when he/she has completed 20 years of full-time, continuous service with HRPDC/HRTPO, has attained age 50 and retires under the Virginia Retirement System. The retiree may elect to receive individual coverage only or coverage for the retiree and the retiree's spouse, either through the HRPDC's/HRTPO's existing program or through an external provider as described below.

1. Participation in HRPDC/HRTPO health insurance programs

- a. If the retiree elects to remain with a plan offered by the HRPDC/HRTPO, the HRPDC/HRTPO will contribute an amount equal to the current active employee or employee/spouse premium for the plan selected. The retiree shall pay to the HRPDC/HRTPO any amount of the actual retiree premium(s) which exceed that paid by the HRPDC/HRTPO for the retiree and spouse. Under this option, the HRPDC/HRTPO contribution is non-taxable.
- b. For a retiree or his/her spouse who is Medicare eligible, HRPDC/HRTPO will contribute an amount equal to the current premium for the program plan designed to complement Medicare coverage. Meanwhile, the standard HRPDC/HRTPO contribution, indicated in paragraph (1) above, will continue for the remaining spouse until he/she is Medicare eligible. At such time, the HRPDC/HRTPO will contribute to the remaining spouse's premium an amount equal to the current premium for the plan designed to complement Medicare coverage.
- c. Retirees may participate in the annual Open Enrollment period in accordance with the healthcare plan administrator's policies. (Note: Participants in private plans have no Open Enrollment period). If any break occurs in the retiree's continuous coverage under the health benefits program, such as participation in a private policy for any period, the retiree and spouse may not return to coverage under any HRPDC/HRTPO-offered healthcare plan.

2. Participation in Private Insurance Plan

If, at the time of retirement, the employee purchases health insurance for himself and/or his/her spouse from a bona fide insurance carrier and declines coverage for himself or his/her spouse under the healthcare benefits program offered by the HRPDC/HRTPO, the HRPDC/HRTPO will reimburse the retiree, monthly, the amount paid by the employee for the purchased health coverage up to an amount determined as follows:

- a. If either the retiree or retiree's spouse is Medicare eligible, the maximum reimbursement for coverage purchased for that individual shall be the amount of the current premium of the

Medicare supplement offered through the HRPDC/HRTPO or the actual premium cost for coverage from a bona fide insurance carrier, whichever is less.

- b. If the retiree purchases coverage for both him/herself and his/her spouse from a bona fide insurance carrier, and neither is Medicare eligible, the maximum reimbursement to the retiree for coverage purchased shall be equal to the portion of the amount of the current premium of the current active employee or employee/spouse premium that the HRPDC/HRTPO would have paid if that coverage had been obtained pursuant to Option A.1.a above or the actual premium cost for coverage from a bona fide insurance carrier, whichever is less.
- c. If the retiree purchases coverage for an individual (i.e. either the retiree or his/her spouse) under Option 2 who is not Medicare eligible, and either of the other of the retiree and his/her spouse is Medicare eligible (whether or not the retiree obtains coverage for that individual under Option A.1.a above or this Option A.2.b), or the retiree obtains coverage only for him/herself and does not obtain coverage under either Option A.1.a above or this Option A.2 for his/her spouse, then the maximum reimbursement pursuant to this Option for the coverage purchased for that individual who is not Medicare eligible shall be equal up to the amount of the current premium for the healthcare coverage for that individual only that the HRPDC/HRTPO would have paid if that coverage had been obtained pursuant to Option A.1.a above.
- d. If neither the retiree nor his/her spouse is Medicare eligible, and the retiree elects coverage for him/herself pursuant to Option A.1 above, while declining coverage and purchasing coverage for his/her spouse pursuant to this Option A.2, then the maximum reimbursement under this option for coverage purchased for the spouse shall be equal to the difference between:
 - the portion of the amount of the current premium for the retiree and spouse that HRPDC/HRTPO would have paid if that coverage had been obtained pursuant to Option A.1 above; and
 - the portion of the amount of the current premium for the retiree alone that HRPDC/HRTPO would have paid if that coverage had been obtained pursuant to Option A.1.a above.

Under this Option A.2, the retiree must submit proof of payment to a bona-fide insurance carrier and proof that health coverage of the retiree, of his/her spouse, or of both the retiree and his/her spouse, is in force before any reimbursement will be made. That proof shall be in such form as HRPDC/HRTPO may require (e.g., a certificate in writing by the retiree that he/she and/or his/her spouse is enrolled in coverage and the amount of the premium). The payment to the insurance carrier must have been made on an after-tax basis and may not have been made through pre-tax payroll deduction. Reimbursement payments made pursuant to this Option A.2 are intended not to be subject to taxes.

B. Retirees with a hire date on or after January 1, 2021

Regular full-time employees hired on or after January 1, 2021, who voluntarily retire from the HRPDC/HRTPO in good standing and have been employed full-time by the agency for at least 20 continuous years are eligible to continue coverage and participate in an HRPDC/HRTPO-sponsored medical plan at their expense provided the retiree begins to collect a retirement benefit through the Virginia Retirement System (VRS) directly following employment with the HRPDC/HRTPO. Such

coverage will be provided until the employee is eligible for Medicare coverage and will be provided at the retiree's expense at 100% of the premium requirement. Coverage will be provided to the retiree only and will exclude any spouse and/or dependent coverage. Retirees who elect this provision and subsequently terminate participation in the plan may not thereafter rejoin the plan. Once a Retiree hired on or after January 1, 2021 becomes eligible for Medicare, he/she will no longer be eligible to participate in an HRPDC/HRTPO-sponsored medical plan.

C. Retiree Application for Coverage

An eligible retiree must apply for coverage, via the Human Resources Administrator, ninety (90) days prior to his/her retirement date.

D. Premium Payment

For retirees who select coverage under HRPDC/HRTPO health benefits plans, the retirees shall pay contributions for their health benefits coverage directly to the HRPDC/HRTPO, not later than the 20th of each month during the period of coverage. The retiree's contribution shall be the amount of the actual premium for the retiree and spouse not specifically paid by the HRPDC/HRTPO. Failure to make the premium payment on time may be cause for termination of coverage.

E. Notification Requirements

Benefit recipients under this program, or their designated agent, shall advise HRPDC/HRTPO within 30 days of any change in address of the retiree and/or spouse, the death of a benefit recipient, or any other status change of which the employer would not normally be aware.

F. Amendment & Termination

HRPDC/HRTPO has the right to amend or terminate this program at any time without the consent of any retiree or other person.