



Personnel and Administrative Policy and Procedure

SUBJECT: Benefits	EFFECTIVE DATE: December 15, 2007 REVIEWED: REVISED: November 2014
CATEGORY: 200 POLICY NUMBER: 200.3	CROSS REFERENCE: <i>Benefit Plan Highlights Manual,</i> <i>AFSCME Collective Bargaining Agreement,</i> <i>Article 13 – Benefits,</i> <i>MPEA Collective Bargaining Agreement,</i> <i>Article 13 - Benefits</i>

Purpose: To outline the benefit coverage available to employees.

Definitions:

Health Insurance: For these purposes, health insurance includes benefit programs providing medical, dental, vision and prescription coverage for employees and their families.

Scope: Except where noted, all benefits set forth in these rules apply to all regular status employees working .5 FTE or greater. For represented employees, where there is language on a topic in the respective collective bargaining agreement, that language will supersede corresponding provisions of this policy. Also language in agreements with benefit carriers or their stated policies and provisions will supersede anything outlined herein should there be a conflict in language.

Policy: All regular status employees working .5 FTE or greater are eligible to enroll and participate in the City's health insurance program.

Eligibility:

An employee is eligible for benefits the first day of the first full month of employment in a position with benefits associated with it.

Enrollment

Enrollment in the City's health insurance program is limited to the following periods:

Initial: Within thirty (30) days of initial employment with the City of Milwaukie.

Open Enrollment: During the City's annual open enrollment period which is designated by the benefits administrator and typically occurs during the month of October.

Changes: Dependents can be added or deleted during the year but only at such time as there is a bona fide dependent status change due to marriage, childbirth, adoption, or divorce. These qualified changes must be made within thirty (30) days of the event. Employees may also enroll or cancel their enrollment in the City's health insurance program if they experience a bona fide status change due to marriage, divorce or loss of coverage.

Procedures

Premiums

- (1) The City will pay such portion of the monthly premium as may be authorized by the City Council and agreed to in the collective bargaining agreements for represented employees. The employee will be responsible for paying the remainder of the premium. In order to participate

in these programs, these employees must pay their portion through payroll deduction. An eligible employee may choose to participate in an Internal Revenue Service, Section 125, Premium Conversion plan as may be offered by the City. Such a plan will allow eligible employees to pay their share of the medical and dental premium cost in pre-tax dollars.

- (2) Part-time (less than .5 FTE) exempt and temporary, provisional, and seasonal employees cannot participate in the City health insurance benefit program and premium contributions will not be accepted.
- (3) Part-time employees in budgeted positions of .5 FTE or greater shall be eligible to participate in the medical and vision, dental, life and disability insurance programs. For part-time employees working .5 FTE or greater, the City will pay a prorated portion of the premium, outlined in the chart below.

<u>FTE</u>	<u>Prorated Amount</u>
1.0 to .90 FTE	100%
.89 TO .66 FTE	75%
.65 to .50 FTE	50%

Coverage During Leaves of Absence

Paid Leaves: Participation and coverage will continue as if the employee continued working as long as the employee is on a paid leave of absence. If an employee goes into an unpaid leave of absence status, benefits will continue through the end of the last month the employee is in a paid status, provided the employee was in a paid status on the first working day of the month. An employee may not intersperse paid leave and unpaid leave in order to provide for continuation of extended benefit coverage.

Unpaid Leaves: If an employee goes into an unpaid leave of absence, the employee may elect to continue his/her benefit coverage by choosing to exercise rights under COBRA rules and by paying the appropriate premium coverage. The maximum period an employee on authorized leave without pay may participate in the program is eighteen (18) months based on COBRA rules. The employee may have the right to maintain the same level of health insurance benefits if the unpaid leave is qualified under FMLA, OFLA or in some cases USERRA.

Separation from coverage for any reason including separation from employment, divorce or loss of dependent status

The City's policy is to comply with COBRA rules regarding benefit continuation. Terminated employees, spouses of employees, and their dependent children may be eligible to continue their membership in the City's medical benefits program by purchasing benefits under the COBRA rules. Generally this is for a period of up to eighteen (18) months for employee termination or up to thirty six (36) months after a spouse's or dependent's eligibility would normally end. If the period of time designated under federal COBRA laws at the time of the qualifying event is different than stated here, federal COBRA laws will supersede this policy. The description of this continuation program is intended to reflect the current legal requirements applicable to the City. It is not intended to provide additional coverage beyond that which is required by either state or federal law.

To be considered for continued membership in the City's medical benefits program, the employee must:

- (1) Not be eligible for Federal Medicare.
- (2) Not have purchased any other medical benefits program that the employee was not a member of at the time the employee was covered by the City's program, except for coverage for preexisting conditions.

- (3) Complete an “election form” within sixty (60) calendar days of receiving notice of the availability of extending coverage under COBRA or the date the employee’s membership in the program ends, whichever is later, and return the form to the Human Resources Department. The first payment must be received within forty-five (45) calendar days of initial election to continue coverage under COBRA. Payment must cover the period beginning the date of separation from the City.

Long Term Disability Insurance: The City provides long term disability insurance that covers partial wage loss benefits to an employee when the employee is seriously disabled and unable to work.

Life Insurance: The City provides a limited term life insurance policy for each employee.

HRA VEBA: The CITY shall make available an HRA VEBA program to fund unreimbursed current or future medical expenses using pre-tax dollars. Each union and management group or their distinct subgroups must separately decide whether or not to participate prior to each plan year. Human Resources is responsible for distributing and collecting ballots. Groups may elect to have any portion of the cost of living increase, longevity pay, or the compensatory time buy back option contributed to the employees’ individual HRA VEBA account in lieu of actual wage payment. Additional options may be designated in a collective bargaining agreement.

Deferred Compensation: The CITY shall provide two (2.0)% of the employee’s base salary, or the negotiated rate for represented employees, to a CITY sponsored deferred compensation program. For new employees, the City’s contributions to the program will begin the first of the month following thirty (30) calendar days of employment. The employee will be given the opportunity to select from a City sponsored plan; however if the employee does not make a selection by the time the contributions are to begin, the City will open an account on behalf of the employee in order to make the contributions outlined herein.

An employee may also elect to make voluntary employee paid contributions to a City sponsored deferred compensation account. Participation in a deferred compensation plan may impact calculation of future employee PERS or Social Security benefits.

Retiree Health Insurance Premiums: The City does not pay for any portion of retiree health insurance premiums except in a limited number of cases as grandfathered in under previous policy. A retiring employee may be able to purchase City provided benefits if the person meets the eligibility requirements.

Additional Information: See the Benefit Plan Highlight Manual for more specific information about the various plans or go to the benefits administrators’ website at www.cciservices.com or the website for your particular insurance provider.

Responsibilities

Employees:

- Complete and submit necessary enrollment forms within the required timeframe.

Human Resources:

- Administer the benefit programs for the City.

Payroll:

- Make necessary and accurate payroll deductions for benefit coverage.