


## Select Board

<b>Policy Number:</b>	SB-PERS-003
<b>Policy:</b>	Contributory Insurance Rules and Regulations
<b>Date Approved:</b>	October 13, 1998
<b>Date Revised:</b>	May 11, 1999
	March 24, 2009
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	May 2, 2017
	March 20, 2018
	March 12, 2019
<b>Approved:</b>	 _____ Chair, Select Board

**Policy:** The Town of Needham, acting by and through its duly elected Select Board, and in accordance with Section 14 of Chapter 32B of the General Laws of the Commonwealth of Massachusetts, does hereby adopt and establish the following rules and regulations governing certain eligibility and administrative guidelines for the Town's contributory insurance benefit offerings. The Select Board specifically reserves the right to add to, modify, and/or delete any and all provisions of these rules and regulations at any time.

### **Section 1. Divorced or Separated Spouses**

In the event that a court of competent jurisdiction grants a judgment of divorce or of separate support, the divorced employee and his or her divorced/separated spouse may remain eligible for benefits under the Town's group insurance benefit program, in accordance with Section 9H of M.G.L.c. 32B, provided that each of the following conditions are met:

- (a) In the event that the employee/subscriber is not remarried:
  1. The Town must be provided with a court certified version of the judgment of divorce or of separate support, which mandates that the divorced/separated spouse of the Town employee/retiree remain on a Town-offered group insurance plan.
  2. The employee/retiree must maintain a family plan (or multiple individual plans, if over 65) covering him/herself and his or her divorced/separated spouse (and any qualified dependents, if applicable).
- (b) In the event that the employee/subscriber remarries and wishes to enroll his or her new

spouse as a dependent under the Town's group insurance benefit program:

1. The Town must be provided with a court certified version of the judgment of divorce or of separate support, which mandates that the spouse of the Town employee/retiree remain on a Town-offered group insurance plan.
2. The Town shall have the right to require that the divorced or separated spouse enroll in a separate, individual policy, unless a rider to an employee's/retiree's family plan is authorized by the applicable insurance company.
3. The Town of Needham employee/retiree shall be responsible to pay the full monthly premium (100% of the premium) for the plan in which the divorced/separated spouse is enrolled, or 100% of any additional cost for a rider to the employee's family plan, if authorized by the applicable insurance company.
4. Such payments for the premium in which the divorced/separated spouse is enrolled shall be made by means of deducting the premium from the regular pay (or pension) of the eligible employee/retiree, and the employee/retiree shall be required to seek reimbursement from the divorced/separated spouse on his or her own accord. The Town Manager/designee reserves the right to waive this condition for extenuating circumstances. In the event that a waiver is granted, the divorced or separated spouse will be billed directly.

## **Section 2. Retiree Eligibility**

Upon retirement, eligible individuals may participate in the Town's contributory group insurance program, to the extent allowed by the various insurance providers, and in accordance with Section 18 of M.G.L. c. 32B, provided that they otherwise qualify under M.G.L. c. 32B, and further provided that each of the following criteria applies:

- (a) The individual must have retired from service to the Town of Needham, and be receiving a retirement allowance in accordance with M.G.L. c. 32 from either the Town of Needham Contributory Retirement System or the State Teachers' Retirement System (except as specifically provided in M.G.L. c. 32B §9).
- (b) The individual was qualified and eligible to participate in the Town's group insurance program as an active employee of the Town of Needham.

## **Section 3. Part-time Teacher Eligibility**

Part-time teachers classified as .5 FTE or greater shall be determined to be working 20 hours or more per week for the Town, and shall therefore be considered employees in accordance with M.G.L. c. 32B section 1.

#### **Section 4. Temporary and Seasonal Employee Eligibility**

Temporary employees working 20 hours per week or more, whose service to the Town is expected to last six months or longer, shall be eligible for benefits in accordance with M.G.L. c. 32B. Seasonal employees whose service to the Town is expected to last less than six (6) months, regardless of the number of hours worked per week, shall be ineligible for benefits in accordance with M.G.L. c. 32B

#### **Section 5. Compensated Part-time Elected Official Eligibility**

Paid elected officials earning a minimum of \$1,000 per fiscal year shall be considered eligible for insurance in accordance with M.G.L. c. 32B Section 2. Nothing in the section shall affect the eligibility for insurance of elected officials who were receiving compensation in an amount less than \$1,000 as of the date of this policy.

#### **Section 6. Retention of Insurance While on Unpaid Leave**

- (a) Employees on designated family medical leave in accordance with the Family Medical Leave Act of 1993, as amended, shall be entitled to continue their insurance contribution during the term of the leave.
- (b) Employees who are on unpaid medical leave, which is not designated as family medical leave, shall be entitled to continue their insurance contribution rate during the period that the unpaid leave is determined to be medical leave by the Office of the Town Manager.
- (c) Employees on approved, unpaid leave which has not been designated as FLMA or medical leave shall be eligible for insurance if they are on the payroll (i.e. receive wages) for at least one day per calendar month.
- (d) Employees on approved, unpaid leave which has not been designated as FMLA or medical leave, and who do not receive wages for at least one day per calendar month, shall be eligible to participate in a Town-offered health plan by paying 100% of the monthly premium for that calendar month.
- (e) Employees shall be eligible to continue their group insurance while on leave of absence for no longer than two consecutive calendar years, after which time they shall cease to be considered employees for group insurance purposes.

#### **Section 7. Employee Termination**

Employee premium contributions are made one month in advance of coverage. Upon termination, employee coverage will cease approximately one month from the date of separation from the payroll.

#### **Section 8. Health Insurance Offerings**

- (a) All subscribers electing health insurance through the Town effective July 1, 2018 must convert to the Benchmark Plans, except as outlined in #4 below.

- (b) All subscribers required to convert from the Rate Saver plans will be provided with a Rate Saver to Benchmark Conversion Payment of \$263 per individual subscriber and \$671 per family subscriber on or about July 1, 2018. This payment represents 25% of the estimated total savings (both employee and employer) of conversion to the Benchmark plans.
- (c) The Town will offer a voluntary Qualified High Deductible plan to all eligible subscribers. Active employees enrolled in the Qualified High Deductible plan will also be eligible to enroll in a Health Savings Account as follows:
  - 1. The Town will contribute an amount equal to 50% of the deductible to the Health Savings Account of active Employees enrolled in any Qualified High Deductible plan offered by the Town, as long as the plan is offered by West Suburban Health Group, or for no less than five (5) years regardless of provider (the “Annual HAS Contribution”). Retirees are not eligible for the annual HAS contribution.
  - 2. In fiscal year 2019, the Annual HAS Contribution will be made in a lump sum on or about July 1, 2018. In fiscal years 2020 and beyond, the annual HAS contribution will be pro-rated and paid on a per pay period basis.
  - 3. Employees hired after July 1, 2018 who enroll in the Qualified High Deductible plan will be entitled to a pro-rated Annual HAS contribution paid on a per pay period basis.
  - 4. The Town will make an additional payment of \$500 per individual subscriber and \$1,000 per family subscriber on a one-time basis for active employees who enroll in the Qualified High Deductible plan effective July 1, 2018. The one-time early adopter payment will be made on or about July 1, 2018, and will be considered taxable wages. Retirees are not eligible for the one-time early adopter payment.
  - 5. Active employees who are not enrolled in the Town’s group insurance program in fiscal year 2018 and who elect to participate in a Qualified High Deductible Plan for fiscal year 2019 during the 2018 open enrollment period will be eligible for payments pursuant to items (c) 1, 2, and 4 of this Policy.

## **Section 9. Payment of Premiums**

Any eligible subscriber who does not receive a paycheck or pension check in an amount sufficient to pay his or her required premium will be billed directly for that amount. Failure to pay applicable premiums in the required timeframe will result in loss of insurance coverage.

## **Section 10: Employee Health Insurance Opt-Out Incentive Program**

- (a) Active employees who have been covered as the insured under the Town’s health insurance program for the past twenty-four (24) consecutive months may opt-out of Town coverage.

- (b) Employees choosing to opt-out of the Town's health insurance plan must sign and submit the Opt-out Form provided by the Town, certifying that the insured and any eligible spouses and dependents have enrolled in a health insurance plan elsewhere (excluding MassHealth).
- (c) Employees may enroll in the Opt-Out Incentive Program at any time during a fiscal year as long as they certify in writing that they will be receiving health insurance elsewhere (excluding MassHealth) as of the effective date specified. Employees may not retroactively opt-out of town coverage.
- (d) Employees who opt-out of Town coverage will be paid the amount of \$2,000 per full fiscal year for an individual plan and \$4,000 per full fiscal year for a family plan.
- (e) The Incentive amount will be pro-rated by month if an employee participates in the Opt-Out Program or re-enrolls in the Town's health insurance program during the plan year.
- (f) The Opt-Out Incentive will be paid via the employee's normal payroll cycle, less any required withholdings. The amount of the reimbursement will be divided equally over the plan year, which runs from July 1 to June 30. The Opt-Out Incentive payment will not be added to the base pay for employees, will not be used in the computation of overtime, and will not be subject to retirement withholding.
- (g) Any employee who has opted-out of the Town's health insurance plan may re-enroll during the annual open-enrollment period, or within 30 days of a documented qualifying event, and the Opt-Out Incentive payment will cease.
- (h) An employee who changes from a family to individual plan, or vice versa will not be eligible to participate in the Opt-Out Program. An employee who switches coverage to a spouse or parent who is also employed by or retired from the Town, will not be eligible to participate in the Opt-Out program.
- (i) The Opt-Out Incentive program will sunset on June 30, 2021 unless the Select Board votes to reauthorize the program.