

Section I – Health Insurance

- A. The City makes medical and prescription benefits available to all regular full time employees and their dependents. Plans are available for active employees and one plan is available for retired employees under age 65 who are not work-related disabled retirees. If an employee suffers a job-related death or job related disability that requires early retirement, (prior to age 65), the City will provide the Retiree Plan for full medical coverage, at City cost, for the employee, his/her spouse, and dependent children (who are covered on the medical plan prior to the employee’s retirement from the City) until the employee and spouse each attain age 65; and children attain age 26 years. When a retiree or spouse actually reach age 65 or become eligible for Medicare insurance, the retiree and spouse will receive the same benefits granted to other retirees at age 65. A Medicare supplement plan is available for retirees who are over 65 or Medicare eligible.

The City reserves the right to amend or change coverage as needed.

- B. The City will pay 80% of the cost of the individual premium coverage for each active employee and retiree under 65. Employees or retirees who choose the Preferred Dental Plan will pay the additional premium for themselves and their dependents.

Eligible retirees may insure themselves and eligible family members (spouse, children) who are covered on the medical insurance prior to the employee’s retirement from the City.

At retirement, an employee hired before July 1, 1989, must have completed a minimum of 10 years of full time continuous service with the City to qualify for healthcare benefits for himself/herself and his/her eligible dependents.

At retirement, an employee hired on or after July 1, 1989 must have completed a minimum of 20 years of full time continuous service with the City to qualify for healthcare benefits for himself/herself and his/her eligible dependents. If the retiree is less than 65 at the time of retirement, he/she will be given an allowance to be applied to the cost of his/her individual coverage; with the retiree paying the difference in cost.

For employees hired after February 2, 2004, upon their retirement, coverage for eligible dependents will be made available at the full expense of the retiree.

Employees hired on or after July 1, 2009, who become qualified for retiree healthcare, may elect insurance for themselves and eligible dependents who are

insured by the City prior to retirement until the retiree/dependent becomes eligible for Medicare or is no longer an eligible dependent.

For retirees and their spouses who are under age 65, a traditional 80/20% cost sharing program for medical costs will be made available by the City, unless the retiree or spouse has proven eligible for Medicare coverage. The retiree or spouse who has enrolled for Medicare coverage will have the same options as retirees over 65.

For retirees and their spouses who are 65 years and older, a defined contribution stipend of up to \$350 per month will be provided by the City. They may choose to use this stipend to help to purchase the City’s Medicare Supplemental Plan or they may choose to purchase coverage from another insurance provider. If they choose to purchase coverage from another insurance provider, their stipend will be deposited into a Health Reimbursement Account and they can apply for reimbursement from their account for any premiums or out of pocket costs. Only those retirees or their spouses over 65 who are already participating in the City’s health insurance program are eligible for the Health Reimbursement Account (HRA) option.

When retiree or his/her spouse reaches age 65 or otherwise become eligible for Medicare insurance, the City’s coverage will automatically be changed to the “Medicare Supplement” plan with Medicare becoming the primary insurer.

- C. A complete description of the health insurance plan(s) is available from the Human Resources Department.
- D. The City Healthcare Benefits Committee is representative of all employee groups and charged with making recommendations for cost containment and/or plan changes to the Mayor and Council for their consideration.
- E. Full time City of Hagerstown employees who have medical coverage through another source are eligible to participate in the Opt-out program. Please refer to personnel Policy – 217.00 for additional information.

Section II - Dental Insurance

- A. The City will provide dental insurance for eligible employees and retirees. Employees and retirees may elect the higher level of dental coverage at their own cost.

Section III - Life Insurance

The City provides one times base salary of life insurance coverage including accidental death and dismemberment benefits for each active full-time employee.