

TOWN OF HERNDON - ADMINISTRATIVE REGULATIONS



Effective Date: January 1, 2010

Administrative Regulation: 1-45

Revision Date: N/A

Supersedes: N/A

Approved By: Arthur A. Anselene

SUBJECT: **Retiree Health Insurance Coverage**

I. Purpose

The purpose of this Administrative Regulation is to establish and clarify the town's policy on the eligibility of retirees to participate in the town's health care insurance program after separation from town employment.

II. Eligibility Requirements

Employees who meet the eligibility criteria for town retirement and elect to retire under the Virginia Retirement System are eligible, at the sole expense of the retiree, for access to health care insurance coverage through the town's group health care insurance plan that may be in effect for active employees. This benefit is available only to the retiree and does not continue to a beneficiary or a successor of the retiree.

III. Policy

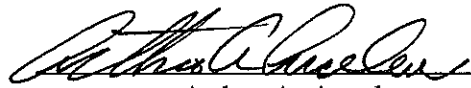
- A. Upon retirement, an employee must actively be enrolled in the town's health insurance program in order to continue health insurance coverage.
 - B. The retiring employee must notify the Department of Human Resources before the effective date of retirement of the employee's intent to continue participation in the town's health insurance plan.
 - C. The retiree's participation in the town's health care insurance plan is limited to the plan or plans that may be in effect for the town's active employees.
 - D. Retired employees of the town are eligible to continue their health care insurance coverage under the town's group policy and are responsible for 100 percent of the cost incurred by the town on their behalf.
 - E. Health care insurance premiums will be billed monthly. This benefit will cease if health insurance premiums are more than 60 days in arrears.
 - F. Once an account is more than 60 days in arrears the amount due the town will be deducted from the retiree's monthly health insurance stipend from the town, if any.
 - G. When a retiree meets the eligibility requirements for enrollment into the Medicare program, the retiree must enroll in Medicare. Medicare shall become the primary medical insurance carrier and town's insurance carrier shall become the supplemental and secondary medical insurance carrier.
 - H. The health care insurance benefits, as well as any health care insurance plan adopted by the town, are subject to elimination, change of carriers or plans, or other modification at
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any time at the option of the town. No retiree or employees of the town by this administrative regulation or any other instrument enjoys vested rights or contract rights with respect to the subject of this administrative regulation.

IV. Procedures

- A. Prior to the effective date of retirement, the employee shall notify the Department of Human Resources in writing of the employee's intent to continue health insurance coverage through the town's group plan.
- B. A retiree may cancel his/her health care insurance at any time by notifying the Department of Human Resources in writing.
- C. Retirees who cancel their health care insurance coverage or who lose coverage due to late payment of premiums will not be eligible to re-enroll under the town's health care insurance plan.



Arthur A. Anselene
Town Manager