
ADMINISTRATIVE REGULATION

EFFECTIVE DATE: July 1, 1991

Administrative Regulation: 1-13

REVISION DATE: July 17, 2017

SUPERSEDES: July 10, 2017

APPROVED BY: William Ashton

SUBJECT: Retiree Health Insurance Assistance

This administrative regulation is not applicable to any employees who retire after July 1, 2017.

I. PURPOSE

This regulation establishes the policy for health insurance assistance, to assist retirees in the cost of health care premiums.

II. ELIGIBILITY

All non-sworn Town of Herndon employees who retire with a minimum of five years service with the town, or who are eligible for disability retirement and have successfully completed the initial probationary period, and who are retired under the Virginia Retirement System (VRS) general plan are eligible. Employees must have continuous service and are not eligible if they cease employment and have a delayed retirement.

Sworn Police personnel eligible for either service or disability retirement are excluded from this policy.

III. FUNDING

This program may be reviewed and adjusted or terminated as necessary.

IV. POLICY

In an effort to provide retirees with assistance for health insurance costs upon retirement, a modest benefit has been established. The following specifies the monthly benefit based on years of service, unless an employee retires early with a disability. An employee who retires early with a disability is eligible for the benefit specified below:

<u>Monthly Benefit</u>	<u>Years of Service</u>
\$100*	5 through 9 years
\$150*	10 through 14 years
\$200*	15 through 19 years, or disability retirement under 19 years of service, after successful completion of

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\$400*

the initial probationary period
20 or more years

*The monthly benefit shall be \$50 if retirement occurs at age eligible for unreduced social security benefits, regardless of years of service or shall be reduced to \$50 once a retiree reaches the age eligible for unreduced social security benefits.

Retirees who maintain health insurance through the town will have the monthly cost of their health insurance benefit offset by their monthly assistance amount. The amount of the assistance reduces the amount that the retiree will pay for their health insurance. If the cost of the health insurance through the town plan is less than the amount of the assistance, the assistance will be reduced to the amount of the cost of the town's health insurance. Retirees will be informed each year of the monthly cost of their health insurance benefit to be paid in the upcoming fiscal year and of the amount of the assistance reducing that cost, if applicable.

Retirees who do not have health insurance through the town will be required to provide the town with evidence of health insurance each year and associated monthly cost, upon request by the Human Resources department. Examples of evidence of health insurance include medicare enrollment and documentation, health insurance coverage forms through another employer, or coverage on a spouse's plan. Once received, the town will reimburse you for your retiree health care premium costs up to the amount of the AR assistance. Retirees will have 30 days to show evidence of health insurance. If evidence is not provided, the town will cease the assistance payment permanently.

Retirees that are married and were both town employees will each receive the assistance regardless of type of health coverage if they individually meet the other provisions of this A.R. In the event of a divorce after retirement, the dependent spouse retiree will continue to receive the assistance in the manner set out in the above paragraph.

The assistance is only available to the retiree and does not continue to a beneficiary or a successor of the retiree.

V. PROCEDURE

The Department of Human Resources will inform the retiree of benefits available. Human Resources will notify the Department of Finance of the appropriate health insurance premium deduction (i.e. premium minus assistance) for each retiree eligible for the assistance along with the name, address and the effective date; and will maintain records which reflect the retiree portion and the town's portion of each retiree health insurance premium payment.



William Ashton
Town Manager