

## **POST RETIREMENT HEALTH BENEFITS**

**(10.2)**

**Date: 5/4/99, 1/20/93, 3/21/05, 6/24/05,  
1/1/07, 1/1/08, 8/1/08, 2012, 5/1/2014,  
5/1/15, 6/21/16, 10/2019, 7/2020, 7/2021,  
3/2022, 09/2022, 7/2023, 2/2024, 7/2024, 12/2024**

### **PURPOSE AND POLICY:**

As part of the overall benefits program, Frederick County Government provides its eligible retirees with medical, dental, and vision benefits (collectively referred to as “retiree health benefits”). The County is committed to offering such retiree health benefits, though the specific benefits offered may be terminated or modified from time to time, in the County’s discretion and in accordance with applicable law, the Frederick County, Maryland Retiree Health Benefit Plan, and other controlling documents.

### **ELIGIBILITY**

This policy applies to regular employees who retire from Frederick County Government. Retirees are eligible for retiree health benefits when they retire from employment and immediately elect to receive monthly pension benefits from the Frederick County Employees Retirement Plans or the Maryland State Retirement Plan.

In addition, to be eligible for retiree health benefits, retiring employees must have a minimum of 10 years of total service in a regular benefitted position. Effective July 1, 2021, retiring employees receive credit for all years of health benefit-eligible County service, even if there was a break in service, when calculating the minimum years of service for retiree health benefits. Exceptions for employees aged 65 or older, line of duty disability, or line of duty death, are explained below. For purposes of determining eligibility for retiree health benefits, non-earned service (for example, military service, transferred service, or purchased service) is not included.

This policy applies only to those employees and dependents/spouse who are eligible for the County’s health, dental, and vision coverage at the time of the employee’s retirement. The only exception will be for a newly born child(ren), newly adopted dependent child(ren), or newly appointed legal guardianship or custody of child(ren). Retirees must notify Human Resources within 30 days of the new child’s birth, adoption date, or legal agreement to be eligible for coverage.

### **COST-SHARING**

When an employee retires who is not Medicare-eligible, they may elect coverage for themselves and eligible dependents/spouse in the current employee health plan(s) at a cost-sharing percent determined by their original service date and years of service, as listed below. They may elect

coverage for themselves and eligible dependents/spouse in the current employee dental and vision plan(s) at the full employee premium cost.

When a retiree or their covered dependent/spouse becomes eligible for Medicare benefits for any reason, they may elect coverage in the offered Medicare-eligible plan and may no longer continue coverage on the employee health plan(s). Coverage through the Medicare-eligible plan requires that the retiree or dependent/spouse have coverage through Medicare Parts A & B. They may elect coverage for themselves and eligible dependents/spouse in the current employee dental and vision plan(s) at the full employee premium cost. Eligible dependents/spouse under age 65, and retirees who are non-Medicare eligible, remain eligible for coverage under the current employee health plan(s).

1. The following health plan cost-sharing rates will apply:
  - a. Employee with original service date before July 1, 1992: Retiree 15%/County 85%
  - b. Employee with original service date on or after July 1, 1992, and before August 1, 2008, with less than 25 years of service: Retiree 50%/County 50%
  - c. Employee with original service date on or after July 1, 1992, and before August 1, 2008, with 25 years of service: Retiree 45%/County 55%
  - d. Employee with original service date on or after August 1, 2008, with 10 or greater, and less than 15, years of service: Retiree 75%/County 25%
  - e. Employee with original service date on or after August 1, 2008, with 15 or greater, and less than 20, years of service: Retiree 65%/County 35%
  - f. Employee with original service date on or after August 1, 2008, with 20 or greater, and less than 25, years of service: Retiree 55%/County 45%
    - i. Exception: Sworn, regular, nonexempt uniformed employees at or below the rank of Captain with the Division of Fire and Rescue Services, or full-time Deputy Sheriffs or Correctional Officers at or below the rank of Sergeant with the Sheriff's Office: Retiree 50%/County 50%
  - g. Employee with original service date on or after August 1, 2008, with 25 or more years of service: Retiree 45%/County 55%
  - h. Age 65 rule: Employees aged 65 or greater, who retire after July 1, 2021, with 5 or greater, and less than 10, years of service: Retiree 80%/County 20%

## **LINE OF DUTY DISABILITY AND DEATH**

Full-time Deputy Sheriffs or Correctional Officers at the rank of Sergeant and below with the Sheriff's Office who retire under a line of duty disability on or after July 1, 2019, and all sworn, regular, nonexempt uniformed employees at or below the rank of Captain with the Division of Fire and Rescue Services who retire under a line of duty disability on or after July 1, 2020, are eligible for line of duty health benefits, regardless of years of service. The following health plan cost-sharing rates will apply: Retiree 50%/County 50%.

If an employee eligible for line of duty health benefits is eligible for a lower premium based on their original service date and years of service as listed in this policy, the lower premium will apply.

Should any active employee, including but not limited to those employed in the Sheriff's Office and DFRS, die on or after July 1, 2021, due to a line of duty (on the job) accident or cause as determined by the County, and where the employee was eligible for retirement at the time of death, the following health plan cost-sharing rates will apply for eligible dependents/spouse of the deceased employee: Dependent 15%/County 85%.

#### **ELIGIBILITY FOR HEALTH BENEFITS IF RETIREE RETURNS TO WORK FOR THE COUNTY, THEN RETIRES FOR A SECOND TIME:**

A retiree who was eligible for retiree health benefits during their first retirement, and who returns to County employment and then retires from the County for a second time, continues their eligibility and cost-share percentage based on their original service date.

A retiree who was not eligible for retiree health benefits during their first retirement, and who returns to County employment and then retires from the County for a second time, may be eligible for retiree health benefits if the retiree meets the criteria for retiree health benefits eligibility provided in this policy based on their second retirement. The cost-share percentage is based on their original service date.

#### **PROVISIONS APPLICABLE TO ALL ELIGIBLE GROUPS:**

1. Premium payments are deducted from the retiree's monthly retirement/pension check, unless the retirement benefit cannot cover the deduction. In that case, the retiree pays Frederick County Government directly for the premium payments.
2. New dependents/spouse may not be added to coverage at the time of retirement or after retirement. A dependent/spouse must have been eligible at the time of the employee's retirement, except in the case of a newly born, newly adopted or newly appointed legal guardianship or custody of dependent child(ren). Upon the death of a retiree, current covered dependents/spouse may continue coverage, but new dependents/spouse may not be added.
3. Dependent coverage is subject to the age limitations in the health plan.
4. If a dependent/spouse is unenrolled from coverage after retirement, they may be re-enrolled during the annual open enrollment period. However, if extenuating circumstances exist (for example, other health coverage is discontinued by an employer or insurance company), the dependent/spouse may re-enroll outside the open enrollment period, at the County's discretion.
5. A retiree and their dependents/spouse may be enrolled in two different County plans only during the time when one is Medicare-eligible and the other is not Medicare-eligible. At all times, dependents/spouse may only be enrolled in County health benefits if the retiree is enrolled.
6. Retirees enrolled in the High Deductible Health Plan with a Health Savings Account ("HSA") option will be eligible to receive a contribution from the County to their HSA. The County HSA contribution may only be received one time per year by an individual, whether in active employee or retiree status.
7. If a retiree chooses to unenroll from the County health plan, the retiree will have the option of re-enrolling during the County's annual open enrollment period. However, if

extenuating circumstances exist (for example, other health coverage is discontinued by an employer or insurance company), the retiree may re-enroll outside the open enrollment period, at the County's discretion.

8. The retiree is responsible for providing timely written notification to Frederick County Government Human Resources of any changes to their contact information (for example, address changes) or changes to dependent/spouse information. Human Resources will make appropriate changes with insurers.