

# Health Insurance Policy

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- 1.0 POLICY STATEMENT:** The City provides employees and retirees with a hospital and major medical policy. This coverage will protect employees and retirees in case of injury or illness.
  
- 2.0 PROCEDURES:** Employees and retirees will be given a booklet explaining this policy in detail. Family coverage for legal dependents is optional.
  - 2.1 Full-time and part-time employees working **30** hours or more weekly are eligible for coverage under the retirement plan; school bus drivers; elected city officials and appointed judges; former employees that are retired from the City with twenty (20) years of City service and are under age sixty-five (65) are eligible members of the health plan; or former employees that have already retired from the City over age sixty-five (65) with forty (40) or more years of service.
  
  - 2.2 Eligibility for Retiree Health Benefits are as follows if you:
    - 2.2.1 are a regular full-time employee with the City of Johnson City;
    - 2.2.2 retire under the TCRS guidelines;
    - 2.2.3 have a minimum of 20 years of continuous full-time regular employment with the City of Johnson City (military time (except active duty), time worked for other agencies, part-time regular and temporary employment with the City of Johnson City do not count toward the 20-year requirement);
    - 2.2.4 set a retirement date and actually retire from the City of Johnson City through the TCRS;
    - 2.2.5 are less than 65 years old at the time of retirement; or
    - 2.2.6 are 65 years old or over with forty (40) or more years of service.
  
  - 2.3 Termination of Health Benefits Active Employee:
    - 2.3.1 Termination of coverage by the employer.
    - 2.3.2 Termination of coverage due to loss of eligibility.
    - 2.3.3 The employee fails to pay the required premium when it is due.
    - 2.3.4 The employee has made a material misrepresentation or committed fraud against the plan.
    - 2.3.5 The employee requests in writing that the coverage end.
  
  - 2.4 Termination of Health Benefits Retiree:
    - 2.4.1 Insured retiree fails to pay the premium within the required premium timeframe;

- 2.4.2 Insured retiree requests to drop coverage. If a retiree drops coverage from the City's health benefits plan, they cannot rejoin the plan at a future date.
  - 2.4.3 Insured retiree reaches age 65 with Medicare coverage, (the retiree with 40 years service with the City has retiree health benefits for life regardless of age.)
  - 2.4.4 Insured retiree's eligible dependents may only be added or dropped from the plan after retirement in accordance with the plan guidelines (i.e. marriage or divorce; death of the employee's spouse or dependent, dependency status, Medicare eligibility, birth or adoption of a child, termination of employment, or commencement of employment, of Your spouse, etc.)
  - 2.4.5 Insured retiree and their dependents eligibility for health benefits is dependent on the employee actually retiring from the City, not just being eligible to retire;
  - 2.4.6 Insured retiree's death.
- 2.5 Guidelines for Husband and Wife Both Employed by the City.
- 2.5.1 If both the husband and wife are employed by the City, and both are eligible for dependent coverage, either the husband or wife, but not both, may elect dependent coverage for their eligible dependents, and no one can be covered under this plan as both an employee and a dependent.
  - 2.5.2 If a husband and wife are both employed by the City and only one retires, the spouse who remains employed is eligible to participate in the retiree health program at the time his/her employment with the City ends. The required premium will be what was in effect at the time of retirement.
- 2.6 Premiums for health insurance are determined by the City and if applicable, are subject to change each year.
- 2.7 The City reserves the right, at its discretion, to amend, change, or terminate any of its benefits plans, programs, practices or policies as it deems necessary.

**3.0 RESPONSIBILITY:** The Human Resources Director is responsible for the administration and communication of this policy.

APPROVED:

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M. Denis Peterson  
City Manager

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