

## Payment for Retiree Health Insurance Policy

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- 1.0 POLICY STATEMENT:** The City provides eligible retirees the opportunity to enroll in the City's health insurance program in accordance with policy HR-113. Retirees or those covered are responsible for paying the health insurance premiums as described herein.
- 2.0 PROCEDURES:** The retiree health insurance premiums shall be made on a monthly basis by an automated clearing house (ACH) payment. Subscribers enrolled in the City's health insurance program as of the effective date of this policy shall meet the automated clearing house (ACH) payment requirement effective March 1, 2011.
- 2.2 Premiums for retiree health insurance shall be:
- 2.2.1 set by the City and are subject to change each year. In the event of a premium change, a sixty (60) day notice shall be given prior to the effective date of the premium change.
  - 2.2.2 paid by an automated clearing house (ACH) payment;
  - 2.2.3 made on the 1<sup>st</sup> banking day of each month;
  - 2.2.4 paid in advance of the month for coverage.
- 2.3 An invoice for payment shall be sent on a monthly basis.
- 2.4 In the case of insufficient funds, a final termination of coverage notice shall be issued, and the premium and a \$30 late fee must be paid within (5) business days by either cash or money order to avoid termination of coverage. A third occurrence of insufficient funds will result in termination of retiree health insurance coverage.
- 2.5 Failure to make payments in accordance with section 2.2 through 2.2.4 will result in termination of coverage and COBRA provision will apply.
- 2.6 Insurance will not be reinstated after coverage is terminated.
- 2.7 The City reserves the right, at its discretion, to amend, change, or terminate any of its insurance benefit plans, programs, practices or policies as it deems necessary.
- 3.0 RESPONSIBILITY:** Human Resources is responsible for the overall administration and communication of this policy. Finance is responsible for the collection of the retiree premium payments.

APPROVED:

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M. Denis Peterson  
City Manager