



**ADMINISTRATIVE
REGULATION**

ORIGINATION DATE:
January 1, 2017

DATE REVIEWED/REVISED:
January 4, 2021

NUMBER:
CC Reg. CM-50
(Formerly ASD-31)

DPR:
City Manager

RETIREE BENEFIT PLAN ELIGIBILITY AND PROCEDURES

I. PURPOSE

- A. To establish a policy for City of Chandler Retiree benefit plan eligibility and procedures.

II. RESPONSIBILITY

- A. Human Resources shall ensure compliance with this policy for all affected Retirees.
- B. Affected Retirees shall follow this Administrative Regulation as well as any other Administrative Regulation that pertains to benefits eligibility, enrollment, or requirements under the benefit plans.
- C. Retirees are responsible for the full premium for coverage. Payment is due to the City on the 1st day of the month for each month of coverage. The payment must be received by the City (or be postmarked) no later than the 15th of that month. Any payment received or postmarked after this period will be returned and Retiree coverage will be cancelled. If the Retiree is enrolled in basic life insurance only, the full premium is due on January 1 for the full calendar year. Any medical and/or dental premiums withheld by the Public Safety Personnel Retirement System (PSPRS) and sent to the City on behalf of the Retiree will be considered timely.

III. DEFINITIONS

- A. See Administrative Regulation CM-56 – City of Chandler Benefits Plans – Definitions, Quick Reference Chart & Required Notices

IV. PROCEDURES

A. RETIREE ELIGIBILITY

1. An Employee is considered retired from the City of Chandler upon commencement of a pension through the Arizona State Retirement System (ASRS), the Public Safety Personnel Retirement System (PSPRS), or the Elected Officials Retirement Program (EORP), the Retiree (and the eligible Dependents) may continue coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) or may continue coverage under any combination of the Medical, Dental, Vision, and Basic Life Insurance coverage, but only if the Retiree was enrolled in the Plan at the time of retirement.
2. A Retiree may drop some or all of their benefit elections as an active Employee upon retirement. If they choose to remain on the City's Plan(s) they must continue the same benefits as were in place on the date of retirement, with the exception of dropping covered Dependents.
3. A Retiree is eligible to enroll for the City's Retiree Benefit Plan within **thirty-one (31) calendar days** from the date coverage as an Employee ceases.
4. If the Retiree was enrolled in medical, dental, or vision coverage, the Retiree and any covered Dependents will be provided with a COBRA election opportunity. The Retiree can elect COBRA or can elect the City's Retiree medical, dental, and vision plan benefits but not both. If the Retiree selects the City's Retiree medical, dental or vision coverage the Retiree will not receive another COBRA election opportunity at the end of coverage under the City's Retiree medical, dental, or vision plan.
5. A Retiree may access the Employee Assistance Program through COBRA election only.

6. A Retiree may make changes to their existing benefit plans during Annual/ Open Enrollment which includes adding eligible Dependents. A Retiree may not enroll in new benefits that have been previously waived.

Chart Summarizing the Benefits Plans Available to Retirees and Dependents of Retirees and Legally Divorced Spouse who do not elect COBRA:

Type of Benefit	Eligible Retirees	Eligible Dependents of Eligible Retirees or Deceased Retirees	Divorced Spouse
City's Retiree Medical Plan(s) (including outpatient prescription drugs)	Yes, Retiree pays entire premium	Yes	No, unless COBRA was elected
Dental Plan(s)	Yes, Retiree pays entire premium	Yes	No, unless COBRA was elected
Vision Plan(s)	Yes, Retiree pays entire premium	Yes	No, unless COBRA was elected
Employee Assistance Program (EAP)	No, unless COBRA was elected	No, unless COBRA was elected	No, unless COBRA was elected
Basic Life Insurance	Yes, Retiree pays entire premium	No	No
Retirement Health Saving Plans (RHSP)	Yes, if retired from the City	Yes, if IRS eligible Dependent	No

B. SPECIAL RULES FOR RETIREE COVERAGE

1. The Plan does not permit individuals to have dual City-sponsored medical, dental or vision coverage. This means it is not permissible for an Employee, Retiree or Dependent to have dual City-sponsored coverage such that one City plan would coordinate benefits with another City plan.

2. No individual may be covered under this Plan both as an Employee and as a Retiree.
3. No individual may be covered under this Plan both as an Employee or Retiree and as a Dependent, nor may any Dependent Child be covered as the Dependent of more than one Employee or Retiree.

C. DEPENDENT ELIGIBILITY

Any Eligible Dependent of an Eligible Retiree may be covered by this Plan if the Retiree enrolls for Dependent coverage, subject to the provisions stated in this Administrative Regulation. ([See the definition in Administrative Regulation CM-56- City of Chandler Benefits Plans – Definitions, Quick Reference Chart and Required Notices.](#)) If a Retiree, who is enrolled in one or more of the City's benefit options dies, the spouse and Dependent children may remain on their current benefit options as long as they continue to meet eligibility requirements. Eligibility for participation in the City's group health insurance programs shall terminate in accordance with [Administrative Regulation CM-52 – Benefit Plan Termination](#). Upon termination, eligible Dependent(s) will have the opportunity to elect COBRA continuation of coverage.

D. REINSTATEMENT OF COVERAGE FOR RETURN TO WORK

1. Once a Retiree, who returned to City Employment in a benefits-eligible position, terminates employment, the Retiree may re-enroll, at the time of termination, in the Retiree coverage they had prior to returning to City employment. They may not enroll in benefits that were waived at the time of their initial retirement. If changes were made to benefits as an active Employee, those changes may not continue if they differ from their initial Retiree enrollment.
2. If the Retiree did not have Retiree benefits through the City prior to being rehired into an active status, upon termination they will be offered COBRA coverage. They are not eligible to enroll in Retiree benefits that were previously waived.

EXCEPTION: If a Retiree is rehired under a different retirement system and retires from the new system, they may continue benefits elected as an

active Employee at the time of the new retirement even if they differ from their original Retiree benefits.

E. SPECIAL MEDICARE RULES

1. Except as otherwise prohibited by Federal Law, any otherwise Covered Person who is also entitled to benefits under the Medicare program may elect or reject medical coverage under this Plan.
2. A Covered Person shall be considered to be covered by Medicare on the earliest date any coverage under Medicare could have been applicable to him or her had he or she applied for Medicare benefits in a timely manner.
3. If the individual is covered by Medicare and also has the City of Chandler's health plan coverage, the Plan pays benefits in accordance with the coordination of benefits (COB) rules set by the Centers for Medicare & Medicaid Services (CMS), which are outlined in the chart below:

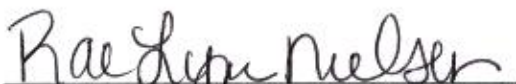
Summary of the Certain Coordination of Benefits Situations between Medicare and the Group Health Plan			
If the individual:	Situation	Pays First	Pays Second
Is age 65 and older and is covered by a group health plan because of employment or are covered by a group health plan of a working Spouse of any age	The employer has less than 20 Retirees	Medicare	Group health plan
	The employer has 20 or more Retirees	Group health plan	Medicare
Summary of the Certain Coordination of Benefits Situations between Medicare and the Group Health Plan			
If the individual:	Situation	Pays First	Pays Second
Has an employer group health plan after retirement and is age 65 or older	Entitled to Medicare	Medicare	Group health plan (e.g. a Retiree plan coverage)


Has End-Stage Renal Disease (ESRD) kidney failure requiring dialysis or a kidney transplant) and group health plan coverage (including a retirement plan)	First 30 months of eligibility or entitlement to Medicare	Group health plan	Medicare
	After 30 months of eligibility or entitlement to Medicare	Medicare	Group health plan
Is age 65 or over <u>OR</u> , is disabled and covered by both Medicare and COBRA	Entitled to Medicare	Medicare	COBRA
See also: https://www.medicare.gov/Pubs/pdf/02179.pdf or 1-800-Medicare for more information.			

V. RELATED ADMINISTRATIVE REGULATIONS

- [CM-51 – Proof of Dependent Status for City of Chandler Health Plans](#)
- [CM-52 – Benefit Plan Termination](#)
- [CM-53 – Benefit Plan Mid-Year/Special Enrollment Changes](#)
- [CM-56 – City of Chandler Benefits Plans – Definitions, Quick Reference Chart and Required Notices](#)

Attachments: N/A


 Director of Human Resources


 City Manager

3-8-21
 Effective Date