



ADMINISTRATIVE REGULATION

ORIGINATION DATE:

January 1, 2017

DATE REVIEWED/REVISED:

January 1, 2025

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 or designee on the 1st day of the month for each month of coverage. The payment must be received by the City or designee (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. 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.
- D. Retirees and their dependents will be required to enroll in Medicare at the time they become eligible and provide documentation to Human Resources confirming their enrollment.

III. DEFINITIONS

- A. See Administrative Regulation CM-56 – City of Chandler Benefits Plans – Definitions and 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 and will not be eligible to re-enroll in those dropped benefits in the future. 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 access funds remaining for the current plan year in their Health Care Flexible Spending Account (FSA) through COBRA election only.
7. 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
Voluntary Life Insurance	Yes, must be enrolled at time of retirement and retiree pays entire premium	Yes, must be enrolled at time of retirement and retiree pays entire premium	No
Post Employment Health Plan (PEHP)	Yes, if retired from the City and vested in the plan	Yes, if IRS eligible dependent	No
Flexible Spending Account (FSA)	No, unless COBRA was elected	No, unless COBRA was elected	No, unless COBRA was elected

B. SPECIAL RULES FOR RETIREE COVERAGE

1. The Plan does not permit individuals to have dual City-sponsored life insurance coverage. This means it is not permissible for an Employee or Retiree to have spouse coverage on a retiree who already has retiree coverage.

2. 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 under the same benefit plan.

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 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 and pay monthly premiums. 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 Covered Person who is entitled to benefits under the Medicare program must enroll at the time of eligibility and provide proof of enrollment to the plan within thirty-on (31) calendar days. Retirees have the option to retain the City of Chandler's medical plan as a secondary benefit and are responsible for paying the full premium each benefit year.
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 them had they applied for Medicare benefits in a timely manner.
3. This requirement does not apply to retired employees hired prior to 1984 and who did not contribute to Medicare during their time of employment with the City of Chandler.

WHAT IF...	HOW DOES IT APPLY	WHAT TO DO
I am enrolled in a retiree only plan and become eligible for Medicare?	Retirees must enroll in Medicare at the time they become eligible. Retiree may remain on the city's medical plan as secondary coverage.	Retiree must notify and provide necessary documentation to the plan of their Medicare enrollment within 31 calendar days of Medicare eligibility. If retiree fails to notify the plan of Medicare enrollment, the retiree and/or dependent will be dropped from the medical plan effective the first of the month following their Medicare eligibility date.
The retiree is eligible for Medicare, but spouse and/or their eligible dependent(s) are not?	Retiree must enroll in Medicare and may continue coverage on the city plan. Spouse or eligible dependent must enroll in Medicare when they become Medicare eligible. Retiree may remain on the city's plan as secondary coverage.	Retiree must notify and provide necessary documentation to the plan of their Medicare enrollment within 31 calendar days of Medicare eligibility. Please see coordination of benefits chart. If retiree fails to notify the plan of Medicare enrollment, the retiree or

WHAT IF...	HOW DOES IT APPLY	WHAT TO DO
		dependent will be dropped from the medical plan effective the first of the month following their Medicare eligibility date.
The spouse is eligible for Medicare, but the retiree and/or eligible dependent(s) are not?	<p>Spouse must enroll in Medicare. Retiree may continue to cover spouse on plan until retiree becomes eligible for Medicare.</p> <p>Retiree can request a midyear change and remove spouse from plan (see coordination of benefits), or retiree may continue to cover spouse on the city's medical plan as secondary coverage.</p>	<p>Retiree must notify and provide necessary documentation to the plan of their Medicare enrollment within 31 calendar days of Medicare eligibility.</p> <p>Please see coordination of benefits chart.</p> <p>If retiree fails to notify the plan of Medicare enrollment, the retiree or dependent will be dropped from the medical plan effective the first of the month following their Medicare eligibility date.</p>
The spouse of a deceased retiree becomes eligible for Medicare?	Spouse must enroll in Medicare at time of eligibility. Spouse may remain on the city's plan as secondary coverage.	<p>Spouse must notify and provide necessary documentation to the plan of their Medicare enrollment within 31 calendar days of Medicare eligibility.</p> <p>If spouse fails to notify the plan of Medicare enrollment, spouse will be dropped from the medical plan effective the first of the month following their Medicare eligibility date.</p>
The retiree is eligible for Medicare at the time of retirement?	Retiree must start enrollment process at least three months prior to retirement. Retiree can	Retiree must notify and provide necessary documentation to the plan of their Medicare enrollment within 31 calendar days of Medicare eligibility.

WHAT IF...	HOW DOES IT APPLY	WHAT TO DO
	keep City's plan as a secondary plan.	If retiree fails to notify the plan of Medicare enrollment, the retiree or dependent will be dropped from the medical plan effective the first of the month following their Medicare eligibility date.
The retiree, spouse, or covered dependent become eligible for Medicare and chose not to enroll?	The retiree, spouse, or dependent will be dropped from the medical plan effective the first of the month following their Medicare eligibility date.	

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4. For individuals covered by Medicare and the City of Chandler's medical 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:

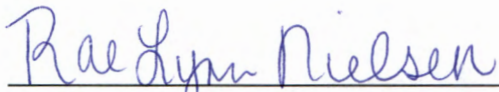
Summary of the Certain Coordination of Benefits Situations between Medicare and the Group Health Plan			
If the individual:	Situation	Pays First	Pays Second
Has an employer group health plan after retirement and is age 65 or older	Entitled to Medicare	Medicare	Group health plan (e.g. a Retiree plan coverage)
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/supplements-other-insurance/how-medicare-works-with-other-insurance or 1-800-Medicare for more information.			

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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 and Required Notices](#)

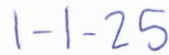
Attachments: N/A



Director of Human Resources



City Manager



Effective Date