



ADMINISTRATIVE REGULATION

ORIGINATION DATE:

January 1, 2017

DATE REVIEWED/REVISED:

January 1, 2025

NUMBER:

CC Reg. CM-52
(Formerly ASD-33)

DPR:

City Manager

BENEFIT PLAN TERMINATION

I. PURPOSE

- A. To establish a policy for the termination of City of Chandler benefit plans.

II. RESPONSIBILITY

- A. Human Resources shall ensure compliance with this policy for all affected employees.
- B. Affected employees shall follow this Administrative Regulation as well as any other Administrative Regulations, Policies and Personnel Rules that pertain to benefits eligibility, enrollment, or requirements under the benefit plans.
- C. For purposes of this Administrative Regulation the term "Employee" will also mean Elected Official.

III. DEFINITIONS

- A. See Administrative Regulation CM-56 – City of Chandler Benefits Plans – Definitions and Required Notices.

IV. PROCEDURES

- A. **TERMINATION OF EMPLOYEE COVERAGE (INCLUDING ELECTED OFFICIALS):**

1. An Employee's coverage under this Plan will terminate at the earliest of the following times:
 - a. For any Employee who ceases to be employed with the City, on the last day of the month in which termination takes place;
 - b. For any Employee who ceases to be employed with the City for the required minimum number of hours of service, on the last day of the month in which the Employee ceases to meet the eligibility requirements for coverage under the Plan;
 - c. For any Elected Official, the last day of the month in which they leave their elected capacity;
 - d. For any Employee whose coverage has been extended during a leave, on the last day of the month the Employee is eligible for coverage (See the Administrative Regulations, City Policies, and/or Personnel Rules corresponding to the appropriate leave, such as the City of Chandler Family and Medical Leave Regulation, the City of Chandler Military Regulation, and City of Chandler Personnel Rule 4 – Benefits & Allowances);
 - e. For any Employee whose coverage has been extended under Consolidated Omnibus Budget Reconciliation Act (COBRA), on the last day that the Employee is eligible for COBRA coverage;
 - f. For any Employee or COBRA participant who pays a contribution for the cost of the Plan, on the last day of the month for which a contribution was paid in full;
 - g. For any Employee who has been pensioned or retired (except for those Retirees who elect to continue coverage as a Retiree), on the last day of the month in which the retirement takes place;
 - h. The date of the Employee's, COBRA Participant's or Elected Official Member's death;
 - i. The end of the month in which an approved leave expires, if the Employee fails to return to active employment;

- j. On the date the employee enters the armed forces (the military) on full-time active duty; or
- k. On the date that this Plan is terminated.

B. TERMINATION OF RETIREE COVERAGE:

1. A Retiree's coverage under this Plan will terminate at the earliest of the following times:
 - a. The last day of the month contributions for coverage were last paid in full;
 - b. If retiree fails to enroll or fails to inform the plan and provide proof of Medicare enrollment within 31 calendar days of Medicare eligibility, coverage will end the first of the month following Medicare eligibility date.
 - c. By request, in writing, by the Retiree, to terminate coverage;
 - d. On the date of the Retiree's death;
 - e. On the date that this Plan is terminated.

C. TERMINATION FOR A DEPENDENT OF AN EMPLOYEE OR RETIREE COVERAGE:

An Eligible Dependent's coverage under this Plan will terminate at the earliest of the following times:

1. The last day of the month in which:
 - a. Coverage ceases for the covered Employee or Retiree, unless coverage may continue for the surviving Eligible Dependents in the event of the Employee's death in the line of duty (refer to the eligibility and termination provisions for a Surviving Spouse and Surviving Dependent Child(ren) described in Section D) or the spouse/child(ren) of a deceased Retiree who was on the City's active plan at the time of death;
 - b. For any Dependent whose coverage has been extended under COBRA, on the last day of the month that the Covered Person is eligible for

COBRA coverage;

- c. A Dependent ceases to meet the definition of an Eligible Dependent;
- d. The Employee or Retiree is relieved of a court-ordered obligation to furnish health care coverage for a Child, such as on account of a Qualified Medical Child Support Order (QMCSO) through the end of the month of the child's 26th birthday;
- e. The Employee or Retiree and the covered Dependent Spouse's divorce is finalized;
- f. Contributions for coverage were not paid by the former employee or Retiree; or
- g. The date the Spouse or dependent child enters the armed forces on full-time active duty.

2. Upon any of the following events:

- a. The day of the Dependent's death;
- b. The date that Dependent coverage is terminated;
- c. The date that this Plan is terminated.

D. TERMINATION FOR A SURVIVING SPOUSE OR SURVIVING DEPENDENT CHILD(REN) OR THE SPOUSE OR DEPENDENTS OF A DECEASED RETIREE. COVERAGE ENDS ON THE LAST DAY OF THE MONTH IN WHICH:

- 1. The Eligible Dependent Child(ren) no longer meet the definition of a Dependent Child as defined in this Plan;
 - a. The Surviving Spouse remarries;
 - b. The Surviving Spouse becomes eligible for Medicare;
 - c. Contributions for premiums for the coverage for the Surviving Spouse or Dependent Child(ren) cease;

- d. On the date of the death of the Surviving Spouse;
- e. On the date of death of the Surviving Dependent Child;
- f. On the date that coverage for a Surviving Spouse or Dependent Child is terminated, or;
- g. On the date that this Plan is terminated.

E. BENEFITS AFTER TERMINATION:

Regardless of the reason for termination of coverage, benefits will end on the last day of eligibility, unless COBRA is elected. This applies even if the expense was incurred because of an accident, injury or illness that occurred or existed while this coverage was in effect (except as described in the Plan Booklet under Disability Extension of Benefits or as may apply to certain dental services under a Dental Plan).

F. RETURN TO CITY EMPLOYMENT:

If an Employee terminates his employment with the City and is subsequently rehired, the employee will be subject to the initial waiting period before he or she is covered by the City's benefits plan. Eligibility for benefits is determined by the City.

V. RELATED ADMINISTRATIVE REGULATIONS, POLICIES, AND PERSONNEL RULES

- CM-49 Active Employee Benefits Plan Eligibility
- CM-50 Retiree Benefit Plan Eligibility and Procedures
- CM-56 City of Chandler Benefits Plans – Definitions and Required Notices
- CM-58 City of Chandler Family and Medical Leave
- CM-62 City of Chandler Military Leave
- City of Chandler Personnel Rule 15 – Leaves of Absence

Attachments: N/A

Raelyn Nielsen
Director of Human Resources

[Signature]
City Manager

1-1-25
Effective Date