

Town of Maynard

Policies regarding eligibility for health insurance benefits

Adopted by the Town Administrator, January 1, 2018

The following rules and regulations are adopted by the Town of Maynard pursuant to M.G.L. Chapter 32B, Section 14 and any other applicable provision of the laws of the Commonwealth of Massachusetts or the United States. The Maynard Board of Selectmen, as the appropriate public authority, is the source of final appeal within this municipal jurisdiction for the rules contained herein and on behalf of the Town of Maynard and its employees. In the event of a conflict between these rules and regulations and any applicable State or Federal law, the provisions of such law shall control. In the event of a conflict between these rules and regulations and any collective bargaining agreement, the provisions of the collective bargaining agreement shall control.

1. Qualification for Health Insurance:

- A. Employees must be compensated by the Town of Maynard;
- B. Employees must be regularly employed by the town, and generally must work not less than twenty (20) hours per week or 1,040 or more hours in a fifty-two (52) week year;

Although school employees have a variable work year, they are subject to the 1,040 or more hours provision, whether spread over fifty-two (52) weeks, or some lesser variant, for example, a nine (9) month school year;

Teachers and all other public school employees shall be deemed to be employees during the months of July and August; provided, however, that employee contributions for health insurance for those two months are deducted from compensation paid for services rendered during the previous school year;

- C. Elected officials are eligible for group insurance, if they are compensated, regardless of hours worked;
- D. In the case of layoffs or reduction in personnel due to lack of work or budgetary cutbacks, any employee rehired within one year of the date of separation shall be considered as having uninterrupted service for the purposes of establishing benefit costs upon rehire. An individual rehired following an absence longer than one year will be treated as a newly hired employee subject to all the contributory responsibilities existing for the current period of employment;
- E. Temporary employees and intermittent police officers, generally, do not qualify for plan participation;

2. Grant employees or employees of regional collaborations paid by third party sources:

- A. Grant employees and employees whose compensation is funded through payments by third parties may be eligible for benefits. Any grant or fee billing system, under which insurance benefits are an eligible cost, must include sufficient funds to reimburse the town for its share (employer portion) of insurance premiums on behalf of participating employees, and the town must be reimbursed in full for its payment of these premiums, unless the Town otherwise expressly agrees to self-fund benefits for said employees in accepting said grant;

- B. Supporting grant or contractual documentation must be placed on file at the office of the Town Accountant;
- C. Grant employees must meet the eligibility requirements stipulated above in section 1 (one) in order to participate in the town's benefit plans.

3. COBRA qualifying subscribers:

- A. COBRA, the Consolidated Omnibus Budget Reconciliation Act of 1985, provides temporary continuation of health insurance coverage for former employees. Governed by Title X of federal law, as amended, COBRA defines and governs continuation coverage requirements (including qualifying events that trigger continuation coverage, notice requirements, premium payments, and eligibility) of covered employees and other beneficiaries;

4. Retirees health insurance:

- A. Retirees from the town, namely retired Maynard town or school employees participating in the Maynard Retirement System or the Massachusetts Teachers Retirement System, are generally eligible to participate in the town's health insurance program.
- B. Upon separation from town employment, an employee, who is otherwise eligible for and has petitioned for retirement under Chapter 32, may elect to participate in a town sponsored health plan program subject to the terms and underwriting conditions of the town's current insurance providers. An employee must elect coverage within 30 days of the date of separation. The eligible employee, who fails to elect coverage within the prescribed period and fails to comply with the conditions set by the town's current insurance providers, will be deemed to have waived eligibility.
- C. A retiree may not add dependents to a plan if they were not dependents of the employee at the time of retirement.
- D. A town retiree or spouse who has a dependent who is not enrolled or eligible to be enrolled in Medicare Part A at no cost shall not be required to transfer to a Medicare extension plan if a transfer requires the retiree or spouse to continue the existing family coverage for the dependent in a plan other than a Medicare extension plan offered by the Town.
- E. Employees who separate from service with the Town prior to retirement eligibility may, upon accepting a pension from the Maynard Retirement System, enroll in a Town of Maynard health insurance plan then in effect. A retiree exercising this option must do so concurrently with acceptance of the first pension payment or he or she cannot subsequently re-establish town benefits.

Retirees who have moved their retirement earnings into a different retirement system are not eligible for health insurance from the Town of Maynard.

- F. A retiree, receiving health insurance benefits from the Town, who un-enrolls from the Town provided coverage, for any reason, subsequently loses eligibility to return to the Town for health insurance coverage.

5. Medicare eligible retirees:

- A. A retiree, spouse, or dependent insured or eligible to be insured under M.G.L. c. 32B, if enrolled in Medicare Part A at no cost to the retiree, spouse, or dependent or eligible for coverage under Medicare Part A at no cost to the retiree, spouse, or dependent, will be required to transfer to a Medicare health benefits supplement plan (Medicare extension plan) offered by the town.
- B. The town shall pay any Medicare Part B penalty (only) assessed by the federal government on retirees, their spouses and dependents as a result of enrollment in Medicare Part B at the time of transfer into the Medicare health benefits supplement plan;
- C. The town may, from time to time, request from any retiree, a retiree's spouse or dependents, proof certified by the federal government, of their eligibility or ineligibility for Medicare Part A and Part B coverage;
- D. If retirees do not submit the information required, they shall no longer be eligible for their existing health coverage.

6. Spousal health insurance upon death of an employee:

- A. Upon the death of an active employee or retiree, the surviving spouse may continue the group coverage, including dependent coverage, until remarriage or death of said surviving spouse, in accordance with M.G.L. Chapter 32B § 9B. The surviving spouse must pay 100% of the premium to continue with coverage, said premiums are to be paid to the Town through automatic pension reduction or paid in advance to the Town of Maynard. through its health benefits administration process. Continuation of health coverage in the case of divorce or separation.
- B. Coverage of spouses and dependents following divorce or marital separation is regulated by the provisions set forth in Section 9H of Chapter 32B and the court ordered details of the divorce or separation. In the case of a re-marriage, a former spouse may still receive coverage but a separate plan is required. 100% of the cost of a second plan is to be paid by the employee.
- C. An employee may not elect different insurers for both the employee and his or her spouse when only one of the married individuals is a town employee. Should both spouses be employees, they will be subject to duplicate coverage regulations of the insurance providers, as well as state and federal statutes. In the event statutory restrictions compel different coverage, the town will comply with the appropriate statute and regulations.

7. Health care premium cost sharing:

- A. Chapter 32B of the Massachusetts General laws governs the town's contribution to the premium cost for indemnity-type health insurance plans.
 - 1. The town has accepted MGL Chapter 32B, Section 7A, requiring the Town to provide at least 50% of the premium cost. The Board of Selectmen determines the actual contribution percentage of premium apportionment, subject to certain bargaining requirements.

2. The town's current premium contribution is set forth in Appendix A attached hereto.
 3. For COBRA qualified plans, the employee or dependent pays the entire premium plus a 2% administrative surcharge.
- B. The Massachusetts Health Connector (Connector) mandates that employers offer access to health insurance for individuals not otherwise insured. Although the Connector offers an array of plans for uninsured individuals and families, the town does not pay such insurance; in accordance with the 2006 Health Care Reform Law however, the town does provide a Section 125 Plan. This plan allows pre-tax withholdings, which may be used for Connector premiums, for employees who regularly work at least 64 hours per month for the town, but who are otherwise benefit ineligible as part-time employees.

8. Supplemental insurance plan cost sharing:

- A. Flexible Spending Account (FSA) is offered to benefit eligible employees of the town. It is a pre-tax mechanism that allows employees to set aside a pre-determined amount of money each year to pay for allowable medical expenses not otherwise covered by the employee health insurance plans. This voluntary election plan is payroll deducted. Contributions are limited to IRS allowable amounts.

9. Waiver of coverage:

- A. Once an employee waives his or her right to the town's group insurance plans, the employee will not be readmitted to the program until an open enrollment period, except upon a qualifying event, and will be subject to the underwriting requirements of the insurance provider.
- B. A new employee, who fails to enroll in any of the town's health and/or life insurance, or other general benefit plan options within 30 days of hire, is deemed to have waived such right of participation until the next open enrollment period or upon a qualifying event. Any employee choosing not to enroll will be asked to acknowledge same by signing a waiver form.

10. Notice of termination of employment:

Department Head's shall notify the treasurer's office at least 15 days prior to the termination of any employee or as soon as practicable. The Health Benefits Administrator will determine health benefit or COBRA eligibility, as well as portability for other benefit plans, prepare and provide appropriate notices in accordance with law.

11. Changes in benefit guidelines:

These policies may be waived, suspended, or rescinded by the Town Administrator provided, however, that the proposed waiver, suspension, or amendment, is allowable.

12. Public Authority:

These guidelines are promulgated as rules, pursuant to the authority vested in the Town Administrator by Section 14 of Chapter 32B of the Massachusetts General Law.

Appendix
Town of Maynard

Health Insurance Premium Contributions

In accordance with MGL Chapter 32B, the Town has accepted Chapter 32B, Section 7A and 9A which are local options enabling the town to pay more than 50% of the premium for employees and retirees. The Town of Maynard currently contributes 75% of the premium cost for all active employee and retiree plans.

- Divorce or court ordered continuation plans - Employee or dependent pays in accordance with Chapter 32B, Section 9H and in accordance with the court order.
- A surviving spouse pays 100% of the premium.
- COBRA Qualified Plans – Former employee or Dependent Pays 100% + 2% Administrative Fee.
- Supplemental Plans (Dental/Eye Care, etc.) employee pays 100%.