

City of Northampton, Massachusetts
Human Resources Department

Effective Date: 11/22/2005
Revision Date: 12/8/2006

ELIGIBILITY FOR GROUP HEALTH BENEFITS

POLICY

The City of Northampton, in accordance with Section 14 of Chapter 32B of the General Laws of the Commonwealth of Massachusetts, does hereby adopt and establish the following rules and regulations governing certain eligibility and administrative guidelines for the City's contributory group health benefit offerings. The Mayor reserves the right to alter, modify, amend and/or eliminate any and all benefits, benefit levels and plans offered by the City pursuant to Chapter 32B of the General Laws, and also specifically reserves the right to add to, modify, and/or delete any and all provisions of these rules and regulations at any time.

Section 1. Full-time Employee Eligibility

Permanent full-time employees who are regularly scheduled to work, and who do in fact regularly work, 35 or more hours per week shall be considered eligible to participate in the City's contributory group health insurance.

Section 2. Part-time Employee Eligibility

Permanent part-time employees who are regularly scheduled to work, and who do in fact regularly work, 20 or more hours per week shall be considered eligible to participate in the City's contributory group health insurance program for so long as they continue to regularly work a minimum of 20 hours per week. For the purpose of this regulation, "regularly" working a minimum of 20 hours per week shall mean working 20 hours per week in a minimum of seven out of every eight-week period.

Part-time teachers classified as .5 FTE or greater shall be determined eligible to participate in regular employee benefits.

School year employees that work an average of 20 hours per week during the school year shall be determined eligible to participate in regular employee benefits.

Section 3. Temporary and Seasonal Employee Eligibility

Temporary employees working 20 hours per week or more, whose service to the City is budgeted to last six (6) months or longer, shall be eligible for benefits. Seasonal employees whose service to the City is budgeted to last less than six (6) months, regardless of the number of hours worked per week, shall be ineligible for benefits.

Section 4. Elected Official Eligibility

Certain elected officials are considered eligible to participate in the City's contributory group benefit program regardless of the number of hours worked. City of Northampton elected officials who are eligible for this benefit are: Mayor, City Councilors, School Committee Members, Members of the Smith Vocational and Agricultural Board of Trustees, City Treasurer (until 12/31/07) and City Clerk. Their eligibility to participate shall be the same as a full time employee or eligible retiree.

Section 5. Divorced or Separated Spouses

In the event that a court of competent jurisdiction grants a judgment absolute of divorce or of separate support, the divorced employee, if otherwise enrolled in and eligible to receive G.L. c. 32B benefits from the City, and his or her spouse may remain eligible for benefits under the City's contributory group health benefit program, in accordance with Section 9H of M.G.L. c. 32B, provided that each of the following conditions are met:

- (a) In the event that the employee/subscriber is not remarried:
 - 1. The City must be provided with a court certified version of the judgment of divorce or of separate support, which mandates that the ex-spouse of the City employee/retiree remain on a City contributory group health benefit plan.
 - 2. The employee must maintain a family plan covering him/herself and his or her divorced or separate spouse (and any qualified dependents, if applicable).
 - 3. The former spouse of the employee shall, notwithstanding any contrary provision of these Rules and Regulations, lose any eligibility rights upon their re-marriage.
- (b) In the event that the employee/subscriber remarries, the ex-spouse will no longer be eligible to participate in the Group Health plan and will be offered continuation of coverage under COBRA.

Section 6. Unpaid Leaves of Absence

- (a) Employees on designated family medical leave in accordance with the Family Medical Leave Act of 1993 shall be entitled to continue to receive the City's contribution to a City offered group benefit plan during the term of the FMLA leave.
- (b) Employees who are on unpaid medical leave, which is not designated as family and medical leave (or when the FMLA entitlement has been fulfilled), must pay the full premium cost of their medical insurance
- (c) Employees on approved, unpaid leave, which has not been designated as FMLA, or medical leave, shall be eligible for insurance for the balance of the pay period in which they have any earnings. Effective the first day of the pay period in which the

employee is in a "no pay" status, the employee must pay 102% of the premium for that calendar month and any subsequent months of leave. Employees who fail to pay the full amount on the date established by the Human Resources Department may, in the City's sole discretion, be declared ineligible to receive any further benefits and their insurance cancelled retrospectively to the last paid period.

- (d) Employees shall be eligible to continue their group insurance while on an approved leave of absence for no longer than one year, after which time they shall cease to be considered eligible employees for group health insurance purposes.

Section 7. Termination of Coverage

Employee premium deductions are made one month in advance of coverage. Employee coverage will cease on the last day of active employment for all City employees, unless the employee is eligible to continue coverage through the terminal payout period as outlined in the *Resignation policy dated 12/8/06*. Termination of coverage for school employees is as follows (regardless of when deductions have been collected):

For teachers who work the full school year, and resign or are laid off during the summer months, coverage will end on August 31 of that year.

For ESP's and other school year only employees:

- who return Reasonable Assurance accepting the assignment, their coverage will continue through the summer months. If they end up resigning over the summer months their coverage would end as of the date of the resignation notice, or the date the school was notified, whichever is earlier.

- who return Reasonable Assurance and do not accept the assignment, their coverage ends on June 30, providing they work through the last day of school. If they stop working before the last day of school their coverage ends on their last day of work.

- who do not return Reasonable Assurance, their coverage ends on June 30, providing they work through the last day of school. If they stop working before the last day of school their coverage ends on their last day of work.

For full year school employees: coverage ends on the last day of active employment.

Any premium deductions taken in excess of the period of coverage will be refunded to the employee.

Section 8. Retiree Eligibility

Upon retirement, eligible individuals may participate in the City's contributory group health benefit plan, to the extent allowed by the various insurance providers, and in accordance with all relevant provisions of Section 18 of M.G.L. of c. 32B, provided that they otherwise qualify under M.G.L. c. 32B, and further provided that each of the following criteria applies:

- (a) The individual must have **directly retired from active service** with the City of

Northampton or Northampton Public Schools, and be receiving a retirement allowance in accordance with M.G.L. c. 32 (except as specifically provided in M.G.L. c. 32B, §9).

- (b) The individual must have been qualified and eligible to participate in the City's contributory group health insurance program as an active employee of the City of Northampton or Northampton Public Schools, including though not limited to being eligible for benefits immediately preceding the date of retirement.
- (c) If an individual is eligible to participate in the City's contributory group health insurance program but has declined to do so prior to retirement, then an otherwise eligible retiree may enroll during an open enrollment period in a health benefit plan offered to retirees if the retiree both submits all necessary documentation to the City at the time of open enrollment and if the retiree is able to furnish evidence of insurability (documentation of previous coverage, reason of change and date of change) at the time of enrollment. An eligible retiree may also enroll in the City's plan within thirty (30) days of a Qualifying Event (change in spouse's employment or marital status-divorce). All participation in the City's contributory group health insurance must be continuous. If a retiree cancels their enrollment or becomes ineligible for continued enrollment, they lose all eligibility to participate in the future--they cannot re-enroll at a future date regardless of qualifying event or life changes. The only exception is when a retiree receives a "Waiver of pension or retirement allowance" under M.G.L. Chapter 32, Section 90B. If the Retirement Board grants the waiver, eligibility for participation in group health insurance ends the last day of the retirement period and begins when the waiver is withdrawn.
- (d) In accordance with M. G. L. Chapter 32B, Section 18, individuals, their spouses and dependents shall enroll in a Medicare health benefits as soon as they are eligible. Failure to fully enroll in Medicare may jeopardize future participation the City's contributory group health insurance plan.
- (e) If a retiree becomes divorced, the ex-spouse is no longer eligible to be covered under the City's group health plan. If a single retiree or a divorced retiree marries, the spouse is not eligible for coverage under the City's contributory group health insurance program
- (f) A retiree of the City of Northampton and Northampton Public Schools MUST notify the City within thirty (30) days of any marital status change.

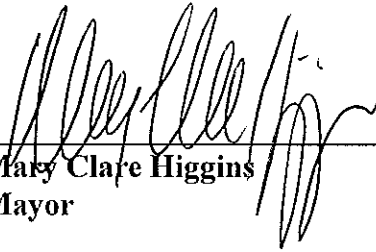
Section 9. Surviving Spouse Eligibility

If an eligible employee dies while an active employee, and the employee meets the requirements for the surviving spouse to receive benefits under the Northampton Retirement Board or Massachusetts Teachers' Retirement Board rules, that surviving spouse and eligible dependents may continue group health insurance enrollment subject to Chapter 32B, Section 9 1/2 D (accepted by the City 3/20/80). The City's contribution rate would be the same as active

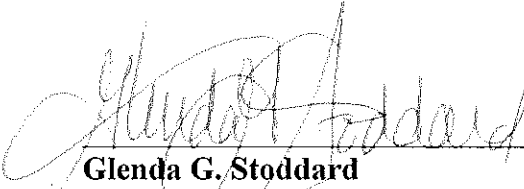
employees and retirees. Participation could continue as long as the dependents meet all plan eligibility rules and unless/until the surviving spouse remarries. Once the surviving spouse remarries, eligibility for participation ends as of the date of the marriage.

The surviving spouse of a retiree is eligible to continue coverage at the same contribution rate as other retiree's in the same health plan. Retiree surviving spouse eligibility ends when the surviving spouse remarries.

Approved:



Mary Clare Higgins
Mayor



Glenda G. Stoddard
Human Resources Director