

HUMAN RESOURCES POLICY
Fauquier County, Virginia

Policy Title: Retirement Health Insurance Credit
Section No.: 57

Effective Date: 10/12/2017
Supersedes Policy:

PURPOSE

To provide post-retirement health insurance credit to qualifying employees.

SCOPE

This policy applies to all Fauquier County full-time permanent employees eligible for Virginia Retirement System and who have reached the minimum age of 50 years with 20 years of consecutive service with Fauquier County. Employees must be retiring under the Virginia Retirement System with unreduced benefits in order to be eligible to participate.

This program was designed to:

- a. Create a more attractive benefit package to attract an increased number of and better qualified applicants for positions in the County structure, especially in the public safety arena.
- b. Retain current employees thereby retaining institutional knowledge and avoiding training costs which are incurred if a current employee leaves and a new employee is hired.
- c. Reward those individuals who have given substantial time in the service of the County and its citizens.

DEFINITIONS

- I. Eligible member
 - a. A full-time permanent employee of Fauquier County who is participating in the Virginia Retirement Program and the County Health Insurance Program for the five years immediately prior to retirement date.
 - b. Must have 20 years of consecutive service with Fauquier County.
 - c. If currently employed as of October 12, 2017, employee may have 20 years of cumulative service with Fauquier County.
- II. Virginia Retirement System Eligibility
 - a. An active member working in a covered position as a full-time permanent, salaried employee.

PROCEDURES

A. Responsibilities

1.1.1.1. Employees responsibilities are as follows

- a. Had 20 years of service with the County. As proposed, the program requires 20 years of consecutive service but “grandfathers” current employees (those hired prior to October 12, 2017) who had a break in service prior to the date of adoption of this program but who otherwise meet all other requirements of this program.
- b. Retired under the VRS system with an unreduced benefit.
- c. Not retired on VRS Medical Disability.
- d. Participated in the County’s Health Care Program for the 5 years immediately prior to retirement.
- e. Achieved 50 years in age.
- f. Retired after the effective date of the Program. The effective date of program is January 1, 2018.
- g. Opted to participate at the time of retirement. If the benefit is either rejected at retirement or at any later date, it is forfeited and it cannot be reinstated.
- h. Any State post-employment health insurance benefit given to a Constitutional Officer or employee will be subtracted from the County’s post-employment benefit provided under this program.
- i. All benefits provided are for the employee only; election of dependents is at the full cost to the retiree. In addition, if dependent coverage is either rejected at retirement or at any later date, it is forfeited and it cannot be reinstated.
- j. Benefit would allow a portable health credit of \$16.67 per month/per year of service with Fauquier County up to 30 years (\$500 per month subsidy maximum) provided the person has 20 years of consecutive service with the County and an unreduced VRS pension.
- k. Post-65 portable health credit of \$5.50 per month/per year of service with Fauquier County up to 30 years (\$165 per month subsidy maximum) provided the person has 20 years of consecutive service with the County and an unreduced VRS pension.

B. How to access the program

1.1.1.2. Individuals must submit full unreduced VRS retirement application. Upon retirement, the employee may stay on the Fauquier County health insurance plan, or move to another health insurance plan. It will not impact this benefit. However, the employee will be required to provide to the Fauquier County Human Resources Department proof of coverage and documentation verifying the cost of insurance coverage.

- a. If the retiree stays on the Fauquier County Health Insurance plan, they will pay the monthly difference between the retiree health insurance premium rate and the supplement.
- b. If the retiree chooses a plan other than the Fauquier County plan, they must submit the required proof of payment each month. They will also need to provide

proof of covered members on their plan annually. In the event of the employee's death, this benefit will continue for the life of the remaining spouse and covered dependents on the plan at that time. Therefore, proof of dependent coverage will be needed to ensure continuation of the benefit.

- c. The retiree may elect any combination of spouse/dependents as allowed by their health care insurance plan criteria on or after their retirement date. It will not impact this benefit.
- d. If the retired employee's spouse is an active employee of Fauquier County, the retiree may select to join the active employee's plan. The employee will select the appropriate coverage relevant for their situation and then receive a credit for the difference that was incurred for adding the retiree. The costs of these selections is based on the active employee rate.
- e. Retirees will not receive a subsidy amount greater than their health insurance premium.
- f. Retirees will be responsible for paying the remaining balance each and every month. The employee premium, if applicable, will be due on the first day of each month. The employee has 10 days to make a payment.
- g. Retirees who are on a health insurance plan other than Fauquier County's will submit receipt their payment monthly for the subsidy reimbursement. Receipts are due by the 10th of each month to be processed the following month.
- h. Retirees can pay premiums in advance such as on a quarterly or annual basis.
- i. If payment or receipts are not received by the 10th of the month, the retiree health insurance benefit will be terminated. Exceptions will be made for those incapacitated. Once retiree health care and/or the credit coverage is terminated, reinstatement will NOT be allowed.
- j. Payments will be made by check or money order to Treasurer, Fauquier County and submitted to the Human Resources office at 320 Hospital Drive, Suite 34, Warrenton, VA 20186.

C. Human Resources

1.1.1.3 The Human Resources department will track all retirees with the health insurance subsidy and will record payments as well as keep the medical and dental vendor system up-to-date with current enrollment information.

- a. The Human Resources department will provide payment coupons for the amount owed each month for those who remain on Fauquier County's health insurance plan. If a payment is missed and the subsidy is revoked, updated coupons will be sent to the retiree.

D. Credit / Payment

1.1.1.4 Retirees who remain on the Fauquier County health plan will pay the difference between the health insurance rate and the subsidy. Retirees on another health insurance plan will show proof of coverage and payment and will receive reimbursement through the payroll process.

- c. Proof of payment is due by the 10th of each month. The subsidy amount will be processed on the first payroll run of the following month i.e. The payment proof for January is received by January 10th, the payment will be processed on the first February payroll run.
- d. Payments will be processed through payroll and direct deposited to the bank account on file.