# EXTENSION OF GROUP HEALTH BENEFITS

Adopted date: 1985
Revised date: 05/19; 05/22
Approved by Board of Trustees: 05/09/2022
Implementation Date: 07/01/19
Type of Policy: HR Policy/Benefits

## BACKGROUND AND PURPOSE

The College provides the opportunity for continued coverage under College group health plans to two groups of former employees: (1) retirees; and (2) those covered under COBRA.

## POLICY

### I. Retirees Health Insurance Coverage Plan

Full-time budgeted and temporary with benefits employees who retire (Policy 03.05.006) and meet the qualifications below have the option of continuing their individual or family coverage in the College's group health plan until the age of 65, if they are enrolled in the College's group health plan at the time of retirement. A subsidy on the cost-sharing for the employer's share of premium cost is applied if the retiree has at least ten years (10) of continuous full-time service to the College and is a retiree of the College.

*Eligibility*

The retiree must be at least 55 years of age, but not yet 65;
Must have been employed full-time at the College for a minimum of ten (10) consecutive years,
Must be employed Full-time at the time of retirement; and
Must be currently enrolled in the group health plan at the time of retirement.

*Subsidy*

The College will provide a subsidy towards the total cost of premiums based upon the continuous, full-time years of service to the College. The percentage below indicates the amount of cost-sharing the College will pay after employee paid/employer paid health premiums are determined each fiscal year.

| Years of Full-time Continuous Service | College Subsidy for Retiree Coverage |
|---|---|
| 30+ years | 100% of Employer Contribution – Individual Coverage |
| 25 – 29 years | 90% of Employer Contribution – Individual coverage |
| 20 – 24 years | 75% of Employer Contribution – Individual Coverage |
| 15 – 19 years | 60% of Employer Contribution – Individual Coverage |
| 10 – 14 Years | 50% of Employer Contribution – Individual Coverage |

***The subsidy will be reviewed annually and is subject to change each fiscal year. Please refer to current health premiums at https://empallegany.sharepoint.com/sites/port/humanresources or by contacting HR.***

Enrolled retirees' coverage will terminate the last day of the of the month prior to turning 65. Spouse coverage will terminate when the retiree dies, the last day of the month of the retirees' 65th birthday, or the last day of the month prior to the spouse turning age 65. Dependent children coverage will terminate if the retiree dies or the month prior to retiree reaching age 65, or when the dependent child reaches the age of 26.

The College reserves the right to alter the plan at any time with a minimum of 30 days' notice of any significant changes in benefits.

The College reserves the right to terminate the plan if the College faces serious financial limitations.

## II. COBRA

In compliance with the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 and amendments and all applicable state laws, the College offers current group health benefits in certain situations to exiting employees or family members. Those situations are listed below.

*Qualifying situations for employees include*:

- Termination, other than by reason of the employee's gross misconduct, of a covered employee's employment;
- Reduction of hours of a covered employee's employment; or
- Employee and family on military leave up to twenty-four months.

*Qualifying situations for spouses include:*

- Termination, other than by reason of the employee's gross misconduct, of a covered employee's employment;
- Reduction of hours of a covered employee's employment;
- Covered employee's becoming entitled to Medicare benefits under Title XVIII of the Social Security Act;
- Divorce or legal separation of a covered employee from the employee's spouse; or
- Death of a covered employee.

*Qualifying situations for dependent children:*

- Reduction of hours of a covered employee's employment;
- Dependent child's ceasing to be a dependent child of a covered employee under the generally applicable requirements of the plan;
- Covered employee's becoming entitled to Medicare benefits under Title XVIII of the Social Security Act;
- Divorce or legal separation of a covered employee from the employee's spouse;
- Death of a covered employee; or

- Employee and family on military leave up to twenty-four months.

Under COBRA, as soon as employees become eligible for group health benefits, they and certain dependents may be entitled to continued coverage for 18-36 months depending on the qualifying event. Employees are required to inform the Office of Human Resources of such events. The College will then notify all individuals who qualify for continued coverage of their eligibility. Former employees and their family members requesting continued coverage will be charged 100 percent of the cost of such benefits, plus a 2 percent administrative charge. COBRA participants may change plans during open enrollment each year.

## III. Administration of this Policy

The Human Resources Office is responsible for the administration of College's Extension of Group Health Benefits. If you have any questions regarding this policy, please contact the Human Resources Office.

## IV. Changes

Substantive changes to this policy require approval by the Board of Trustees; editorial changes, title/position changes, and/or changes to its implementation procedures may be made as required by federal or state mandate and/or institutional need with timely notice to students and employees.