



## ADMINISTRATIVE PROCEDURE

**SUBJECT: RETIREE PAYMENT OF HEALTH PLAN PREMIUMS      No.: HR 8.0 AP 3**

**APPROVED:**  \_\_\_\_\_  
**George K. Noe, City Manager**

**EFFECTIVE: 08/01/07**  
**DATE: 7/16/07**

### **I. PURPOSE**

This procedure defines the process by which retirees pay for health plan premiums.

### **II. SCOPE**

This procedure applies to all retired employees who have elected health care (medical) coverage.

Notwithstanding anything in this procedure to the contrary, the terms of the applicable benefit plan document shall control.

### **III. PROCEDURE**

Any employee retiring from City service, on or after August 1, 2007, who elects to continue health care (medical) coverage, as a retiree, will be required to establish automatic deduction from their personal bank account for such health care premiums.

Retirees prior to August 1, 2007 who have been in the City's billing process for health care premiums may continue to make payments through the billing process; however the City encourages the use of automatic deduction from the retiree's personal bank account as a means to make premium payments. Once a retiree moves to the automatic deduction of premiums, the retiree will no longer be eligible for the billing process.

The Financial Services Department, Accounts Receivable Division, will administer the collection process, and will notify the benefits staff if payment goes delinquent 90 days.

The benefits staff will notify the carrier and/or the third party administrator of terminated coverage due to non-payment of premiums upon being 90 days delinquent, and will provide notification to the retiree of termination of coverage. The effective date of termination of health insurance coverage will be the last day for which the retiree made any required premium contribution for the plan.

### **V. QUESTIONS REGARDING THIS PROCEDURE**

Questions regarding this Procedure shall be directed to the Director of Human Resources, or designee, who may be contacted at 361-826-3315.