

Utah County Human Resource Management Policy 5-300:

Group Insurance Plans

Purpose

The purpose of this policy is to describe group insurance plans provided by Utah County to its employees.

I. Policy

It is the Policy of Utah County to provide certain group insurance to specified classifications of employees as part of their employment benefits and in accordance with the procedures set forth herein.

II. Procedures

A. Insurance

1. Group Health.

- a. All Career service, appointed, and elected employees are eligible for participation in the County's Group Health and Dental Insurance Plans. Benefit features, providers, and contribution levels paid by County and the employee will be determined annually by the Director and the County Commission.
- b. Effective January 1, 2021, Insurance coverage begins on the first day of the month following date of hire if enrollment has been made as indicated below.
- c. In order to be covered by the plan, an employee must enroll within 30 days of hire date. New employees who fail to enroll before this date shall not be covered until the following January 1, or other annual open enrollment date established by the County. Changes to an employee's elections, or new enrollments, may also be made within thirty (30) days of the date of a qualifying life event as defined by law.
- d. A health saving account (HSA) is available to those employees who enroll in the high deductible plan. The County may match HSA contributions based upon dollar amounts and/or participation in wellness programs. See the current benefits guide for more information.
- e. Employees are solely responsible to ensure that their HSA contributions do not exceed the maximum allowed by law, and to deal with any tax consequences of excess contributions. Employees are encouraged to consult with their tax advisor regarding any questions.

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- f. Employees on leave of absence without pay in excess of one pay period shall be required to pay the total premium for the period of such leave, unless leave is qualified under the Family Medical Leave Act or Workers Compensation.
 - g. An employee's coverage ends on the last day of the month following the date of termination of employment. Group Health and Dental Insurance coverage benefits, and other eligible benefits, may be continued beyond termination of employment at the employee's option, in accordance with COBRA rights under federal law. The cost of coverage for health and dental insurance continuation coverage must be paid by the insured.
- 2. Life Insurance.
 - a. All elected, appointed and Career Service employees shall be eligible for participation in the County's group life insurance plan.
 - b. The County provides basic life insurance coverage for each eligible employee. The Utah Retirement System also provides a death benefit for eligible employees. Additional coverage for the employee and/or dependents may be available for purchase by the employee through payroll deduction. See the annual benefits guide for more information.
 - c. Life Insurance coverage shall terminate on the last day of the month following the date of termination of employment with the County. In most cases, an employee's official termination date is the last day actually worked.
 - d. Employees on leave of absence without pay in excess of one pay period shall be required to pay the entire premium for supplemental coverage purchased through payroll deduction for the period of such unpaid leave.
- 3. Long-Term Disability (LTD)
 - a. This plan provides a percentage of monthly pre-disability income integrated with other sources of income such as Social Security, Workers' Compensation, wages, retirement, etc.
 - b. Employee must be disabled for 90 days before becoming eligible for benefits.
- 4. Survivor Income
 - a. Based on employee's monthly income at the time of death, plus future cost of living increases approved for all County employees (excluding market study increases) while the employee's survivors remain eligible, the County will pay the employee's survivors

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the following monthly benefit, provided the survivors comply with the County's annual documentation of eligibility requirements:

- i. 40% paid to the spouse if both a spouse and child(ren) under age 21 survive (to spouse's age 65).
- ii. 30% paid to the surviving spouse if only a spouse survives (to spouse's age 65).
- iii. 20% paid to surviving child(ren) under age 21 if there is no surviving spouse. If more than one eligible child survives, the 20% benefit shall be divided equally among the children.

5. Health Insurance Coverage for Early Retirement.

- a. Any County employee in good employment standing (not subject to a disciplinary proceeding or investigation resulting, or which could result, in a recommendation for termination) voluntarily retiring before reaching age 65 with either 20 years of service for Utah County public safety employees or 30 years of service for all other Utah County employees, considering only Utah County government years of service not including purchased years of service, shall upon request, receive insurance coverage based upon their years of service as of January 2, 2004:
 - i. Employees who had completed 100 percent of the required years of service as of January 2, 2004, (i.e., 20 years of service with Utah County for Utah County public safety employees and 30 years of service with Utah County for all other Utah County employees), and who voluntarily retire before reaching age 65, may elect to remain in the group health insurance plan available to current employees until the retiree reaches age 65. The premium paid on behalf of the retired employee by the County is the amount equal to the contribution made by the County for actively employed individuals. The employee can retire at any time after January 2, 2004, and still receive this benefit.
 - ii. Employees who had completed at least 80 but less than 100 percent of the required years of service as of January 2, 2004 (i.e., at least 16 but less than 20 years of service with Utah County for Utah County public safety employees, and at least 24 but less than 30 years of service with Utah County for all other Utah County employees), and who voluntarily retire before age 65 (in good standing having the required 20 or 30 years of service with Utah County described above), may elect to remain in the group health insurance plan available to current employees until the retiree reaches age 65. The premium paid on behalf of the retired employee by the County is calculated each year. See benefits guide for more information.

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- iii. Employees who had completed at least 50 but less than 80 percent of the required years of service as of January 2, 2004 (i.e., at least 10 but less than 16 years of service with Utah County for Utah County public safety employees and at least 15 but less than 24 years of service with Utah County for all other Utah County employees), and who voluntarily retire before reaching age 65 (in good standing having the required 20 or 30 years of service with Utah County described above), may elect to remain in the group health insurance plan available to current employees until the retiree reaches age 65. The maximum premium paid on behalf of the retired employee by the County is \$365 per month.
- iv. Employees who had completed less than 50 percent of the required years of service as of January 2, 2004 (i.e., less than 10 years of service with Utah County for Utah County public safety employees and less than 15 years of service with Utah County for all other Utah County employees), and who voluntarily retire before reaching age 65 (in good standing having the required 20 or 30 years of service with Utah County described above), shall be eligible to remain in the group health insurance plan available to current employees until the retiree reaches age 65. The maximum premium paid on behalf of the retired employee by the County is \$178.40 per month.
- b. Utah County employees hired or rehired on or after July 1, 2003, unless rehired in accordance with reduction in force procedures, are not eligible to receive County contributions toward health insurance upon retirement. However, if the employee meets requirements for Utah Retirement Systems retirement based upon Utah County years of service, such employees may remain on Utah County's group health insurance plan available to current employees until the retiree reaches age 65 by paying the entire premium for the insurance option selected.
- c. In order for any retiree to elect retiree coverage, he or she must have been covered by the County's plan at the time of retirement.
- d. When the retired employee reached age 65, the retiree and his or her dependents will no longer be eligible for coverage under the County's Health Insurance coverage for early retirement. Continuation of coverage under COBRA may be available.
- e. The retired employee shall pay his/her portion of the health insurance premium to Utah County by the first of each month for that month's coverage. Should the premium be in arrears more than sixty (60) calendar days, health insurance benefits shall be terminated and will not be reinstated.
- f. The retiree shall not be eligible to receive any County contributions towards health insurance premiums if the retiree participates in any other employment related group health insurance program to which a new employer contributes on his/her behalf. If continuously covered by another group health plan, the retiree may have a one-time

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option to re-enroll in the County's plan, providing he or she does so within 30 days of losing the other group coverage, and was eligible for a county contribution to retiree health insurance at the time of retirement.

- g. It is the right of Utah County to modify any provision or to discontinue, at any time, all or any part of the retiree health insurance program or any other benefit program.

B. Retirement

Utah County Career service and appointed employees may be eligible for participation in the Utah Retirement Systems plans, as well as a Defined Contribution 401(k) Retirement Plan, and a Voluntary Deferred Compensation 457 plan. Detailed information regarding these retirement plans may be requested through the Office of Human Resource Management.

1. Utah Retirement Systems.

Contribution rates will be established annually by the state legislature. Employees' eligibility for participation in specific Utah Retirement Systems plans will depend on their date of hire and whether they work in an approved Public Safety position or other Public Employment.

- a. **Public Employees Noncontributory.** All eligible career service employees hired before July 1, 2011 (except public safety, elected, and some appointed), will be enrolled in this plan. All required contributions are paid by the County. The plan will provide a monthly income at retirement based on average salary and length of service.
- b. **Public Employees Contributory.** Some employees hired prior to July 1, 1984, elected to remain with this plan. (Employees hired after this date are not eligible for this Plan.) All required contributions are paid by the County. The plan will provide a monthly income at retirement based on average salary and length of service. A refund of certain contributions may be available at termination of employment.
- c. **Public Safety Noncontributory.** All certified peace officers hired after November 27, 1989, and before July 1, 2011, serving in positions designated by the retirement system as public safety will be enrolled in this plan. All required contributions are paid by the County. The plan will provide a monthly income at retirement based on average salary and length of service.
- d. **Public Safety Contributory.** Some employees hired prior to November 27, 1989, who are certified peace officers serving in positions designated as public safety positions may have elected to remain with this plan. Contributions are paid by the County. The plan will provide a monthly income at retirement based on average salary and length of service. A refund of certain contributions may be available at termination of employment.

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- e. Tier 2 Plans. Career service, full time elected, and appointed employees hired on or after July 1, 2011, will be enrolled in either the Public Employee or Public Safety Utah Retirement Systems Tier 2 Hybrid Plan (unless they have already established eligibility for participation in one of the Tier 1 plans listed above). Tier 2 employees may elect to remain in the hybrid plan, or they may make a binding election within their first year of employment to participate in the Utah Retirement Systems Defined Contribution plan. Benefits at retirement will depend on which plan was chosen. The hybrid plan benefit will be based on length of service and average salary; the Defined Contribution Plan benefit will be a distribution of the accumulated account balance in accordance with plan provisions.
 - f. All Utah Retirement Systems plans have a four-year vesting requirement.
 - g. Exemption. Elected officials and appointed employees may elect to be exempted from the Utah Retirement System plans. In cases where exemption is elected, a contribution may be made by the County to a Supplemental Retirement Account (401(a)).
2. 401(k) Plan
- a. All eligible employees may participate in this County-sponsored plan up to the maximum contribution allowed by law. Contributions may be made through pre-tax payroll deductions, or after-tax Roth contributions (when available). New employees will be automatically enrolled at 6.2% upon eligibility unless they elect otherwise allowed. Following successful completion of the probationary period, the County will match employee contributions up to 6.2% of compensation. All contributions will be based on straight time earnings (not including overtime) each pay period. Employees may change or discontinue contribution levels at any time.
 - b. The 401(k)-account balance may be withdrawn by the employee at retirement or termination of employment, or after age 59 1/2 while still employed. Taxes will be withheld in accordance with federal and state law requirements. Early withdrawal penalties may apply. Other distribution options may also be available.
3. Voluntary Deferred Compensation (457).
- a. All eligible employees may participate in this plan up to the maximum contribution allowed by law. Contributions are made through pre-tax payroll deductions. The County does not contribute to this plan.
 - b. The balance of the account, less required withholding, may be distributed to the employee at retirement or termination of employment. There are no early withdrawal penalties applicable to this plan.

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- c. Leave payouts upon termination are eligible for 457 plan deferrals and will be applied at the percentage contribution amount set by the employee. The responsibility to stay under the annual contribution limit is entirely the employee responsibly.
 - d. Employees are solely responsible to ensure that their contributions do not exceed the maximum allowed by law, and to deal with any tax consequences of excess contributions. Employees are encouraged to consult with their tax advisor regarding any questions.
- 4. Public Safety Enhanced HRA Retirement Benefit.
 - a. A Health Reimbursement Arrangement (HRA) benefit plan is available to retirees who retire from the Tier I URS Public Safety Retirement System on or after December 1, 2010. Annual enrollment will be required, and the benefit will end at age 65.
 - b. Retirees may enroll in this Enhanced Retirement Benefit whether or not they are enrolled in the Utah County Retiree Medical Plans
 - c. Federal law prohibits the use of an HRA while an employee is actively contributing to a Health Savings Account (HSA). However, the employee may continue to have distributions from an existing HSA while also receiving benefits from this HRA.
 - d. The HRA benefit reimburses qualified health care expenses up to \$800 annually.