**SECTION:** **BENEFITS**

**POLICY:** Insurance – Employees and Retirees **EFFECTIVE DATE:** insert date adopted

**STATEMENT OF PURPOSE:**

The purpose of this policy is to provide employees and retirees with access to a comprehensive benefits package that includes insurance and voluntary coverage options. This policy establishes the framework for eligibility, enrollment, and continuation of benefits to ensure consistency, compliance, and clarity in benefits administration.

**APPLICATION:**

This policy applies to all regular full-time employees and eligible retirees of the City. Eligibility for coverage is subject to the terms of official plan documents, IRS regulations, and City policy.

**DEFINITIONS:**

1. Active Employee: A regular full-time employee actively working for the City.
2. Retiree: A former employee who is eligible for benefits through the Texas Municipal Retirement System (TMRS) or who becomes eligible through COBRA continuation coverage.
3. Qualifying Life Event (QLE): A significant event, such as marriage, birth, divorce, or loss of other coverage, which allows changes to benefits outside of the annual enrollment period, as defined by plan documents.
4. Dependent: A lawful spouse or eligible child as defined by the plan’s summary plan description.
5. Annual Enrollment: A designated period each plan year when employees and retirees can review and make allowable changes to benefit coverage.
6. COBRA: A federally mandated program that allows temporary continuation of health coverage after employment or benefit eligibility ends.

**PROCEDURES:**

1. Eligibility and Coverage for Active Employees
	1. Regular full-time employees are eligible for benefits beginning on the first day (or insert your eligibility) of the month following their start date.
	2. The City offers health, dental, life, and other optional insurance plans, including vision, disability, and accident coverage.
	3. Employee premiums are deducted pre-tax under IRS Section 125.
	4. Eligibility for benefits may be suspended during unpaid leave.
	5. Changes to coverage may only be made during annual enrollment or within 31 days of a qualifying life event.
2. Qualifying Life Events (QLE) (Employees)
	1. Employees may make off-cycle benefit changes if a QLE occurs, consistent with the type of event (gain or loss of eligibility).
	2. QLE-related changes must be made within 31 days of the event.
	3. Missed deadlines will result in no changes, regardless of event type.
3. Retiree Insurance Benefits
	1. Retirees must be enrolled in a City plan as of the day before retirement eligibility or have COBRA coverage on that date.
	2. Enrollment in retiree benefits must occur within 31 days of the retirement eligibility date.
	3. Once a plan (e.g., dental, medical) is dropped, retirees may not re-enroll in that plan later.
	4. Dependents may be covered if they meet eligibility and are properly enrolled as dependents at the time of retirement.
4. Qualifying Life Events (QLE) (Retirees)
	1. Retirees may only change coverage due to a QLE or during annual enrollment.
	2. QLE changes must be consistent with the event and completed within 31 days.
	3. No new dependents may be added after the retiree's death, even with a qualifying event.
5. Surviving Dependents and Medicare Transition
	1. Surviving spouses and dependents may continue coverage if:
		1. Enrolled at the time of the retiree’s death,
		2. Meeting eligibility requirements,
		3. Paying premiums on time.
	2. Discontinuation of coverage will result in loss of future eligibility.
	3. New dependents cannot be added after the retiree’s death.
6. Annual Enrollment (Retirees)
	1. Retirees may update current coverage or drop dependents during annual enrollment.
	2. No new coverage types or new dependents may be added during this open enrollment period.
	3. Failure to complete and return required forms will result in termination of coverage.
7. Premium Payments (Retirees)
	1. Retirees must pay premiums on time to maintain coverage.
	2. Payments are due by the last business day of each month.
	3. Late or returned payments will result in cancellation of coverage.
	4. Reinstatement appeals may be submitted to the City Manager or Administrator’s Office.