**SECTION: SAFETY AND HEALTH**

**POLICY:** Insurance for Employees **EFFECTIVE DATE:** insert date adopted

**STATEMENT OF PURPOSE:**

The City provides a comprehensive package of insurance benefits as part of its overall compensation and benefits program. This includes health, dental, and life insurance, as well as access to voluntary coverage options such as vision, disability, and accident insurance. The City maintains discretionary and final authority to interpret and administer its benefit plans in accordance with applicable laws and contracts.

**APPLICATION:**

This policy applies to all regular full-time employees of the City. Eligibility for specific benefits, the amount and timing of benefit payments, and employee contributions are governed by the provisions of the official plan documents and federal tax law.

**DEFINITIONS:**

* 1. Eligible Employee: A regular full-time employee of the City.
  2. Qualifying Life Event: An event that permits a change to insurance coverage outside of the annual enrollment period, such as marriage, birth, or gain or loss of other coverage.
  3. Plan Year: The 12-month period during which benefit elections remain in effect unless changed due to a qualifying life event.
  4. Pre-tax Dollars: Contributions made before federal income taxes are applied, in accordance with Section 125 of the IRS Code.

**PROCEDURES:**

1. Plan Eligibility and Effective Date
   1. Insurance coverage begins on the first day of the month following the first day of active employment for eligible employees.
   2. Eligibility for benefits may be suspended during periods of unpaid leave.
2. Employee Contributions
   1. Employee contributions for eligible benefit plans are made with pre-tax dollars under Section 125 of the IRS Code.
   2. Costs associated with coverage are subject to change annually based on claims experience and budgetary considerations.
3. Annual Enrollment
   1. Employees may elect or make changes to their benefit plans during the annual open enrollment period.
   2. Changes made during open enrollment remain in effect for the entire plan year unless a qualifying life event occurs.
4. Changes Due to Qualifying Life Events
   1. Employees may make mid-year changes to their benefit elections if they experience a qualifying life event as defined in the plan documents.
   2. Changes must be requested within 31 days of the qualifying life event.
   3. Any requested change must be consistent with the nature of the qualifying event (i.e., it must result in gaining or losing eligibility for coverage).
   4. New or previously uncovered dependents must also be enrolled within 31 days of the qualifying event, and all eligibility requirements must be satisfied.
   5. Failure to act within the required timeframe may result in denial of changes or coverage, regardless of the event type.
5. Coverage and Payment Requirements During Extended Leave
6. Employees’ benefits will continue while on extended leave of absence as long as payment is received.
7. Employees coordinating their leave with worker’s compensation, vacation or sick pay will continue to have benefit payments deducted while they continue to receive a paycheck from the City.
8. Once an employee exhausts their sick, vacation or other leave hours from the City, they are required to make payment for their benefits by the 1st of each month.
9. Failure to make payment for continuation of benefits by the 10th of the month will require the City to discontinue coverage, and a COBRA eligibility letter will be generated from the benefits carrier.