



Policy and Procedures for Madison County Commission Cost-Sharing Retiree Benefits

GENERAL PURPOSE OF THE POLICY

The Madison County Commission offers eligible retirees and their dependents access to a suite of benefit plans, including healthcare, dental, vision and life insurance coverage. These benefits are available on a cost-sharing basis, with the level of County contribution determined by the retiree's years of service with Madison County. Retirees who do not meet the minimum service requirement may still elect coverage but will be responsible for the full cost of the premium. For detailed eligibility criteria, contribution levels, and plan information, please visit the Human Resources Department website.

ABBREVIATIONS USED IN THE POLICY

LGHIP:	Local Government Health Insurance Plan
LGHIB:	Local Government Health Insurance Board
UHC:	United Health Care
County:	Madison County

Cost-Sharing: The portion of the Health Insurance premium that a retiree is responsible for paying. This amount is determined by the County and may vary based on factors such as retirement date, years of service, or plan selection.

ELIGIBILITY REQUIREMENTS FOR RETIREMENT SYSTEMS OF ALABAMA (RSA) RETIREMENT

Below are the requirements established by the Retirement Systems of Alabama (RSA) that a member must first satisfy in order to qualify for retirement:

Tier 1: Members who were hired prior to January 1, 2013, are eligible to receive retirement benefits under the following conditions:

- ◆ Member has at least ten (10) years of service credit and has attained the age of sixty (60).
or
- ◆ After accumulating twenty-five (25) years of service credit at any age.

A **Tier 1** member is eligible to retire the first day of the month following attainment of either of the above requirements. Members can only retire the first day of any month upon eligibility.

Tier 2: While Tier 2 retirement provisions apply statewide to members hired on or after January 1, 2013, Madison County Commission has elected to adopt Tier 1 retirement benefits for all eligible employees, regardless of hire date. As such, Tier 2 provisions **are not** applicable to Madison County employees and are excluded from this policy to ensure clarity.

Disability Retirement: at any age with a minimum of ten (10) years of service with RSA and approval of the Retirement Systems Disability Board. Monthly retirement benefit checks are paid by the Employees' Retirement System (ERS) managed by the Retirement Systems of Alabama.

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Questions regarding vesting, purchasing of service credit, or withdrawals should be directed to:

Online: <http://www.rsa-al.gov>

Phone: 877-517-0020 or 334-517-7000

Email: ersinfo@rsa-al.gov

ELIGIBILITY REQUIREMENTS FOR LOCAL GOVERNMENT HEALTH INSURANCE PLAN (LGHIP) COVERAGE

- ◆ A combination of 25 years, or more, of service with a participating unit or other service as approved by Local Gov, regardless of age, **or**
- ◆ Is 60 years old, or older, **or**
- ◆ Is determined to be disabled by the Social Security Administration
- ◆ Enrollment in the Local Government Health Insurance Plan (LGHIP) for at least 10 years

ELIGIBILITY REQUIREMENTS FOR MADISON COUNTY COST-SHARING

To qualify for Madison County's cost-sharing of retiree health insurance, employees must meet ALL of the following criteria:

- ◆ Meet the Retirement Systems of Alabama (RSA) eligibility requirements.
- ◆ Meet the Local Government Health Insurance Plan (LGHIP) eligibility requirements.
- ◆ **10 continuous years of full-time service with Madison County.**

COST-SHARING MODEL FOR RETIREE HEALTH INSURANCE COVERAGE

Employees retiring prior to January 1, 2026, will retain the existing cost-sharing model established at the time of their retirement. **Retirees who do not meet the eligibility requirements** for cost-sharing may still participate in the **Local Government Health Insurance Plan (LGHIP)**. However, Madison County **will not contribute** to the cost of their coverage, and these retirees will be responsible for **100% of the insurance premium**.

Employees retiring on or after January 1, 2026, will transition to a cost-sharing model based on years of continuous full-time service with Madison County. Under this model, the county's contribution toward retiree health insurance premiums will vary depending on years of service, with employees who have longer continuous full-time service receiving a higher county contribution. **Retirees who do not meet the eligibility requirements** for cost-sharing may still participate in the **Local Government Health Insurance Plan (LGHIP)**. However, Madison County **will not contribute** to the cost of their coverage, and these retirees will be responsible for **100% of the insurance premium**.

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RETIREE PREMIUM CONTRIBUTIONS

For detailed information on eligibility criteria, contribution levels, plan options, and current retiree insurance premiums, please refer to the Human Resources Department website.

The County pays a portion of the health insurance premium for retirees who meet specific eligibility requirements. In cases where the County does not contribute, retirees may still elect coverage but would be responsible for the full cost of the premium.

Required premium contributions, health insurance providers, and plan design changes are subject to change. Retirees will be notified at least thirty (30) days in advance of changes to premiums and plan design and at least forty-five (45) days in advance of a change to their health care provider.

Retiree premiums are due and payable at the beginning of every month. Retirees enrolled in the LGHIP and UHC are required to pay their monthly premium payments via automatic bank draft directly to the County. If a bank draft is returned for any reason, the retiree will be responsible for paying a return item fee. Return fee payments must be made using a credit or debit card by contacting the Madison County Human Resources Department.

CLARIFICATION OF PRIOR POLICY CHANGES

The service requirement change implemented for employees hired on or after **January 1, 2018**, is no longer in effect. The eligibility criteria outlined in this policy now apply uniformly to all employees, regardless of hire date.

Additional Information related to eligible retirees:

1. **Non-Medicare Eligible Retirees:** Retirees who satisfy the above requirements and their eligible dependents both of which do not yet meet the age qualifications for Medicare, may continue participating in the LGHIP/Blue Cross Blue Shield plan until either the retiree or the covered dependent reach Medicare eligibility.
2. **Medicare-Eligible Retirees:** Retirees and/or covered dependents who become eligible for Medicare must enroll and maintain both Medicare Part A and Part B coverage. A copy of the Medicare card must be provided to the Madison County Human Resources Department **at least 30 days before the effective date**. Once Medicare eligibility is confirmed, the retiree and/or dependent will be enrolled in or transitioned to the UnitedHealthcare Group Medicare Advantage (PPO) Plan (Medicare Advantage). Enrollment in this plan requires active Medicare Part A and Part B coverage. Retirees are responsible for paying their Medicare Part B premiums.
3. Only retirees who retire from active status are eligible to continue LGHIP coverage as a retiree. Employees who are involuntarily terminated are NOT eligible for retiree coverage.

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4. The retiree is responsible for maintaining current contact information including home address and phone numbers with the Madison County Human Resources Department.
5. Retirees who voluntarily cancel or decline retiree healthcare coverage will not be allowed to enroll or re-enroll in any Madison County Commission benefit offerings in the future.

VISION INSURANCE COVERAGE

Retirees must be enrolled in the vision benefit plan offered by the Madison County Commission at the time of retirement in order to qualify for the coverage. Retirees who are not enrolled at the time of retirement will not qualify for future enrollment. To maintain coverage, the retiree must authorize the Madison County Human Resources Department to make monthly ACH premium payments using automatic bank draft. It is the responsibility of the retiree to ensure sufficient funds and/or updates on bank account changes.

LIFE INSURANCE COVERAGE

All current life insurance coverage offered by the Madison County Commission will terminate at the time of retirement. Portability and conversion provisions are available to transition the coverage to an individual policy within 30 days of retirement. The retiree is responsible for contacting the appropriate provider and must apply for portability or conversion and be responsible for paying the premiums directly to the insurance provider. Madison County Commission retirees up to the age of 65 have the option of selecting an additional \$10,000.00 life insurance policy at the time of retirement. To maintain coverage, the retiree must contact the Madison County Human Resources Department annually in March to make a credit or debit card payment.

FLEXIBLE SPENDING ACCOUNTS

All flexible spending accounts are deactivated on the last day of employment. Any remaining flexible spending balance will need to be expensed at the time of retirement and any outstanding claims must be processed with the flexible spending vendor within 30 days of retirement. An extension of benefits may be requested through COBRA.

CANCELLATION OF RETIREE HEALTHCARE AND VISION BENEFITS

The Madison County Commission will cancel benefit coverages for the reasons listed below for the retiree and all covered dependents:

- ◆ Death of the retiree.
- ◆ Upon written request by the retiree.
- ◆ Failure to pay two (2) monthly premium payments or when two (2) automatic bank drafts are returned in a twelve (12) month period.
- ◆ The retiree is convicted in a court of law for a felony offense leading to incarceration.
- ◆ Failure to complete and return enrollment or required documentation to the Human Resources Department by the designated date.

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- ◆ Failure to present Medicare cards and proof of Medicare enrollment after becoming eligible for the Medicare plan.
- ◆ **Retired participants who return to work at the Madison County Commission and average thirty (30) or more hours per week will be classified as active eligible employees for insurance purposes.** They must either enroll in active employee health insurance coverage or decline coverage and provide proof of other acceptable insurance. Madison County retirees will not have the option to refuse enrollment as an active eligible employee for insurance purposes. If the individual later separates from active employment and becomes a retiree again, they will be subject to the retiree health insurance plan and cost-sharing structure in effect at the time of their re-retirement. **They will not be eligible to resume their previous retiree health insurance rates or cost-sharing model.** The applicable premium contribution and plan options at the time of re-retirement will determine their eligibility and costs.

Retirees whose benefit coverages are canceled will not be eligible for reinstatement of coverage at any point in the future.

CONTACT INFORMATION

If you have questions or need assistance, please contact one of the following providers:

Madison County Human Resources
Department:
Phone: 256-532-3614
Email: HR@madisoncountyal.gov
Website: www.madisoncountyhr.org

United Healthcare:
Phone: 877-714-0178
Website: www.retiree.uhc.com

VOYA:
Phone: 888-401-3539
Website: www.voya.com

VSP:
Phone: 800-877-7195
Website: www.vsp.com

Local Gov. Health Ins. Plan:
Phone: 866-836-9137
Website: www.lghip.org

Lincoln Financial Group:
Phone: 800-423-2765
Website: www.lfg.com

***Madison County Commission reserves the right to modify, revoke, suspend, supplement, or rescind any policy, or any portion of this policy, including the benefits described, at any time. Nothing in this policy constitutes a guarantee or promise of continued retiree health insurance coverage, cost-sharing contributions, or specific plan terms. All retiree health insurance benefits are subject to change at the sole discretion of the Madison County Commission.**