

RESOLUTION NO. 3838

A RESOLUTION ESTABLISHING GROUP HEALTH, DENTAL, AND LONG TERM CARE BENEFITS FOR RETIRED FORMER EMPLOYEES, FORMER GOVERNING BODY MEMBERS AND ELIGIBLE DEPENDENTS AND RESCINDING RESOLUTION NO. 3812.

WHEREAS, K.S.A. 12-5040 requires the City of Overland Park, as a provider of employer-sponsored group health care benefits to make certain coverage available to retired former employees and their dependents subject to certain limitations; and

WHEREAS, the City of Overland Park by Resolution No. 3812 has authorized coverage under its group health care benefit plan and has further separately authorized coverage under its dental care benefit plan to certain retired former employees, former Governing Body members and their dependents; and

WHEREAS, the City of Overland Park by Resolution No. 3812 has authorized coverage under its group long term care benefit plan to certain retired former employees, former Governing Body members and their dependents; and

WHEREAS, the City of Overland Park has authorized the payment of a subsidy of the premium cost for group health care benefit and long-term care coverage for certain retired former employees and former Governing Body members; and

WHEREAS, the City of Overland Park hereby intends to restate and clarify the availability of group health, dental and long-term care benefits for retired former employees, former Governing Body members and eligible dependents and the payment of a subsidy of the premium cost for the same.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OVERLAND PARK, KANSAS:

SECTION 1. EMPLOYEES

As set forth in this Resolution No. 3838 and any future amendments, the City of Overland Park, Kansa, will provide coverage under the City's group health care benefit plan, group dental care benefit plan and group long-term care benefit plan to certain former employees and their dependents. In order to be eligible for coverage under the above referenced group health, dental and long-term care benefit plans, the retired employee must (i) have terminated employment on or after July 1, 1988, (ii) have been employed by the City and/or the Overland Park Fire Department Incorporated for not less than ten (10) years, (iii) be receiving a retirement or disability benefit for service with the City or the Overland Park Fire Department Incorporated from a defined benefit retirement plan or be entitled to receive a retirement benefit from a defined benefit retirement plan for service with the City or the Overland Park Fire Department Incorporated and (iv) elect to begin retiree coverage by filing a written application with the Human Resources Department within thirty (30) days following retirement (in lieu of electing any available COBRA continuation coverage under the group health care benefit plan for active employees or dental care benefit plan for active employees, respectively).

In order to be eligible for health, dental or long-term care coverage under the City's group plans, the retiring employee must file a written application with the Human Resources Department within thirty (30) days following retirement. In order to avoid a lapse of coverage retiring employees are urged to give notice or file their written application on or prior to the effective date of retirement.

SECTION 2. GOVERNING BODY MEMBERS

As set forth in this Resolution No. 3838 and any future amendments, the City of Overland Park, Kansas, will provide coverage under the City's group health care benefit plan, dental care benefit plan and long term care benefit plan to certain former members of the Governing Body and their dependents, provided that such former members (i) have served for five (5) years or more on the Governing Body (ii) have ceased to be a member of the Governing Body on or after July 1, 1988, and (iii) elect to begin retiree coverage by filing a written application with the Human Resources Department within thirty (30) days following retirement (in lieu of electing any available COBRA continuation coverage under the group health care benefit plan for active employees or dental care benefit plan for active employees, respectively).

In order to be eligible for health, dental or long-term care coverage under the City's group plans, former Governing Body members must file a written application with the Human Resources Department within thirty (30) days following the Governing Body member's last day of service on the Governing Body of the City.

SECTION 3. DEPENDENTS

Eligible dependents are those individuals defined as dependents under the specific terms outlined in the City's health, dental and long-term care benefit plans.

SECTION 4. ELIGIBILITY TO MAINTAIN COVERAGE UNDER CITY BENEFIT PLANS.

Subject to the "Cessation of Eligibility" provisions set forth herein, otherwise eligible employees who retire on or before December 31, 2010, and any otherwise eligible former member of the Governing Body who leave his/her elected position on or before December 31, 2010, are eligible to remain in the City's group health, dental and long-term care benefit plans subsequent to the retiree or former Governing Body member having attained the age of 65.

Subject to the "Cessation of Eligibility" provisions set forth herein, otherwise eligible employees who retire on or after January 1, 2011, and otherwise eligible former members of the Governing Body who leave his/her elected position on or after January 1, 2011, are eligible to remain in the City's group health and long-term care benefit plans until such person attains the age of 65. When the retired employee who retired on or after January 1, 2011, or former member of the Governing Body who left his/her elected position on or after January 1, 2011, attains the age of 65, such individual and his/her eligible dependents will no longer be eligible to participate in the City's group health and long-term care benefit plans.

Subject to the "Cessation of Eligibility" provisions set forth herein, otherwise eligible employees who retire on or after January 1, 2011, and otherwise eligible former members of the Governing Body who leave his/her elected position on or after January 1, 2011, are eligible to

remain in the City's group dental care benefit plans subsequent to the retiree or former Governing Body member having attained the age of 65.

SECTION 5. CESSATION OF ELIGIBILITY

- A) Otherwise eligible retirees and dependents or former Governing Body members and dependents shall no longer be eligible to participate in the City's group benefit plans under any of the following circumstances:
 - 1) the retired employee or former Governing Body member fails to make required premium payments on a timely basis as set forth below; or
 - 2) the retired employee or former Governing Body member becomes covered or becomes eligible to be covered under a benefit plan of another employer; or
 - 3) the City no longer provides a group health care benefit plan, group dental care benefit plan or group long term care benefit plan to its employees.
- B) In the event of the death of a retired employee or former member of the Governing Body who is covered under the group health care benefit plan or group dental care benefit plan, the surviving spouse and eligible dependents have a right to elect COBRA continuation coverage.
- C) Once a retiree or former member of the Governing Body is no longer eligible for coverage under the City's group health care benefit plan, dental care benefit plan or long term care plan, there will be no reinstatement of coverage and the person is no longer eligible to participate in the City's group benefit plans.
- D) Retirees and former members of the Governing Body whose long term care coverage ceases may convert coverage to an individual plan in accordance with the terms of the long term care benefit plan.

SECTION 6. COST OF COVERAGE

Eligible retired employees and former Governing Body members who elect coverage under the City's group benefit plans shall be required to contribute to the cost of coverage through the payment of premiums as outlined below:

- A) Health Care Benefit Plan

- 1) Retired employees and former Governing Body members will be required to pay for coverage in the group health care benefit plan in an amount equal to 100 percent of the cost to the plan (including both employer and employee contributions) for coverage for active employees and beneficiaries for each coverage type (single, single plus spouse, single plus children or single plus family), except for the premium subsidy provided in part (2) below.

- 2) The City will provide a health care premium subsidy based on years of service with the City or the Overland Park Fire Department Incorporated up to a maximum of 50% of the highest single premium cost according to the following schedule.

| RETIRED EMPLOYEES | | |
|--------------------------|-----------------------------|-----------------------------|
| Years of Service | Tobacco User | Non-Tobacco User |
| | % of Premium Subsidy | % of Premium Subsidy |
| 10 | 16% | 25% |
| 11 | 17% | 26% |
| 12 | 18% | 27% |
| 13 | 19% | 28% |
| 14 | 20% | 29% |
| 15 | 21% | 30% |
| 16 | 23% | 32% |
| 17 | 25% | 34% |
| 18 | 27% | 36% |
| 19 | 29% | 38% |
| 20 | 31% | 40% |
| 21 | 33% | 42% |
| 22 | 35% | 44% |
| 23 | 37% | 46% |
| 24 | 39% | 48% |
| 25 or more | 41% | 50% |

| FORMER GOVERNING BODY MEMBERS | | |
|--------------------------------------|-----------------------------|-----------------------------|
| Years of Service | Tobacco User | Non-Tobacco User |
| | % of Premium Subsidy | % of Premium Subsidy |
| 5 | 16% | 25% |
| 11 | 17% | 26% |
| 12 | 18% | 27% |
| 13 | 19% | 28% |
| 14 | 20% | 29% |
| 15 | 21% | 30% |
| 16 | 23% | 32% |
| 17 | 25% | 34% |
| 18 | 27% | 36% |
| 19 | 29% | 38% |
| 20 | 31% | 40% |
| 21 | 33% | 42% |
| 22 | 35% | 44% |
| 23 | 37% | 46% |
| 24 | 39% | 48% |
| 25 or more | 41% | 50% |

- 3) The City expressly reserves the right to modify the health care premium subsidy outlined in part (2) above at any time and from time to time.
- B) Dental Care Benefit Plan
- 1) Retired employees and former Governing Body members will be required to pay for coverage in the dental care benefit plan in an amount equal to 100 percent of the cost to the plan (including both employer and employee contributions) for coverage for active employees and beneficiaries for each coverage type (single, single plus one (1) dependent, single plus two (2) or more dependents).
 - 2) No subsidy will be provided for Dental coverage.
- C) Long-Term Care Benefit Plan
- 1) The City will pay the premium for base coverage for retirees and former Governing Body members.
 - 2) Retired employees and former Governing Body members who elect coverage for dependents, or in addition to the base plan, will be required to pay 100 percent of the cost to the plan for such additional coverage.
- D) Administrative Fee
- 1) The City may assess an administrative fee for each plan in an amount which will not exceed 125% of the total cost for each plan. The administrative fee shall be applied to the total premium cost as elected by the retired employee or former member of the Governing Body,
 - 2) The health care premium subsidy shall not be applied to the administrative fee.
 - 3) The Administrative Fee percentage to be applied to the total premium cost for each plan will be established at the time rates are set for each plan, prior to the annual open enrollment period.

SECTION 7. PAYMENT FOR COVERAGE

Premium payments for coverage shall be paid monthly and due the first of each month. If payment is not received within ten (10) days of the due date, the City shall cancel the coverage for failure by the covered person to make a timely payment of the premium.

SECTION 8. MEDICARE

Any retired employee or former member of the Governing Body, or their eligible dependent(s), who attains the age of 65 or otherwise becomes eligible for Medicare must apply for and be covered under Parts A and B of Medicare.

Any retired employee or former member of the Governing Body, or their eligible dependent(s), who is eligible for Medicare and fails to become covered under Parts A and B of Medicare, shall have their benefits under the group health care benefit plan reduced as follows: Medicare benefits will be deemed to be paid as if the full amount that would have been payable under Medicare Parts A and B was actually paid under Medicare, even if the retired employee or former member of the Governing Body, or their eligible dependent(s), are eligible but not enrolled for Medicare Parts A and B.

SECTION 9. RESERVATION OF MANAGEMENT RIGHTS

The City expressly reserves the right to terminate or modify any or all coverage which is not required by Federal and State law and regulations.

SECTION 10. RESCISSION

Resolution No. 3812 is hereby rescinded.

SECTION 11. EFFECTIVE DATE

THIS resolution shall take effect and be in force from and after January 1, 2011.

ADOPTED by the Governing Body this __ day of _____, 2010.

Carl Gerlach, Mayor

ATTEST:

Marian Cook, City Clerk

APPROVED AS TO FORM:

Michael R. Santos
Deputy City Attorney