



## **POLICY**

### **Town of Sunderland**

#### **Retiree Health Insurance**

The retirement/pension plans provided under MGL Chapter 32 and detailed in §31-21 A. of the Code of the Town of Sunderland, shall be applicable to all Regular Town employees, as defined in § 31-5 B and C. The Town has accepted MGL c.32B, §18 (Medicare Part B)<sup>1</sup>.

In order for a retired employee to be eligible to qualify for participation in the Town's group insurance plan, the following eligibility requirements must be met.

- 1) The employee must retire from the Town of Sunderland after a minimum of (5) five consecutive years of employment as a Regular Benefited Employee as defined in the Town's bylaws, Section §31-5 B and C; and
- 2) The employee must be vested in a qualified retirement system at the time of his/her retirement from the Town of Sunderland and must be collecting, or be in the process of collecting, his/her retirement benefit.

The Town will be responsible for a minimum of 50 (fifty) % of the cost of the health insurance premium for the retired employee, the retired employee's insured spouse and dependents under the Town's group coverage. The retired employee shall be responsible for the remainder.

The Town will notify the retired employee, the retired employee's spouse or dependents in writing of any changes in their benefits or premiums.

If a retired employee chooses not to participate in the Town's group health insurance program at the time of retirement, he/she may be eligible to enroll in the Town's group health insurance program during an Open Enrollment period after he/she retires, provided that he/she enrolls at the same or at a lesser benefit level for which he/she would have been eligible at the time of retirement, i.e., single, employee + 1, or family.

If an eligible retired employee can provide documentation of a qualifying event, and can satisfactorily demonstrate that he/she has had continuous group coverage through another provider until the time of his/her request to the Town, and that the continuous group coverage terminates due to the qualifying event, he/she can enroll in the Town's group insurance program at the time of such qualifying event.

When a retired employee and/or spouse, who is receiving health insurance benefits through the Town, reaches the age of (65) sixty-five, they will remain eligible for a minimum of 50 (fifty) % coverage of their retiree supplemental health insurance premium. If eligible for Medicare, the retired employee or spouse must enroll in Medicare Part B, pursuant to MGL c.32B, §18. If not eligible for Medicare, they may continue at the minimum 50 (fifty) % coverage in the regular plan.

Upon the death of a retired employee, who was covered under the Town's group health insurance plan, the insured survivor(s) (spouse and/or dependents) may continue group health insurance

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<sup>1</sup> The Town of Sunderland adopted MGL c. 32B, §9E in 1999, and MGL c. 32B, §18 in 2006.

through the Town at a minimum of 50 (fifty) % paid by the Town and the remainder at his/her expense, subject to the terms contained in this policy, unless rescinded by Town vote.

The retired employee (or insured survivors) will be responsible for paying their premiums, prior to the first day of the month for which they will begin to receive coverage. If the retired employee's (or insured survivors') premiums are in arrears of more than (30) thirty days, the Town will notify the retired employee (or insured survivors), by certified first class mail, that their insurance will be terminated for non-payment.

The Town may terminate insurance coverage for a retired employee or his/her spouse or dependents ten (10) days from the date of notice above. Termination will be effective from the last date coverage was paid for by the retired employee (or the insured survivors).

*This policy will become effective immediately upon vote of the Board of Selectmen for current active Town employees; and after (30) thirty days of the vote of the Board of Selectmen for current retired employees.*

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Scott A. Bergeron, Chair      Thomas D. Fydenkevez, Vice Chair      Michael A. Wissemann, Clerk

Adopted: \_\_\_\_\_

Amended: \_\_\_\_\_