

by the City shall be repaid either by personal check or, with prior authorization, from the employee's paycheck.

The City reserves the right to modify, amend, suspend or terminate this policy, its standard practices, and its administrative procedures at any time, at its sole discretion. Payment of reimbursement does not constitute an agreement of continuation of employment with the City.

12.3 Retirement Benefits. (01/01/12)(02/04/13)(06/06/16)(10/01/21)

- (a) Retirement pension system. The city participates in the Texas Municipal Retirement System (TMRS). All employees regularly scheduled 1000 hours per year or more are required to be members of and contribute to TMRS. Employee contributions to TMRS are deducted from the employee's paycheck each payroll period. The city also makes a contribution on behalf of the member employee. All retirement activities are governed by the Texas Municipal Retirement System Act.
- (b) Deferred Compensation. The city will participate in deferred compensation plans on a _____ pre-tax or post tax basis for optional employee only contributions so employees _____ may have ability to build retirement income outside the city provided pension plan.
- (c) Insurance Benefits Policy for Retiring City Employees.

General Policy Statement: This policy outlines the benefits offered to retirees from the City of Burleson, the qualifications for eligibility, and the administration of retiree benefits. All elements of this policy are subject to change by action of the City Council. This policy applies to persons retiring on or after January 1, 2012. Exceptions made to this policy must be approved by formal vote of the City Council and maintained in the retiring employee's personnel file.

(1) Responsibility

- (A) It is the responsibility of the City Manager (or designee) and the Human Resources Director to review, update, and administer this policy, having briefed Council as appropriate.
- (B) It is the responsibility of the Finance Director to maintain budgetary records as needed and accurately report retiree benefits in financial reports.
- (C) It is the responsibility of retiring employees to utilize this policy in good faith and to regularly and completely disclose needed information upon

retirement and following retirement to assure the policy's intent is followed.

(2) Qualifying for and Administering Retiree Insurance Benefits

(A) An employee must be qualified to retire under the standards of retirement as established by TMRS to qualify for any medical, dental, life, vision or other insurance benefit for retirees at the City of Burlison, and

(B) An employee must have completed five (5) years of consecutive service immediately prior to retirement with the City of Burlison and/or meet whatever vesting requirement is in place with TMRS (whichever is greater) at the time of retirement,

(C) An employee must provide a 30-day written notice of retirement to their supervisor and Human Resources. The notice period timeframe may be waived without affecting eligibility due to reasonable circumstances as determined at the discretion of the City.

(D) The retiring employee must inform the City, not later than the day on which the person retires, that the person elects to continue coverage with the City. Failure to advise the City of this election on or before the day on which the person retires will result in individual being ineligible for retiree insurance benefits.

(E) Retirees are eligible to participate in retiree health insurance with the City of Burlison only until Medicare eligibility at which time a Medicare supplement will be made available.

(F) Retirees Who Are Not-Yet Eligible for Medicare Benefits

1. Access to Other Coverage: A pre-Medicare eligible retiree must sign an affidavit stating that he/she will not have access to any other health or dental coverage upon retirement through a new employer, or other individually held private health plan, in order to be a participating member of the retiree health or dental insurance benefit. The Human Resources department may require that the retiree sign such an affidavit annually.

(G) Medicare Eligible Retirees

1. Retirees or dependents that are Medicare eligible will not be allowed to remain in the primary health insurance plan. She/he will be required

to drop coverage in the primary insurance plan upon Medicare eligibility.

2. Upon eligibility for Medicare, a retiree may elect optional Medicare supplement coverage. The Medicare supplement plan will be reviewed annually in the budget and benefits review process. All (100% of) premiums will be paid by the retiree.
3. Medicare eligible dependents may not be covered under any city plan. If dependents are not yet Medicare eligible, a retiree may continue, at his/her own expense, dependent coverage options that he/she elected upon retirement after he/she becomes eligible for Medicare.

(H) Enrollment After Retirement: (2/4/13); (6/6/16)

1. Retirees and retiree dependents may not enroll in the City of Burleson health plan at a later date unless item (G)(3.) applies below.
2. A retiree may continue coverage that is in place at the time of retirement until Medicare eligibility, but he/she may not elect new coverage.
3. Retirees who elect to enroll in a Public Exchange upon retirement, will be allowed to return to the City's retiree benefit plan during open enrollment, if his/her Public Exchange carrier ceases to participate in the Affordable Care Act Public Exchange system. The retiree is responsible for showing proof of enrollment in public exchange system and proof that the carrier has elected not to participate in the Exchange system going forward.
4. If the retiree loses coverage mid-year due to the carrier pulling out of participation in the Public Exchange system under the Affordable Care Act, the retiree has 30 days to re-enter the City health plan. This loss of coverage will be treated as a qualifying event.

(I) Ancillary Coverages (other than health)

1. A qualifying retiree (as defined above) may elect, upon retirement, the dental and other insurance products at their expense if they are utilizing Federally sponsored Medicare/Medicaid health insurance as their primary health provider as dental and other insurance products are not offered with Medicare/Medicaid benefits.

- (3) **Service Benefit:** Those employees who retire on or after January 1, 2012 and have extended years of service may be eligible for a retiree service benefit. This benefit is subject to annual appropriation by the City Council during the budget process. Subject to available funding, employees with service as outlined below will have a portion of their premium paid by the city (retiree premium only) for health and dental coverage for five years.

Years of Service with the City of Burleson	Percent of Retiree Only Premium Paid by the City	Maximum Years of Benefit
20 years of service	50%	Lesser of 5 years or until Medicare eligible
25 years of service	60%	Lesser of 5 years or until Medicare eligible
30 years of service	75%	Lesser of 5 years or until Medicare eligible

- (A) This benefit applies to non-contract employees. Employees with a written contract with the City Council should refer to their contract agreement for retirement benefit details.
- (B) This service benefit ceases and will not resume if during the five year period the retiree (a) obtains coverage through either their employer or their spouse's employer, or (b) becomes Medicare eligible.

(4) **Financial Responsibility**

- (A) The retiree is responsible for 100% of premium costs for retiree and dependent health, dental, supplement policy, and any other insurance products offered for retirees. A retiree who elects coverage and fails to pay premiums or makes the decision to drop coverage for any insurance products elected upon retirement, will not be allowed to elect coverage later.
- (B) The retiree is responsible for payment of insurance premiums in a timely manner as established by Human Resources. It will be assumed that those retirees who have not paid monthly premiums by the last day of the month are voluntarily dropping previously elected coverage. Re-election of coverage will not be possible.

(5) Plan Design

(A) The plan design for retirees is subject to change. As plans and premiums change, retirees will be required to re-elect existing coverage during open enrollment. Retirees are not guaranteed premium rates for future years upon enrollment.

(B) Retirees are eligible to re-enroll each plan year only for coverages they elected upon retirement and only if item 4.3 above is satisfied. Additional coverages not elected upon retirement may not be added during annual open enrollment.

(6) Upon the Retiree's Death

(A) Surviving spouses who were covered under the retiree's benefits upon the retiree's death may remain in the health insurance plan. Premiums for the spouse will be the same as the premium cost for the retiree. If surviving children remain on the plan, the surviving spouse will be required to pay separately for the dependent coverage at the existing rate (retiree rate + dependent rate = total premium).

(7) Policy Revisions

(A) Procedural aspects of this policy related to annual open enrollment procedures may vary from year to year in order to fulfill the elements of this policy. However, the content and eligibility does not change without City Council approval.