

<p style="text-align: center;">TOWNSHIP OF VERONA COUNTY OF ESSEX, NEW JERSEY</p>  <p style="text-align: center;"><i>POLICIES AND PROCEDURES</i></p>	Policy Title:	Health Benefits
	Policy Reference No:	5-6
	Release Date:	16-December-2020
	Approved By:	Matthew Cavallo, Township Manager
	Authority:	§ 36-1 (C) § 36-14, 15, 16, 17 & 18
	Revision History:	None
	No. of Pages:	3
	Applicability:	All Employees

Subject to certain collective negotiation agreements and employment contracts, all full-time employees are eligible to receive health insurance benefits. A comprehensive health insurance program is available to full time hourly and salaried employees and their families, subject to the qualification requirements of the plan. Please see the Finance Department for more details.

During open enrollment, eligible employees may make any changes to medical elections (drop, add or change certain coverage/dependents, etc.) for the upcoming enrollment year. If you do not make changes to your election during open enrollment, you cannot make these changes at other times unless you experience a COBRA-qualifying event. COBRA qualifying events include, but are not limited to a marriage, a divorce, a birth, death, or adoption. Changes based on COBRA qualifying events are time sensitive so please speak with your supervisor as soon as you become aware of the need to make a change.

The complete benefit plan is on file in the Finance Department and a Summary Plan Description will be provided to all employees. More detailed information concerning the plan costs, benefit levels, qualification requirements, and participating providers is available in the Finance Department.

The Township reserves the right to change provider networks, claims agents, and insurance mechanisms. Benefit levels for non-unionized employees are subject to change at the discretion of the Township.

Health Insurance Benefits

- A. The Township shall provide Health Insurance benefits to all full-time employees beginning the sixtieth (60th) day after the first day of employment with the Township as provided for in this Section.
- B. Full-time employees hired prior to October 29, 2018 shall be provided a hospitalization and major medical insurance plan equal to or better than the Direct 10 plan offered by the New Jersey State Health Benefits Plan as may be amended by the State Health Benefits Commission.
- C. Employees hired on or after October 29, 2018 shall be provided an EPO 15/25 hospitalization and major medical insurance plan. Employees may opt to select any higher cost Health Insurance Plan offered by the Township, however the employee must

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pay through payroll deduction the difference in the Townships cost of the plan as compared to the EPO 15/25 Health Insurance Plan.

- D. Upon the death of an active or retired full-time employee who is covered by the Township's health insurance benefits, the decedent's eligible spouse and/or eligible dependents coverage shall continue for a period of eighteen (18) months at no cost to the surviving spouse or dependents. After the completion of the eighteen (18) months, the surviving spouse and/or eligible dependents may elect to continue medical coverage at his/her own expense at the Township group rates under COBRA.

Prescription Drug Insurance Benefits

- A. The Township shall provide Prescription Drug insurance benefits to all full-time employees beginning the sixtieth day after the first day of employment with the Township as provided in this Section.
- B. Full-time employees shall be provided prescription drug insurance benefits equal to or better than the plan offered to the Township's employees who are members of OPEIU Local 153.
- C. Upon the death of an active or retired full-time employee who is covered by the Township's prescription drug insurance benefits, the decedent's eligible spouse and/or eligible dependents coverage shall continue for a period of eighteen (18) months at no cost to the surviving spouse or dependents. After the completion of the eighteen (18) months, the surviving spouse and/or eligible dependents may elect to continue prescription drug coverage at his/her own expense at the Township group rates under COBRA.

Dental Insurance Benefits

- A. The Township shall provide Dental insurance benefits to all full-time employees beginning the sixtieth (60th) day after the first day of employment with the Township as provided in this Section.
- B. Full-time employees shall be provided dental insurance benefits equal to or better than the plan offered to the Township's employees who are members of OPEIU Local 153.
- C. Upon the death of an active or retired full-time employee who is covered by the Township's dental insurance benefits, the decedent's eligible spouse and/or eligible dependents coverage shall continue for a period of eighteen (18) months at no cost to the surviving spouse or dependents. After the completion of the eighteen (18) months, the surviving spouse and/or eligible dependents may elect to continue dental coverage at his/her own expense at the Township group rates under COBRA.

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Waiver of Insurance Coverage

Active employees eligible for Health Insurance and/or Prescription Drug Insurance Coverage who maintain Health Insurance and/or Prescription Drug Insurance Coverage privately or through a spouse/eligible dependent shall be eligible for an annual waiver payment. Please note that if the employee is in the Township Policy, and the alternate coverage is also provided by the Township, the employee shall not be eligible to receive a waiver payment. An employee may waive all employer-provided health benefits or a select benefit; for example, an employee may elect to waive Health Insurance or Prescription Drug Insurance Coverage. No payment shall be made for the waiver of Dental Insurance by an employee.

Waivers shall be equal to the lesser of twenty-five percent of the amount saved by the Township as a result of the waiver, or \$5,000. The waiver shall be paid to the employee, at a minimum, quarterly.

Payments are not considered part of the employee’s base salary and therefore are not pensionable. The employee must make their choice to opt-out known during the open enrollment period and must renew this decision every year if they choose to. If at any time the employee becomes uninsured through another health insurance program (i.e. divorce, spouse no longer has insurance, and/or spouse’s death) they need to notify the Township so that they can be reenrolled into the Health Insurance program.

Medical Benefits after Retirement

Active full-time employees hired after December 31, 1995 shall not be eligible for Health, Prescription Drug, or Dental Insurance Coverage after retirement from the Township.

Active full-time employees hired prior to January 1, 1996 who “bought in” to Health, Prescription Drug, and Dental Insurance Coverage while actively employed shall continue to receive Health and Prescription Drug after retirement for themselves and eligible spouse.

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Revision No.	Revision Date	Nature of Revision	Approved By