

ADMINISTRATIVE GUIDELINES / POLICY STATEMENT

Subject: Retiree Healthcare

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Policy Number: 1100

Purpose

Our Retiree Healthcare Benefit aims to give city retirees access to healthcare, supporting their overall well-being. As a city, we highly value our workforce and acknowledge the significant contributions of our dedicated employees. Accordingly, we provide a post-employment retiree healthcare benefit as part of our comprehensive financial and physical well-being platform. This benefit helps attract and retain a high-quality workforce and aligns with our culture statement: 'We Care.

The retiree healthcare benefit policy provides the framework for the administration of a post-employment medical plan.

Policy

A. Administration of Retiree Healthcare Plan

1. The Human Resources Director, or designee shall be responsible for maintenance of the Retiree Healthcare Plan. This includes recommending to the City Manager any amendments to the administrative processes, establishing enrollment processes, conducting annual open enrollment and working with third-party providers for billing and collection and any statutory annual actuarial assessments.

B. Retiree Healthcare Framework

1. The Retiree Healthcare Plan permits eligible retirees to enroll in the city's medical insurance plan, which is also available to active employees.
2. Premium equivalency rate for the retiree healthcare plan will be 50% city and 50% retiree. Premiums will be based on the full premium rate established each year for active employees.

C. Eligibility for Retiree Healthcare

1. Employees meeting the following criteria will be eligible for the plan:
 - a. Must have completed at least ten (10) years of continuous service with the city of Goodyear in a full-time regular benefit eligible position immediately preceding retirement; and
 - b. Must meet the rules of normal retirement as defined by ASRS or PSPRS; and

- c. Must be enrolled in one of the city's medical insurance plans at the time of retirement.
- 2. Members of City Council who have completed two full terms are eligible for the retiree health care plan.
- 3. In all cases, coverage for a retiree or spouse will not be extended beyond the age of Medicare eligibility and for dependent children, coverage will not extend beyond the age of 26 years old. Special circumstances apply to dependents who meet disability criteria.

D. Disability Retirement Coverage

- 1. Employees who can no longer fulfill the functions of their job due to an injury or illness and meet retirement disability criteria as outlined by either PSPRS or ASRS are covered under the retiree healthcare plan as follows:
 - a. Work-Related Disability
 - i. Regardless of years of service, full-time benefit eligible employees who can no longer fulfill the requirements of their job because of a work-related injury or illness are eligible for retiree healthcare coverage.
 - A) Coverage for work-related injuries remains in place as long as the retiree meets the requirements for disability retirement. Coverage for the individual member ends when retiree, eligible spouse or dependent(s) are no longer eligible. For retiree or spouse coverage ends at age of Medicare eligibility. For dependent(s) at age 26.
 - b. Non Work-Related Disability
 - i. Employees who have 10 years of service and are unable to fulfill the requirements of their job because of a non work-related injured or illness are eligible for retiree healthcare coverage.
 - ii. Coverage for a non work-related injury is available for 36 months. The retiree must meet the requirements for disability retirement to remain eligible. Coverage ends earlier for plan members when they no longer meet eligibility requirements.
- 2. Council Disability Coverage
 - a. Councilmembers who have completed one (1) term and are unable to fulfill a subsequent term because of an injury or illness are eligible for 36 months of retiree healthcare coverage.

E. Loss of Coverage

- 1. Retiree Reaches Age of Medicare Eligibility
 - a. When a retiree reaches the age of Medicare eligibility, their eligible spouse and dependent(s) may remain on the retiree healthcare plan

for 60 months or until their eligibility status ends, whichever comes first.

2. Death of Retiree

- a. If the death of a retiree precedes the death of a spouse or dependent, eligible spouses and dependents may remain on the plan until the date the retiree would have reached the age of Medicare eligibility or for 60 months whichever is longer.

3. Line of Duty Death

- a. If the death of an employee occurs in the line of duty or because of injuries suffered in the line of duty, including presumptive illnesses defined under Arizona state law; eligible spouse and dependent(s) may remain on the plan as long as they are eligible.

4. Retiree Opts Out

- a. When a retiree opts out of coverage, coverage ends the end of the month in which the retiree opts out. Retiree may opt out through an affirmative election or by failing to pay premiums fully and/or on schedule.
- b. When a retiree opts out, they are ineligible for future coverage under the retiree healthcare plan.