

Policy: It is the policy of the Town of Canton and Canton Public Schools to encourage all of its employees to be covered by a medical insurance plan. In this regard the Town and School Department offer eligible employees a variety of health plan options that will provide protection for themselves and their eligible dependents.

Scope: This policy and procedure is applicable to all personnel who regularly work 20 or more hours per week.

Definitions: All employees from their first day of employment who are in a benefits eligible classification.

Procedure: Enrollment

1. Employees may enroll in a health plan at:
 - a. Date of hire or anytime within the following thirty-one (31) days;
 - b. Date of entry to an eligible status or within the following thirty-one (31) days;
 - c. At annual open enrollment effective July 1st of each year.
2. Employees must complete the insurer's application for whichever medical plan they choose. Each time they wish to change their plan they need to complete new forms.

Changing Plans

1. At annual open enrollment effective July 1st of each year.

Changing Coverage

1. At annual open enrollment effective July 1st of each year;
2. When the employee experience a qualifying change of status.

Premium Contributions

- i. The employee with individual and family coverage pays an amount determined annually and effective July 1 of each year. The current employee monthly contribution is 25% of the insurance cost.
- ii. Employee deductions are withdrawn each pay period. The employee pays for coverage one month in advance.

Coverage

- A. Individual – provides coverage to the eligible employee only.
- B. Family – provides coverage for the eligible employee spouse and dependent children ages nineteen (19) to age twenty-six (26). The requirement is limited to those adult children without an offer of employer-sponsored coverage. A copy of the dependent's birth certificate must be provided along with the Adult Dependent Affidavit.

Under specific conditions employee may cover:

1. dependents over nineteen (19) years of age to age twenty-six (26)
 - a. Without an offer of employer-sponsored coverage
 - b. physically or mentally handicapped
2. divorced or legally separated spouse
3. children of unmarried dependents under nineteen years of age

C. Changing Coverage

Employees should review their coverage and change from family coverage to individual and vice versa, as their personal situation dictates.

Some personal situations requiring review and possible action: (Qualifying Events)

- a. marriage
- b. pregnancy
- c. divorce
- d. child's nineteenth (19th) birthday
- e. child's twenty-six (26th) birthday
- f. spouse's sixty-fifth (65th) birthday
- g. employee's sixty-fifth (65th) birthday
- h. spouse's death

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Human Resources Policy**

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Subject: Health Benefits**

D. Qualifying Change in Status

Employees may make changes to their health insurance within thirty-one (31) days of a qualifying change in status as defined by the Internal Revenue Service. Qualifying changes in status are:

1. marriage, divorce or legal separation
2. birth or adoption of a child or addition of a child through marriage
3. death of a spouse or child
4. significant change in spouse's health coverage due to spouse's employment, (i.e. spouse's employer terminates its plan or increases cost significantly)
5. commencement or termination of spouse's employment
6. unpaid leave of absence for employee or their spouse
7. employee becomes benefits eligible
8. employee becomes benefits ineligible
9. employee's spouse changes job status from full-time to part-time employment or from part-time to full-time
10. employee relocates out of their dependent care provider's service area
11. employee moves out of their health maintenance organization (HMO) service area.
12. loss of dependent status under a medical plan

Cancellation of Coverage

1. Reasons for Cancellation
 - a. employee request
 - b. death of employee
2. Reasons for maintaining coverage under COBRA
 - a. termination of employment
 - b. lay off from position
 - c. change to an ineligible classification
 - d. leave of absence

Enrolled employees will be offered the opportunity to continue their group coverage in accordance with the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The cost for continuing coverage will be equal to one hundred percent (100%) of each month's premium.

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T.E.F.R.A Coverage

When an employee or their spouse turns 65 years of age, their Master Medical Plan should be converted to a T.E.F.R.A. plan. TEFRA provides the same coverage as the Master Medical plan. The employee must be actively working and be 65 years old or older or have a spouse that is 65 years or older. Both the employee and their spouse will be transferred to the TEFRA plan, even if the employee has not yet turned 65 years old.

Retiree Health Insurance Coverage

When an employee retires from the Town of Canton or Canton Public Schools, he/she can elect to remain on the health insurance plans. The premiums will be deducted from his/her pension check(s).

The Town or School Department will continue to pay its share of the premium until the employee's death. If the employee is deceased and has a living spouse, the spouse can continue on the subsidized health insurance until the spouse's death or remarriage. The current retiree monthly contribution is 25% of the insurance cost.