



HUMAN RESOURCES DEPARTMENT
FORT BEND COUNTY, TEXAS

Kent M. Edwards, PHR
Director of Human Resources

To: Judge Robert Hebert
Commissioner Vincent Morales
Commissioner Grady Prestage
Commissioner Andy Meyers
Commissioner James Patterson

From: Kathy Novosad, PHR
Sr. Human Resources Generalist

Date: December 4, 2018

Subject: Revisions to Employee Information Manual: Section 511

Human Resources is submitting revisions to the Employee Information Manual *Section 511, Continuation of Health Benefits Upon Retirement*, for your consideration. The revisions to this policy have been made at the direction of the Risk Management Department and County Auditor, and adjust the criteria used to determine if an individual will be eligible for County paid or subsidized health benefits upon retirement. Human Resources approves of these changes.

Based on recommendations by actuarial and benefit consultants, and after careful analysis, the revisions recommended and reflected in the revised policy are:

- 1) An employee hired on or after January 1, 2019 will be eligible for continuation of health benefits upon retirement at a County paid or subsidized rate if the retiring employee is at least 60 years of age and has a minimum of 20 years consecutive service with the County immediately preceding retirement. County employees hired before January 1, 2019 will not be impacted by this change as long as they remain continuously employed with Fort Bend County.
- 2) An employee who retires with continuation of health benefits will not be permitted to retain the continuation of benefits if they return to work for the County in a full time benefit eligible position on or after January 1, 2019. The rehired retiree will be eligible to enroll in current employee health benefits, and will be subject to the age and years of service criteria as specified for employees hired on or after January 1, 2019. This change will not impact retirees who were rehired prior to January 1, 2019 as long as they remain continuously employed and have no break in coverage.

These changes do not affect the criteria needed to qualify for retirement as established with the County's TCDRS plan. If you have any questions regarding the revisions, please contact Wyatt Scott at 281-341-4493.

511 – CONTINUATION OF HEALTH BENEFITS UPON RETIREMENT

<p>Section 511.01 Right to Purchase Continued Health Benefits Coverage</p>	<p>Fort Bend County Commissioners Court has elected to reward County employees for long term continuous service with the right to purchase continued health benefits coverage at a County paid or subsidized rate upon retirement. An employee who qualifies for retirement in accordance with <i>Policy 510 – Retirement</i>, has sufficient tenure, and meets the additional criteria detailed in this policy, will be eligible for this benefit.</p>																
<p>Section 511.02 Eligibility to Participate in a Fort Bend County Health Plan</p>	<p>In order to be entitled to purchase FBC continued health benefits coverage (medical and dental) at the time of retirement at a County paid or subsidized rate, the retiring employee must have current benefits at the time of retirement and must meet the criteria of parts a) through g) below.</p> <p>a) The employee (“eligible employee”) must be entitled to receive retirement benefits from the Fort Bend County retirement plan. (See Policy 510-Retirement.) Note that employees of the Community Supervision and Corrections Department (CSCD) participate in Fort Bend County’s TCDRS plan; however, CSCD employees are not County employees. CSCD employees participate in the State of Texas employee medical benefits plan. Continuation of State medical benefits upon retirement is subject to the rules and regulations of the State benefits plan.</p> <p>b) The eligible employee must meet the age and years of service milestones based on date of hire into a full-time benefits eligible position as specified in Table 511.02(b) below.</p> <p style="text-align: center;">Table 511.02(b)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr> <th style="width: 25%;">DATE OF HIRE (OR TRANSFER FROM CSCD) TO A FULL TIME POSITION</th> <th style="width: 25%;">MINIMUM REQUIRED AGE AT TIME OF RETIREMENT</th> <th style="width: 25%;">MINIMUM YEARS OF FULL TIME FBC EMPLOYMENT REQUIRED</th> <th style="width: 25%;">MINIMUM PERIOD OF FBC BENEFIT COVERAGE REQUIRED</th> </tr> </thead> <tbody> <tr> <td>Prior to January 1, 2010</td> <td>Any age if qualified for retirement in accordance with Section 510</td> <td>8 consecutive years immediately preceding retirement</td> <td>12 consecutive months immediately preceding retirement</td> </tr> <tr> <td>On or after January 1, 2010 but before July 1, 2019</td> <td>Any age if qualified for retirement in accordance with Section 510</td> <td>16 consecutive years immediately preceding retirement</td> <td>12 consecutive months immediately preceding retirement</td> </tr> <tr> <td>On or after July 1, 2019</td> <td>Minimum of 60 years of age if qualified for retirement in accordance with Section 510</td> <td>20 consecutive years immediately preceding retirement</td> <td>12 consecutive months immediately preceding retirement</td> </tr> </tbody> </table> <p>c) The eligible employee must meet the minimum period of FBC benefit coverage as specified in Table 511.02(b) for each coverage they wish to continue (i.e. medical and dental).</p> <p>d) In accordance with Section 175.002 of the Texas Local Government Code, the retiring employee cannot be eligible for group health benefits coverage through another employer at the time of retirement or at any time subsequent to retirement. Such eligibility shall negate a retiree’s</p>	DATE OF HIRE (OR TRANSFER FROM CSCD) TO A FULL TIME POSITION	MINIMUM REQUIRED AGE AT TIME OF RETIREMENT	MINIMUM YEARS OF FULL TIME FBC EMPLOYMENT REQUIRED	MINIMUM PERIOD OF FBC BENEFIT COVERAGE REQUIRED	Prior to January 1, 2010	Any age if qualified for retirement in accordance with Section 510	8 consecutive years immediately preceding retirement	12 consecutive months immediately preceding retirement	On or after January 1, 2010 but before July 1, 2019	Any age if qualified for retirement in accordance with Section 510	16 consecutive years immediately preceding retirement	12 consecutive months immediately preceding retirement	On or after July 1, 2019	Minimum of 60 years of age if qualified for retirement in accordance with Section 510	20 consecutive years immediately preceding retirement	12 consecutive months immediately preceding retirement
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	<p>eligibility for continued health benefits at the County paid or subsidized rate, even if the individual does not elect coverage from the other plan.</p> <p>e) The eligible employee must notify FBC Human Resources that they elect to retire from FBC.</p> <p>f) In accordance with Section 175.002 of the Texas Local Government Code, the eligible employee must notify FBC Risk Management that they intend to purchase continued health benefits no later than the day on which the eligible employee retires from FBC. A completed application for continued health benefits coverage shall be submitted to Risk Management no later than the day the person retires from the County, i.e. the last day worked. Failure to submit the application on or before the day of retirement may result in denial of continued health plan benefits.</p> <p>g) All FBC required employee contributions must be paid through the end of the month in which the eligible employee retires in order to continue health benefits coverage on the first day of the month following retirement.</p>
<p>Section 511.03 Dependent Eligibility Limitations</p>	<p>A retiring employee who meets the criteria specified in 511.02 and elects to purchase County paid or subsidized continued health benefits as a retiree may be permitted to purchase coverage for the retiring employee's eligible dependent(s) as well, subject to the requirements of this section.</p> <p>a) The eligible dependent(s) must be enrolled in the FBC medical plan for at least 12 consecutive months immediately preceding the eligible employee's retirement. Likewise, for dental coverage, the eligible dependent(s) must be enrolled in the FBC dental plan for at least 12 consecutive months immediately preceding the eligible employee's retirement.</p> <p>b) Subsequent to retirement, a retiree may not add dependents that were not covered when they retired, other than qualifying by Section 511.03(c).</p> <p>c) If a retiree's spouse:</p> <ol style="list-style-type: none"> 1) Is a FBC employee who has medical coverage through FBC and is not eligible for retirement; and 2) terminates employment with FBC, the terminating employee's coverage status will be changed from active employee to retiree dependent coverage upon termination and cannot be added after that date, provided the terminating employee was covered under the FBC medical plan for a minimum of twelve (12) continuous months immediately preceding the spouse's retirement. <p>d) For deductible and coinsurance provisions, in the event an eligible dependent addition results in a change of benefit plan option, see Fort Bend County Employee Benefit Plan Article II, B.2 for further information.</p> <p>e) In the event of a retiree's death, dependent benefits with FBC, including the prescription drug benefit, will terminate on the last day of the month that the required contribution amount was received. The dependent may be eligible for coverage at current C.O.B.R.A. rates. If the surviving dependent is a participant in the FBC Medicare supplement plan (see Section 511.04), with supplemental plan approval, they may elect to continue health benefits coverage at the rates determined by the supplement plan.</p>

<p>Section 511.04 Medicare Participation and Supplement Plan Eligibility</p>	<p>FBC reserves the right to replace any health benefit with a Medicare supplement plan when a retiree or eligible dependent attains the age of sixty-five (65).</p> <ol style="list-style-type: none"> a. When a retiree or their eligible dependent reaches the age of 65, they are ineligible to participate in the FBC Employee Benefit health plan options but may enroll in the FBC sponsored Medicare supplement plan in order to continue health benefits coverage. Contact the Risk Management Department for information on enrolling in the supplement plan. b. All retirees and/or eligible dependents who are approaching age sixty-five (65) are required to secure both Medicare Part “A” and “B” coverage, and to submit any necessary forms to enroll in the FBC Medicare supplement plan by their 65th birthday. The FBC sponsored Medicare supplement plan or the Fort Bend County Employee Benefit Plan will only provide coverage secondary to both Medicare Part “A” and “B” for retirees 65 years old or older, and will coordinate benefits after Medicare has paid on any claims. c. Employees who are 65 years or older on the date of their retirement will continue coverage under the FBC Employee Benefit Plan through the last day of the month in which they retire. However, the employee must act to secure both Medicare Part “A” and “B” in a timely manner, such that the coverage is effective by the first day of the next month following retirement. d. In the event the Medicare supplement plan ceases to provide medical coverage, the retiree’s and/or the eligible dependent’s coverage, excluding retiree’s widow(er)s, shall then revert back to the Fort Bend County Employee Benefit Plan or to another FBC offered retiree Medicare supplement plan as adopted by Fort Bend County Commissioners Court. e. Retirees and eligible dependents covered under a FBC Medicare supplement plan will retain pharmaceutical benefits under the Fort Bend County Employee Benefit Plan, unless the Medicare supplement plan offered by FBC includes pharmaceutical benefits, or the retiree/eligible dependent enrolls in a Medicare Part “D” plan.
<p>Section 511.05 Other Provisions</p>	<p>Monthly rates or monthly contributions for County Paid/Subsidized coverage for retirees and their participating dependents are determined by Fort Bend County Commissioners Court. FBC reserves the right at any time to change, delete, modify or add to any benefits or policies, or change rates/contributions, which have been previously adopted by Fort Bend County Commissioners Court.</p> <ol style="list-style-type: none"> a. Premiums are due on the first day of the month and will be late after the tenth of the month. Any ACH debit elections will be drawn monthly. A fee will be charged for any insufficient funds in addition to the monthly premium. Payments in advance may be made monthly, quarterly or annually not to exceed the plan year’s total contribution amount, which ends December 31. Any amount less than a full month’s payment is not acceptable. A late payment letter will be sent giving notification that coverage will be cancelled unless payment is received within ten (10) days. Benefits will be immediately terminated back to the month that contributions were paid in full if contributions and applicable fees are not received within the time limit required. Continued health benefits coverage once cancelled cannot be reinstated.

	<p>b) If a retiring employee does not qualify for County Paid/Subsidized continued health benefits coverage as detailed in Section 511.02, FBC may provide continued health benefits coverage at a non-subsidized premium or actual rate established for retirees. Dental benefits coverage may be purchased in accordance with the rules and regulations of the Consolidated Omnibus Budget Reconciliation Act of 1985 (“C.O.B.R.A.”). C.O.B.R.A. rates are determined by Fort Bend County Commissioners Court.</p> <p>c) The retiree and any eligible dependent(s) will not be allowed to change between FBC medical plan options upon retiring, except during the Annual Enrollment period.</p>
<p>Section 511.06 Retiree / Retiree’s Dependent Coverage upon Re-employment with FBC after Retirement</p>	<p>The following provisions have been adopted for continuation of health plan benefits for a FBC retiree who returns to work for Fort Bend County.</p> <p>a) Effective July 1, 2019, a retiree participating in FBC continuation of health benefits who is rehired by FBC on or after July 1, 2019 into a full time benefits-eligible position shall forfeit the continuation of benefits. The rehired retiree shall be eligible to enroll in current active full-time employee benefits, subject to any applicable waiting period, and the continuation of benefits will remain effective only during the waiting period. The rehired retiree will be considered a new hire subject to the age and years of service requirements for employees hired on or after July 1, 2019 as specified in Table 511.02(b).</p> <p>b) Prior to July 1, 2019, a retiree who returned to a full-time benefits-eligible position was permitted to retain the continuation of benefits upon rehire subject to certain restrictions. A retiree who was rehired prior to July 1, 2019 and elected to retain the original continuation of benefits with which they retired shall be permitted to retain these benefits while continuously employed with FBC. The retiree shall be permitted to continue the same coverage when they subsequently retire from FBC. However, should the retiree return to full-time employment with FBC after July 1, 2019, they will be considered a new hire subject to the age and years of service requirements for employees hired on or after July 1, 2019 as specified in Table 511.02 (b).</p> <p>c) A retiree and/or eligible dependent covered by the Medicare supplement plan will not be eligible to retain the benefit upon the retiree’s rehire. The rehired retiree will be given the option to participate in employee benefits as a current active full time employee.</p> <p>d) If a retiree who was rehired prior to July 1, 2019 chooses to terminate their continuation of health benefits to participate in active full-time employee health benefits, then, the rehired retiree and their dependents would have to meet all of the qualifications of this Section 511 with accrual of qualifications beginning at time of rehire.</p>
<p>Section 511.07 Issues Resolution</p>	<p>Continuation of Health Benefits eligibility issues shall be submitted in writing to the Director of Risk Management. In the event the retiree wishes to appeal the Risk Management decision, the retiree may request further action by written request to the County Judge or any County Commissioner for review by Fort Bend County Commissioners Court, whose final action will determine disposition of the issue.</p>

Policy Approved and Adopted By:
Fort Bend County Commissioners Court

FORT BEND COUNTY EMPLOYEE INFORMATION MANUAL

July 20, 1993
Revised: February 10, 2004
Revised: August 30, 2005
Revised: August 25, 2009
Revised: December 8, 2009
Revised: October 22, 2013
Revised: December 11, 2018