

# City of Worcester Benefits Q&A

## ENROLLMENT/ELIGIBILITY

Q. I'm a new employee, am I eligible for benefits?

A. If you are paying into the City's Retirement or Mass Teachers' Retirement you are eligible. If you are paying into OBRA, you are not eligible for benefits. Check the deductions on your pay stub for clarification.

\* WPS employees are required to bring a letter from HR that states their date of hire and that they are eligible for benefits.

Q. I'm not a new employee, but I'm not currently enrolled. Can I enroll at any time?

A. No, there must be a Qualifying Event (QE) in order to enroll off the Open Enrollment period.

Qualifying Events:

- 1) Marriage of the subscriber
- 2) Birth, legal guardianship, or adoption of a dependent child
- 3) Involuntary loss of coverage

If you experience a QE, you have 30-days to make a change.

Q. I am currently enrolled; however I have an individual plan. I would like to add dependents to my plan. Can I do that anytime?

A. No, again you must experience a Qualifying Event or wait for the annual Open Enrollment. If you experience a QE, you have 30-days from the date of the QE to add a dependent.

Q. What do I need to provide in order to add dependents?

A. If you are adding a spouse, you will need to provide a marriage certificate.

If you are adding a child, you will need to provide a birth certificate (placement/adoption papers, guardianship papers).

If you are covering an ex-spouse, you will need a copy of the divorce decree.

\*\*Effective July 1, 2011 dependents to age 26 will be eligible to continue on their parents' medical plans; however dental and vision will continue previous eligibility determined by 19<sup>th</sup> birthday or FT student status to 25.

- They don't have to be full-time students.
- They don't have to live at home.
- They can be married. Their spouse and/or children are not eligible for coverage.

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## CANCEL COVERAGE

- Q. I would like to cancel my coverage. When can I do that?
- A. Medical coverage can be cancelled at any time, however dental and vision can only be cancelled at Open Enrollment.
- Q. If I cancel, when can I re-enroll?
- A. You can re-enroll during the annual Open Enrollment or if you experience a Qualifying Event, i.e. involuntary loss of coverage, marriage, birth, divorce.

## NEW HIRE/NEW ENROLLEE

- Q. I was just hired. How long do I have to enroll in benefits?
- A. You have 30-days from your date of hire to enroll. Otherwise you will have to wait until Open Enrollment or if you experience a QE.
- Q. I'm not enrolling in benefits, so I don't need to do anything?
- A. If you're not enrolling in medical, you must complete an Employee Health Insurance Responsibility Disclosure (HIRD) form.
- Q. Why is that form required?
- A. The state requires this of anyone declining to participate in an employer sponsored health insurance plan.
- Q. Is that the only form required?
- A. No. All benefits eligible employees must complete a Waiver form. This indicates whether you enroll in any of the plans or decline enrollment.
- Q. I'm enrolling in a family plan. What do I need to do?
- A. When enrolling family members, you must provide certain documents: a marriage certificate (not the church record), birth certificates (adoption papers, guardianship papers) along with the completed enrollment forms.
- Q. I received my first pay since enrolling in benefits. Why was so much deducted?
- A. The City of Worcester pays its premiums a month in advance. So, anyone having deductions this week is paying for next month's premium. If you came in here on your date of hire and enrolled, you would be four weeks behind in premium. If your paperwork wasn't processed for another week, you would be five weeks in arrears.

This amount is referred to as 'Med-owed' (medical owed, but would also include an amount for dental and/or vision) and until this amount has been satisfied, you will have double deductions from your pay for that many weeks.

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- Q. I'm paying for the month before I was hired? Why? I couldn't use the services.
- A. Since we pay our premiums a month (4 weeks) in advance, you weren't covered the month prior to your hire date. That is when payment would have been due for your coverage to begin on your date of hire. When/if you leave the employment of the city, you will be covered 4 weeks beyond your last deduction.

### WPS

- Q. I'm a teacher, but I'm not paid through the summer (stretch pay). Will I have coverage during that period of time?
- A. Yes, however the deductions that won't be taken - due to no pay received - will accrue, and when you return in the fall you will have double deductions until the amount owed has been satisfied.
- Q. Can I pay for my premiums by check for that period of time when I won't be receiving a pay during the summer?
- A. No, your benefits are deducted pre-tax and must be processed through the Treasurer's Office.
- Q. Can I cancel my benefits for that period of time and then re-enroll when I return to work in the fall?
- A. You can cancel your medical, but would not be eligible to re-enroll in the fall because it is not a QE. You couldn't cancel your other benefits; they can only be canceled at OE.

### LEAVE OF ABSENCE (Medical, Military, Personal)/WC

- Q. I am going to be on a LOA, will I have the same coverage?
- A. Yes, unless you decide to cancel and notify us.
- Q. Will the premium change while I am on a LOA?
- A. If you are on an approved Medical LOA, your premiums will remain the same. If you are going to receive a pay, the normal weekly/bi-weekly deductions will continue. If you are not going to receive a pay, your status will change from Active to Billing and you will receive a monthly bill from the Treasurer's Office. When you return to work, you would notify this office and your status would be changed back to Active and the deductions would again be taken from your pay.
- If you are on a Personal LOA, you will be responsible for 100% of the premium. Currently you are paying 25% of the premium and the City is paying the remaining 75% of the premium. Your status will be changed from Active to Billing and you will receive a monthly bill from the Treasurer's Office. When you return to work, you would notify this office and your status would be changed back to Active and the deductions would again be taken from your pay.

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If you would like to cancel your coverage while you are on a Personal LOA, you would be eligible to re-enroll upon your return from your LOA. Again, the 30-day rule would apply.

If you are on a Military LOA for at least a year, you have a couple of choices. You can let your premiums accrue and have double deductions when you return or you can be billed monthly. Prior to your deployment you should contact our office and we can discuss this further with you.

If you are on Workers' Compensation and you are not receiving a regular pay as well, we will make the necessary changes so that your WC check will have the medical deductions. Please contact this office upon your return, and we will make the adjustment for the deductions from your regular pay.

- Q. I have deductions for Trustmark products (Universal Life, Short-term Disability, Long-term Disability, Critical Illness, Accident, 10-year Term). What will happen with those plans?
- A. If you are not receiving a regular pay and have STD or LTD, you should contact Trustmark at (800) 918-8877 (#6) and make arrangements to pay for these plans directly. The other plans can be deducted through the Treasurer's Office as long as you are receiving a weekly/bi-weekly pay.

## PLAN DESIGN

- Q. Why are my deductions different than my colleague who has the same medical plan?
- A. Right now we have two plan designs for our 'Conventional' plans, which are available only to our active employees and retirees who are under 65 or not Medicare eligible.

Current Plan Design – those unions who have not settled their contracts. Their contribution rate is 20%.

New Plan Design - Retirees, non-represented, and unions that have settled. Their contribution rate is 25%.

However, for those who were hired after January 1, 2006, and a member of an unsettled union:

New Hire – their plan design is the same, however their contribution rate is 25%. Although their contribution rate is the same as those on the "New", their rate is higher because they have the 'Current' plan design.

## COBRA

- Q. I recently resigned from my position with the city. When does my coverage end?
- A. If you have had all the required (normal) deductions from your pay each pay period, you will be covered for four (4) weeks beyond your final deduction.

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Q. I am planning on resigning, is there a way that I can continue my current coverage even though I'm no longer employed by the City of Worcester?

A. Yes, you would be eligible for COBRA.

Q. What is COBRA?

A. (COBRA) Consolidated Omnibus Budget Reconciliation Act, was passed by Congress in 1986. It requires that most group health plans provide a temporary continuation of group health coverage that otherwise might be terminated.

This coverage is offered to covered employees, their spouses, their former spouses, and their dependent children when group health coverage would otherwise be lost due to certain specific events. Those events include the death of a covered employee, termination, or reduction in the hours of a covered employee's employment for reasons other than gross misconduct, divorce or legal separation from a coverage employee, a covered employee's becoming entitled to Medicare, and a child's loss of dependent status.

Employers may require individuals who elect continuation coverage to pay the full cost of the coverage, plus a 2 percent administrative charge.

Q. Is COBRA coverage automatic?

A. No, however we will notify our consultant, Group Benefit Strategies (GBS) that you have experienced a Qualifying Event (QE) and they will send you the COBRA paperwork.

Q. Are the premiums for COBRA continuation coverage the same as I was paying previously as an active employee?

A. No, through the group plan with the city you were paying 25% of the premium, and the city paid the remaining 75%. You will pay the entire (100%) of the COBRA premium and an additional 2% (administration fee), for a total of 102% of the premium.

Q. How long will I be covered by the COBRA coverage?

A. The maximum duration of coverage for the termination of employment is 18 months. However, if you are married and divorce your spouse, he/she would be covered for 36 months. The same maximum would hold for a child who loses dependent status.

Q. I'm not sure if I want to enroll in COBRA right away. Is there an Open Enrollment period?

A. Once you receive your COBRA letter and Election form from GBS, you have 60-days from the date on the letter, or the date of your loss of coverage to elect COBRA. Once that 60-day window has passed, you will not be eligible to elect COBRA continuation coverage.

Q. What if I don't respond and then on the 59<sup>th</sup> day I sign the form and return it to GBS?

A. You will be covered retroactive to the date of the loss of coverage and your premium (at 102%) will be calculated retroactive to that date.

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- Q. Is there another option so that I'm not paying all of that in premium?
- A. You can 'waive' the coverage by notifying GBS that you don't want the coverage. If something happens (a medical emergency/catastrophe) after you've waived coverage, but within the 60-day window, you can contact GBS and elect COBRA continuation coverage. The effective date would be the day you notify them that you are now electing coverage. The premium would be calculated using that date, as opposed to the date of your loss of coverage.
- Q. I have a family plan. If I don't want to elect coverage, but someone on my plan would like to enroll. Is that possible?
- A. Yes, each of the Qualified Beneficiaries (QB) may independently elect COBRA continuation coverage.
- Q. Will I be required to make a payment when I elect the coverage?
- A. No, you cannot be required to send any payment with your election form. You can be required to make an initial premium payment within 45 days after the date of your COBRA election (the date you mail in your election form).
- Q. What if I can't make the payment in the time-frame required?
- A. Failure to make any payment within that period of time could cause you to lose all COBRA rights. The plan can set premium due dates, but it must allow a 30-day grace period.

## LIFE INSURANCE

- Q. Can I enroll in Unum life insurance at any time?
- A. No. Enrollment is available for new employees, within 30 days from their date of hire and at the annual Open Enrollment.
- Q. Is everyone eligible for enrollment in Unum life insurance?
- A. No. This is for active, benefits eligible employees only.
- Q. What plans are offered?
- A. (1) The Basic life insurance plan:
- Group life and accidental death & dismemberment policy
  - \$5,000 worth of coverage
  - City pays 50% of the premium.
  - Employee pays \$4.78/month
  - Only 'benefits eligible' can enroll
  - Effective 1<sup>st</sup> of the month following date of hire
  - No cash-surrender value
  - Terminates at death, or upon member's voluntary cancellation

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(2) The Optional life insurance plan:

- Group life and accidental death & dismemberment policy
- Coverage in \$10,000 benefit units
- Maximum benefit is the lesser of 3x annual salary or \$305,000
- Evidence of Insurability (E of I) required for any amount over \$205,000 (includes basic benefits)
- Terminates at death, or upon member's voluntary cancellation

(3) Spouse coverage:

- Group life
- Coverage in \$5,000 benefit units
- Maximum benefit is \$100,000 or more than 50% of member
- Evidence of Insurability required for any amount over \$20,000

(4) Child coverage:

- Group life
- \$5,000 benefit
- \$.95 no matter the number of children covered
- Live birth to age 19 or 25 if FT student

Q. When are the premiums deducted from my pay?

A. Deductions are monthly.

Q. I want the Optional only. Do I have to enroll in the Basic?

A. You must enroll in the Basic in order to be eligible to enroll in Optional, Spouse or Child coverage. Without the Basic plan you are not eligible for the others.

Q. I have become disabled. How can I apply for the Waiver of Premium?

A. If someone is disabled for 9 months, they can apply for Waiver of Premium. Then, if approved, their life insurance premium will be waived. See Unum Certificate of Coverage for more details.

## VOLUNTARY PRODUCTS

### Trustmark

Q. Does the city offer any other life insurance plans?

A. Yes. The city also offers voluntary products from Trustmark Insurance Company. We have Universal Life (UL), Short-term Disability (STD), Long-term Disability (LTD), Critical Illness (CI), Accident and 10-year Term.

Q. Can anyone enroll?

A. No, only those employees who are benefits eligible.

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- Q. Can you enroll me in one of those plans?  
A. No, only the enroller from Trustmark can do that. These products are customized to your individual needs, so you must speak to an enroller.
- Q. When can I enroll?  
A. These products are available to new employees, within 30-days of their date of hire, and during the annual Open Enrollment.
- Q. How often are the premiums deducted?  
A. The deductions are every pay period (i.e. weekly, bi-weekly, and semi)
- Q. What if I decide that I no longer want the coverage. Can I cancel at any time?  
A. Cancellation depends on the product. UL can be cancelled at any time. The others can only be cancelled at Open Enrollment or upon your retirement.
- Q. Is there someone who I can contact to discuss enrolling during the allowed times mentioned above?  
A. The enroller is Mike Davey – (800) 445-4493 x37

## CAFETERIA PLAN ADVISORS – FLEXIBLE SPENDING ACCOUNTS

- Q. What is the Medical Flexible Spending Account? Also known as the “Benny® Card”.  
A. The city’s plan allows you to set aside up to \$3,000 pre-tax from your paycheck to pay for expenses not covered by insurance.
- Q. How does it work?  
A. You determine an annual amount that you would spend on co-pays, dental work, eyeglasses, chiropractor, etc., and that amount is divided by your number of pay periods per year and deducted each pay period from your pay.
- Q. How are the savings realized?  
A. The deducted amount is pre-tax, so the amount of federal, state and social security taxes that you pay will be less.
- Q. How do I pay for the service?  
A. Prior to July 1 (the effective date of the plan) you will receive a Benny Card. It resembles a credit card and will be pre-loaded with the amount that you chose to contribute.
- Q. What if I have a \$50 service performed, but I haven’t yet contributed that amount?  
A. As soon as you’ve had one deduction you can begin ‘swiping’ the Benny® Card, and it will cover the expense. It will not, however, ever exceed the amount that you’ve determined to contribute for the year.

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Q. I won't need to file paper claims?

A. Only if the service provider does not have the equipment necessary to accept a credit card payment.

Q. Can I enroll at any time?

A. Enrollment is similar to the other Voluntary Products mentioned above. New hires have 30 days from their date of hire, or anyone benefits eligible can enroll at the annual Open Enrollment, AND if you experience a Qualifying Event.

Q. Can I cancel at any time?

A. No, you can only cancel at Open Enrollment.

Q. How am I reimbursed for paper claims that I submit?

A. When you complete the enrollment form, you will indicate the method preferred. You can have it deposited directly into your checking account or it can be mailed to you.

Q. Once I've enrolled, I will automatically be re-enrolled each year?

A. No, you must re-enroll each year. It is not automatic.

Q. When I re-enroll I will receive a new Benny® Card?

A. No, you must keep the original card and if you re-enroll, the amount you chose will once again be pre-loaded onto the card effective July 1.

Q. What is the Dependent Care Flexible Spending Account?

A. This is for people who have children in daycare or parents that require elder care. IRS allows you to set aside up to \$5,000 pre-tax from your paycheck to pay for these expenses.

Q. Is it handled the same as the Medical Flexible Spending Account?

A. Yes, as far as selection of an amount and the deductions each pay period. However, reimbursement is not the same. When you submit a claim for reimbursement you will not have a Benny® Card, you will not receive that amount unless you have already contributed that amount to CPA.

Q. What is the Transportation Benefit Plan?

A. This allows you to pay for daily or monthly parking expense incurred for parking at or near your work, or to pay for your mass transit expenses related to your commute to work.

Q. Will I receive a Benny® Card for payment of services?

A. No, you must submit paper claims.

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- Q. Will I be reimbursed in the same manner as the Medical Flexible Spending Account?
- A. No, the reimbursement for the Transportation Benefit operates in the same manner as the Dependent Care Account. If you submit a claim that exceeds the amount that has been deducted from your pay, you will only receive that amount of your contribution.
- Q. Who can I talk with about this plan?
- A. Paula Francis – (800) 544-2340

## RETIREMENT

- Q. I am planning on retiring. What should I do?
- A. Prior to someone retiring (from COW or WPS), they are required to complete an Intention to Retire form (ITR), which indicates what benefits they want to continue through their retirement.
- Q. I don't want to change anything. Do I still have to complete that form?
- A. Yes, everyone must complete the form.
- Q. Are all of the benefits currently offered, available through retirement?
- A. No, there are a few exceptions for continuing coverage. Everything can be continued, with deductions from their retirement check,  
EXCEPT...  
UL – Trustmark will bill you directly  
STD & LTD – these plans will terminate  
CPA – this plan terminates
- Q. I'm not sure when I'll receive my first retirement check. Will this cause a lapse in my coverage?
- A. No. If you aren't going to receive a COW retirement check immediately, we will send you a manual check for the premium that you owe. If you aren't going to receive a MTRS retirement check immediately, MTRS will be notified and the premium payment missed will be deducted from your first retirement check.
- Q. I'm over 65 and retiring. Does this affect my retirement?
- A. If the member or spouse/dependent is 65 and Medicare eligible at the date of retirement, state law requires that you must enroll in Medicare and select one of the city's Medicare Supplement plans.
- Q. Can I change my health plan when I retire?
- A. No, you can only make changes at the annual OE.

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- Q. My spouse is the COW retiree, what happens to my medical benefits when he/she passes away?
- A. If you were covered by your spouse at the time of the passing, you would continue your coverage. The payment of the premium would be dependent upon the retirement option that the retiree chose when they retired.
1. If the surviving spouse will receive a monthly benefit, the premium(s) will be deducted from that each month.
  2. If you won't receive a monthly benefit, you will receive a bill each month from the Treasurer's Office. If you cancel your coverage at any time, you will no longer be eligible for coverage with the City of Worcester.
  3. If you take a lump sum, rather than a monthly payment, you will not be eligible for coverage with the City of Worcester.

### DIVORCE, LEGAL SEPARATION AND REMARRIAGE

- Q. I am in the process of a divorce and I provide coverage to my spouse. Can I continue to cover him/her once the divorce is final?
- A. In accordance with state laws (MGL 176B, Sec. 6B), unless the divorce decree states that you are required to cover your former spouse, you cannot provide coverage once you are divorced. The former spouse could then elect COBRA coverage or if a Massachusetts resident, they may purchase health insurance from the Health Connector (1-877-623-6765).
- Q. My divorce decree states that I must maintain coverage for my ex-spouse. How long is he/she eligible to remain on my plan?
- A. You must provide a copy of the divorce decree that indicates the "divorce absolute" date (the date your divorce became final), the health insurance provisions, and the signature pages. An ex-spouse will then be eligible to continue on the member's plan until either one of you remarry.
- Q. I am remarrying, but my divorce decree states that I must continue to cover my ex-spouse. Can I cover both of them on my family plan?
- A. No, the former spouse would then have a "COBRA-like" plan. This means that the city would not contribute toward the premium for that plan. You would be responsible for 100% of the premium and would be billed for the monthly premium. This is true even if your new spouse does not need COW health coverage. Failure to report a remarriage in a timely manner may result in financial liabilities.

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## TURNING 65

Q. What is Medicare?

A. Medicare is a federal health insurance program for retirees age 65 or older and certain disabled people. Medicare Part A covers inpatient hospital care, some skilled nursing facility care and hospice care. Medicare Part B covers physician care, diagnostic x-rays, and lab tests and durable medical equipment. Medicare Part D is a federal prescription drug program (our SilverScripts plan).

Q. I'm turning 65, what do I need to do?

A. You will receive a letter from this office approximately 3 months prior to your 65<sup>th</sup> birthday. With that letter is a form that you must take to your local Social Security Office for completion. If eligible and if you are retired, state law requires that you enroll in Medicare Part A and Part B to continue coverage with the City of Worcester, and you must choose one of the city's Medicare Supplement plans.

If you or your spouse do not complete the required paperwork to determine Medicare eligibility, you will no longer be eligible for medical coverage with the City of Worcester.

Q. I'm retired, but not age 65. My spouse is turning age 65; what should my spouse do?

A. If you haven't received the letter from this office, your spouse should call or visit your local Social Security Office for confirmation of Social Security and Medicare eligibility. If eligible, he/she must enroll in Medicare Part A and Part B to continue coverage with the City of Worcester.

You would then enroll in an Individual Conventional plan until you turn 65 and become Medicare eligible. Then you would repeat the same process as your spouse by going to Social Security to determine your Medicare eligibility and visiting our office to switch to a Medicare Supplement plan.