

**GWINNETT COUNTY GOVERNMENT  
FUNDING AND ELIGIBILITY POLICY FOR  
OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**I. PURPOSE AND INTENT**

The purpose of this policy is to:

1. Define eligibility for former employees and their eligible dependents to continue to participate in the County group benefits plan which includes medical, dental and vision benefits.
2. Assist the County in complying with Governmental Accounting Standards Board Statements related to Other Post-Employment Benefits (OPEB).
3. Provide for cost sharing between the County and OPEB participants.
4. Establish mechanisms for funding the OPEB liability.
5. Comply with all applicable State and Federal legislation.

**A. Authorizing Legislation:**

- i. Federal: ERISA-exempt; COBRA (29 USCA §1161 et seq.); Americans with Disabilities Act (42 USCA §12102 et seq.); Internal Revenue Code §125 and implementing regulations.
- ii. Georgia: 1983 Georgia Constitution, Art. IX, §2, ¶ 1 (f); OSCA §§ 36-1-11.1(a) and 45-18-5.
- iii. Local: Resolution of the Gwinnett County Board of Commissioners, October 27, 1992.
- iv. Administration: Department of Human Resources and Department of Financial Services.

**II. OVERVIEW**

There are currently four (4) groups of persons associated with Gwinnett County Government who may participate in Gwinnett County's OPEB benefits program. They are the Retirees, Inactive Employees, Ex-Elected Officials and In-Line-of-Duty participants.

### **III. OPEB PARTICIPANTS AND THEIR ELIGIBLE DEPENDENTS**

#### Definitions:

1. *Participant:* Any former County official or Employee who is eligible and enrolled in and County-provided OPEB health plan – medical, dental or vision.
2. *Eligible Dependent:*
  - A. A Participant's Legal Spouse who was eligible to be covered for County benefits at the time of Retirement or the date of the Inactive Status. A Legal Spouse is not eligible if the Participant and the spouse are legally separated, divorced or have obtained an annulment; or is a common law spouse, unless the common law marriage was recognized as valid by the Gwinnett County Benefits Office prior to July, 1, 1997.
  - B. A Dependent Child of an Active Official or Employee. A Dependent Child who was eligible to be covered for County benefits at the time of Retirement or the date of the Inactive Status and is a natural child, stepchild or legally adopted child of an Active Official or Employee from the date the Active Official or Employee becomes legally responsible for the child and not yet age 26. A Dependent Child who works full or part-time is not rendered ineligible by virtue of his/her own employment.
  - C. A Disabled Child: A Disabled Dependent who was eligible to be covered for County benefits at the time of Retirement or the date of the Inactive Status and is a child who is mentally or physically disabled and totally dependent on the Active Official or Employee for support, regardless of age. Medical certification of disability by the Gwinnett County Human Resources Department is required within 30 days of the child's 26<sup>th</sup> birthday and periodically thereafter.
3. *Change in Life Status Event:* Defined by Federal Law and regulations as a:
  - A. Change in marital status, including marriage, death of a spouse, divorce, legal separation or annulment.
  - B. Change in the number of dependents, including birth, adoption and placement for adoption or death of a dependent.
  - C. Change in employment status, including termination or commencement of employment of the employee, spouse or dependent.
  - D. Change in the work schedule, including an increase or decrease in the number of hours of employment by the employee, spouse or dependent,

including a switch between full-time and part-time status, a strike or lockout or commencement or return from an unpaid leave of absence.

- E. Change which causes dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age, student status, marriage or any similar circumstances as provided under the health/dental plan which covers the employee.
- F. Change in the place of residence or work site of the employee, spouse or dependent.

In the event IRC §125 and/or implementing regulation(s) are amended, this section will be considered to be automatically amended to conform thereto.

#### **IV. RETIREES AND THEIR ELIGIBLE DEPENDENTS**

##### Definition:

- I. *Retiree:* A person who has met the specific eligibility requirements for retirement and has retired under the Gwinnett County Defined Benefit Pension Plan or the Gwinnett County Defined Contribution Plan. An Inactive Employee who meets the eligibility requirements to receive Gwinnett County group health benefits (see eligibility section below) will be considered a Retiree for purposes of these guidelines once he/she satisfies the eligibility requirements to begin drawing a normal retirement benefit from the defined benefit or defined contribution plan.

##### Eligibility:

A Retiree and Eligible Dependents (see Section III of this policy) of a Retiree.

##### The Enrollment Process for Retirees

Retirees are given the opportunity to elect to continue receiving group health benefits at the time of actual retirement. (Life and disability benefits are not offered to Retirees.) If the opportunity to elect to continue group health benefits is not elected within thirty (30) days of retirement and the Retiree does not have comparable health coverage elsewhere, coverage will not again be offered and the Retiree will have waived the option to participate in Gwinnett County's group health benefits for life. Changes during the plan year may be made only pursuant to Section III of this policy (Definition for Change of Life Status Event).

If at any time the Retiree waives health coverage because he/she has other group health coverage that is comparable to the coverage offered to Retirees by Gwinnett County, the Retiree may subsequently elect County Retiree health benefits only in the event of involuntary loss of the other coverage (e.g., through loss of employment). The Retiree

must make such election within thirty (30) days of loss of coverage and must provide satisfactory documentation of continuous group health coverage since the date of retirement. Plan election will not allow a break in coverage. The Gwinnett County Health Plan effective date will be the day following loss of prior health coverage.

In the event of death of an Active County Official or Employee who has satisfied the retirement eligibility requirements, the spouse and eligible dependents of the County Employee, who were eligible to be covered for County benefits at the time of death, will be allowed to continue health insurance at the prevailing retiree rates. If the spouse and eligible dependents do not elect to enroll within thirty (30) days of the date of death, he/she will have waived any opportunity to obtain group health benefits through Gwinnett County. Only a surviving spouse and dependents covered at time of the County Employee's death will be eligible for continued coverage.

### Cost Sharing

The cost of Gwinnett County's group health benefits is shared by the County and participants. Funding is approved by the Board of Commissioners through the annual budget process. Monthly premium rates for Retirees are set annually after a review of the actuarial costs of the retiree group in light of funding provided by the Board of Commissioners, with the precise amount being determined and set by the Department of Financial Services and Department of Human Resources. The actuarial cost reviewed will include anticipated annual cash flow for claims and expenses, amortization of existing unfunded OPEB liability and accrual of additional OPEB Liability.<sup>1,2</sup>

The Retiree's monthly premium amount is due in the Human Resources Department on the first day of each month. The Retiree's failure to pay the monthly premium within thirty (30) days can result in benefits cancellation. Reinstatement of benefits can be authorized only with the approval of the County Administrator or designee.

## **V. INACTIVE EMPLOYEES AND THEIR ELIGIBLE DEPENDENTS**

### Definitions:

- I. *Inactive Employee:* An Employee who is on Unpaid Leave Status.

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<sup>1</sup> A Retiree who retired before 1992 pays the monthly premium rate in effect for Retiree participants in 1992.

<sup>2</sup> Rehired Employees who remain in a Gwinnett County Defined Benefit Plan retirement status must remain in the retiree health plan and continue to pay prevailing retiree rates provided they work less than 30 hours per week.

2. *Expiration of Coverage:* When referring to disability insurance, means no further benefits are payable to the claimant under any circumstances, usually due to the claimant reaching the limiting age for coverage or the policy limits of coverage having been paid.

Eligibility for Employees with Inactive Status commencing before July 1, 2007

- I. An Inactive Employee who has less than 3 years of service:
  - A. May continue his/her current benefits for up to twenty-four (24) months after being placed on inactive status, if employment is not sooner terminated, or
  - B. If employment is terminated during this 24-month period, the option to continue receiving benefits pursuant to COBRA will be offered unless the employee is receiving Gwinnett County Short-Term<sup>3</sup> or Long-Term Disability.
  - C. If an Employee is receiving Gwinnett County Short-Term or Long-Term Disability, he/she may continue his/her current benefits for twenty-four (24) months.
2. An Inactive Employee who has 3 or more years of active service and in an approved Leave of Absence for up to one year:
  - A. May continue his/her current benefits until he/she becomes eligible for retirement, if employment is not sooner terminated.
  - B. If employment is terminated, the option to continue receiving benefits pursuant to COBRA will be offered unless the Employee is receiving Gwinnett County Short-Term or Long-Term Disability.
  - C. If an Employee is receiving Gwinnett County Short-Term or Long-Term Disability, he/she may continue his/her current benefits until eligible to retire.
3. Inactive Employees whose Long-Term Disability (LTD) benefits are terminated by the LTD insurer prior to expiration of coverage and who have a minimum of ten (10) years of active service:
  - A. May continue to receive health benefits at prevailing retiree rates as long

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<sup>3</sup> Employees who have not elected to have Short Term Disability insurance may satisfy this requirement for the first 180 days of disability by providing satisfactory documentation that they have a personal disability that would qualify under the Family Medical Leave Act.

as they were determined to be totally disabled by the Social Security Administration effective on a date prior to their termination of employment from Gwinnett County;

- B. Must apply annually for this option and provide satisfactory documentation of continuing total disability from the Social Security Administration.

**Eligibility for Employees with Inactive Status commencing on or after July 1, 2007**

- I. An Inactive Employee who has less than ten (10) years of service:
  - A. May continue his/her current benefits for up to twenty-four (24) months after being placed on Inactive Status, if employment is not terminated sooner.
  - B. If employment is terminated during this twenty-four (24) month period, the option to continue receiving benefits pursuant to COBRA will be offered unless the employee is receiving Gwinnett County Short-Term or Long-Term Disability.
  - C. If an Employee is receiving Gwinnett County Short-Term or Long-Term Disability; he/she may continue his/her current benefits for twenty-four (24) months.
- 2. An Inactive Employee who has ten (10) or more years of active service and in an approved Leave of Absence for up to one year:
  - A. May continue his/her current benefits until he/she becomes eligible for retirement, if employment is not terminated sooner.
  - B. If employment is terminated, the option to continue receiving benefits pursuant to COBRA will be offered unless the Employee is receiving Gwinnett County Short-Term or Long-Term Disability.
  - C. If an Employee is receiving Gwinnett County Short-Term or Long-Term Disability, he/she may continue his/her current benefits until eligible to retire.
- 3. Inactive Employees whose Long-Term Disability (LTD) benefits are terminated by the LTD insurer prior to expiration of coverage and who have a minimum of ten (10) years of active service:
  - A. May continue to receive health benefits at the prevailing retiree rates as long as they were determined to be totally disabled by the Social Security Administration effective on a date prior to their termination of employment from Gwinnett County;

- B. Periodic documentation of the disability may be requested.

#### The Enrollment Process for Inactive Employees

Enrollment for an Inactive Employee takes place during the Annual Enrollment period. If the Inactive Employee does not elect to re-enroll during the Annual Enrollment period, he/she will have waived any opportunity to obtain group health benefits for the plan year. Changes may be made during the plan year only pursuant to COBRA regulations.

#### Funding of Group Benefits for Inactive Officials and Employees

Health Benefits: The cost of Gwinnett County's group health benefits is shared by the County and participants. Funding is approved by the Board of Commissioners through the annual budget process. Premium rates for Inactive Officials and Employees are set annually after a review of the actuarial cost of the active employee group in light of funding provided by the Board of Commissioners, with the premium amount being determined by the Department of Financial Services and the Department of Human Resources<sup>4</sup>.

Inactive Employees who commence receiving Long-Term Disability benefits on or after July 1, 2007, must pay the prevailing retiree rates for health benefits.

The Inactive Employee's monthly premium amount for health benefits is due in the Human Resources Department on the first day of each month. The Inactive Employee's failure to pay the monthly premium within thirty (30) days can result in benefits cancellation. Reinstatement of benefits can be authorized only with the discretion of the County Administrator or designee.

Department Directors are notified whenever Inactive Employees elect to continue their current health benefits and the department will continue to be charged with County's portion of the premium costs. Once the Inactive Employee's employment is terminated, however, whether by resignation or otherwise, the department will no longer be charged for the County's portion of the premium costs.

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<sup>4</sup> Inactive Employees disabled prior to 1989 remain grandfathered at the established premium rate.

## **VI. EX-ELECTED OFFICIALS AND THEIR ELIGIBLE DEPENDENTS**

### Definition:

1. *Ex-Elected Official:* Any County Official who is leaving or has left office after completion of at least one full term in office.

### Eligibility:

1. An Ex-Elected Official<sup>5</sup> and his/her Eligible Dependents who were eligible to be covered for County benefits at the time the County Official left office, until such time as the Ex-Elected Official becomes eligible to obtain group health benefits under any other plan. As part of the Annual Enrollment process, covered Ex-Elected Officials must confirm that they and their dependents remain ineligible to obtain group health benefits under any other plan.
2. Eligible Dependents of an Ex-Elected Official until such time as they become ineligible for County coverage.
3. Life and Disability benefits are not offered to Ex-Elected Officials.

### The Enrollment Process for Ex-Elected Officials

An Ex-Elected Official is given the opportunity to elect to continue receiving group health benefits prior to leaving office. If the opportunity is not elected within thirty (30) days of leaving office, coverage will not be offered again at a later date. Otherwise, the Gwinnett County Human Resources Department will administer this program with the same requirement as for Retirees.

### Death of a County Elected Official or Ex-Elected Official

In the event of the death of a County Elected Official while in office or after leaving office, the spouse and eligible dependents of the County Elected Official will be allowed to continue health insurance at the prevailing retiree rate.

### Cost Sharing

The cost of Gwinnett County's group health benefits is shared by the County and participants. Funding is approved by the Board of Commissioners through the annual budget process.

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<sup>5</sup> Except that any Ex-Elected Official who has been removed from office pursuant to OCGA § 21-4-1 *et seq.* or for conviction of any crime requiring removal from office is not eligible to continue to receive group health benefits after his/her removal.

Monthly premium rates for Ex-Elected Officials are set annually after a review of the actuarial cost of the retiree group in light of funding provided by the Board of Commissioners, with the precise amount being determined by the Department of Financial Services and the Department of Human Resources. Ex-Elected Officials pay the same monthly premium rate as Retirees.

## **VII. IN-LINE OF DUTY PARTICIPANTS**

### Definition:

1. *In-Line of Duty Death:* Occurs when an Active Employee's death arises in and during the course of scope of his/her employment with Gwinnett County. The phrase "arises in and during the course of the scope of employment" shall be construed in such manner as to be consistent with OCGA §34-9-1(4).

### Eligibility:

The following persons are eligible to continue to participate in group health benefits through the County following the in-line duty death of an Active Employee:

1. The Active Employee's surviving spouse, who was eligible for County benefits at the time of the employee's death, until such time as he/she are eligible to obtain group health benefits under another plan; and
2. The Active Employee's Eligible Dependents, who were eligible for County benefits at the time of the Employee's death, who (i) are in life at the time of the Active Employee's death or (ii) were born to the Active Employee's widow within nine (9) months of the Active Employee's death, until such time as he/she becomes eligible to obtain group health benefits under any other plan.

### The Enrollment Process for In-Line of Duty Participants

The surviving spouse or dependents of an Active Employee who have suffered an in-line of duty death is given the opportunity to elect to continue receiving group health benefits within thirty (30) days of the death. If the opportunity is not elected at that time, coverage will not again be offered and the surviving spouse or dependents will have waived the option to participate in Gwinnett County's group health benefits for life. If the surviving spouse or dependents elect to continue receiving group health benefits, coverage will continue under the plan the Active Official or Employee chose prior to death until annual re-enrollment.

In the event that the surviving spouse of an Active Employee who has suffered an in-line duty of death is an Active Employee of the Gwinnett County Board of Commissioners, election of the health benefits option will remain open. The surviving spouse will be

allowed to elect group health benefits at prevailing retiree rates with thirty (30) days of any subsequent, future change of employment status, termination or retirement.

#### Cost Sharing

The costs of Gwinnett County's group health benefits are shared by the County and participants. Funding is approved by the Board of Commissioners through the annual budget process. Monthly premium rates for In-Line of Duty Participants are set annually after a review of the actuarial cost of the retiree group in light of funding provided by the Board of Commissioners, with the precise amount being determined by the Department of Financial Services and the Department of Human Resources. In-Line of Duty participants pay the same monthly premium rate as retirees unless the surviving spouse is a County employee who may elect to continue active coverage.

The In-Line of Duty Participant's monthly premium amount is due in the Human Resources Department on the first day of each month. The In-Line of Duty Participant's failure to pay the monthly premium within thirty (30) days can result in benefits cancellation. A reinstatement of benefits can be authorized only with the direction of the County Administrator or designee.

### **VIII. FUNDING MECHANISMS**

#### Funding Trust

All funds contributed for payment of OPEB expenses and for the amortization of OPEB liabilities will be deposited into a trust account at the Custodial Bank contracted by the Retirement Plans Management Committee (RPMC). The funds shall be exclusively used for funding expenses related to OPEB participants. Funds will be invested under the management of the RPMC, and all earnings will be used to defray OPEB costs.

#### Funding Sources

At a minimum, the following sources of funding will be contributed to the Trust:

1. All County matching contributions as described in Section IX.
2. Reserves for the payment of obligations under the plan.
3. All prescription drug rebates and subsidies received for OPEB participant claims.
4. All stop-loss insurance reimbursements received for OPEB participant claims, investment earnings and;
5. Other appropriations of the OPEB trust

### Determination of Premium or Contribution Rates

Monthly premium rates for OPEB participants are set annually after review of the actuarial cost of the retiree group in light of funding provided by the Board of Commissioners, with the precise amount being determined by the Department of Financial Services and Department of Human Resources. The actuarial cost review will include anticipated annual cash flow for OPEB participant claims and expenses, amortization of existing unfunded OPEB liability and accrual of additional OPEB liability.

## **IX. PARTICIPANT ELIGIBILITY AND EMPLOYER CONTRIBUTIONS**

Effective July 1, 2007, employees hired into or transferred into full-time positions must have a minimum of ten (10) years credited service toward retirement and must retire directly from Gwinnett County in order to be eligible to participate in the retiree health plan. Active employees participating in a Gwinnett County retirement plan prior to July 1, 2007, must only retire directly from Gwinnett County in order to be eligible to participate in the retiree health plan.

Effective January 1, 2017 the County's monthly Employer Contribution for retiree health plan participants will be set by the Director of Human Resources and the Director of Financial Services. Should the County's Contribution for active employee health plans exceed the amounts detailed below, the County will only contribute the amounts below for retiree plan participants.

| Category                                 | County Contribution Less than or equal to |
|--|---|
| Retiree (Pre-Medicare)                   | \$1,000.00                                |
| Retiree + Spouse (both Pre-Medicare)     | \$2,000.00                                |
| Retiree + Child(ren) (Pre-Medicare)      | \$1,200.00                                |
| Retiree + Family (Pre-Medicare)          | \$2,200.00                                |
| Retiree (Medicare)                       | \$250.00                                  |
| Retiree + Spouse (both Medicare)         | \$500.00                                  |
| Retiree + Spouse (one Medicare)          | \$1,250.00                                |
| Retiree + Child(ren) (Ret Medicare)      | \$450.00                                  |
| Retiree + Family ( both Medicare)        | \$700.00                                  |
| Retiree + Family (Pre-Medicare/Medicare) | \$1,450.00                                |

The Director of Financial Services and the Director of Human Resources are authorized each year to determine the appropriate County contribution levels for the following year, consistent with meeting the County's goals for managing reportable OPEB liability.

Effective with retirements beginning on or after January 1, 2005, Medicare-eligible retirees and dependents must participate in both Medicare Parts A and B, to be eligible for County provided retiree health care benefits at the lower “on Medicare” retiree contribution rates.

## **X. COORDINATION WITH MEDICARE**

Effective January 1, 2008, all participants and dependents who are eligible for Social Security disability and Medicare must participate in Medicare Part A and B. Notwithstanding the provisions of Section IX, above, the Director of Financial Services and the Director of Human Resources are authorized to establish uniform administrative guidelines and procedures for the coordination of OPEB benefits with Medicare when doing so reduces the overall cost of the benefits, reduces OPEB liability or is cost-effective while maintaining for Medicare participants a total benefit that is comparable to the benefits received by non-Medicare retirees. Included in this authorization is the approval to provide to Medicare participants a different health plan or health benefit plan design than the health benefits provided to non-Medicare participating retirees and dependents.

## **XI. COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT**

In the provision of other post-employment benefits, it is the intent of Gwinnett County at all times to ensure compliance with the provisions of the Americans with Disabilities Act.

## **XII. DISCLAIMER**

This policy does not create any entitlement to any benefit in any person. This policy may be altered, modified, discontinued or withdrawn at any time with notice. Gwinnett County reserves the right to change or eliminate OPEB benefits and funding policies at any time. In the event of conflict between this policy and any law or plan documents, the terms of the law or plan documents shall govern.