



# Employee Group Insurance

CHATHAM AREA TRANSIT

Effective Date: July 1, 2014

## POLICY

The purpose of providing employees with various benefits such as employee group insurance plans is to increase the economic security of staff members, and in doing so, improve employee retention across the organization.

Chatham Area Transit Authority (CAT) has established a variety of group insurance and retirement plans designed to assist employees and their eligible dependents in meeting the financial burdens that can result from illness and disability, and to help plan for retirement. This policy contains a general statements related to each employee group insurance plan; however, this policy is not intended to, and does not, provide all the details of these benefits. This policy does not change or otherwise interpret the terms of the official plan documents. CAT reserves the right, in its sole and absolute discretion, to amend, modify or terminate, in whole or in part, any or all of the provisions of the group insurance and retirement plans described herein, including any health benefits that may be extended to retirees and their dependents. Further, the Company reserves the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply and interpret the group insurance and retirement plans described herein, and to decide all matters arising in connection with the operation or administration of such plans.

For more complete information regarding any of the employee group insurance and retirement plans, please refer to the Summary Plan Descriptions available from the Human Resources Department.

## POLICY SPECIFICS

### GROUP INSURANCE BENEFIT ELIGIBILITY

Full-time (regular) employees working an average of 30 hours per week are eligible to enroll in the Medical, Dental, Vision, Life and voluntary insurance plans. All full-time employees may enroll along with their qualifying dependents.

### EFFECTIVE DATES OF COVERAGE

#### NEW HIRES

Union Eligible  
Non-Union  
Management

#### EFFECTIVE DATE

1<sup>st</sup> of the month following 60 days of employment  
1<sup>st</sup> of the month following 30 days of employment  
Date of Hire

- Deductions are withheld each bi-weekly pay period following effective date of coverage.
- Deductions are withheld for 26 pay periods per year including each third pay period of the month.
- Employees out on medical leave FMLA including workers' compensation are responsible for his/her portion of the employee insurance premiums whenever he/she does not receive a paycheck directly from CAT.

### DISCONTINUANCE OF COVERAGE

Employee group insurance benefits may be discontinued should the employee failed to pay his/her portion of the insurance premiums after 30 days of leave.



## TERMINATIONS

- Employee group insurance benefits covering health, dental, vision, life, short-term disability and long-term disability will terminate on the last day of the employee's employment with CAT.
- Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage will be extended to covered employees and dependents following date of termination.

## LIFE (QUALIFYING) EVENTS/ENROLLMENT CHANGES

- All enrollment changes outside of open enrollment must be made within 30 days from the date of the event.
- Eligibility and premium changes due to a marriage, divorce or over age dependent, changes due to the birth of a baby are effective the date of birth, adoption are effective the date the child was placed in the home for adoption changes will be effective immediately following the qualifying event date.

## EMPLOYEE/SPOUSE/CHILDREN COVERAGE

1. Employee's legal spouse. CAT does not allow dual coverage for employee spouses and/or dependents. Employees with a current spouse as an employee as of June 30, 2014 will be waived under the plans.
2. Child(ren) of the employee up to the age of 26 years including those child(ren) who are adopted or a legal guardianship. \*Unless the dependent child is being covered by another County employee (spouse or ex-spouse of employee, etc.).
3. Dependents who exceed the age limit, may be eligible if they meet all the following requirements: they are incapable of self-sustained employment because of mental retardation or physical handicap that occurred prior to reaching the age limit for Dependents and they receive all of their financial support and maintenance from the employee or the employee's Spouse. Proof of their incapacity and dependency will be required.
4. Employee must request enrollment in medical coverage by notifying the Human Resources Department during the enrollment period or discontinuation of medical coverage from another plan.

## ENROLLING FOR COVERAGE

1. Complete the appropriate Benefit Enrollment Form selecting the option pertaining to the coverage level and plan choice for the Medical, Dental and Vision Plans along with dependent information. All dependent information must be included (DOB, SSN, relationship, gender).
2. For medical coverage, complete the "Other Insurance Coverage" section of the enrollment form including the name of the carrier, plan number and covered employee ID number.
3. For enrollment of a spouse, submit a copy of the marriage certificate. For enrollment of a dependent child, submit a copy of the birth certificate. If the dependent child is adopted or there is a legal custody situation, submit a copy of the legal adoption and/or custody papers along with the birth certificate.
4. If you choose the option of Waive for the medical, dental or vision plan option, indicate your other plan's information.
5. If a new hire wants to waive their coverage or make changes to dependent enrollment after paperwork has been submitted and processed:



- Waiving coverage or changes to dependent enrollment will be allowed up to 30 days maximum from the date of hire and must be retroactive to the effective date.
- Employee acknowledges there may be a payroll deduction adjustment required to process the retroactive change.

## **OPEN ENROLLMENT/LIFE EVENTS**

Enrollment changes are only allowed during Open Enrollment or if the employee experiences a Life Event. A Life Event may include Divorce, Marriage, Birth or Adoption. Adding or removing dependents is the only change allowed.

- All enrollment changes outside of open enrollment must be made **within 30 days from the date of the event.**
- A copy of the marriage/domestic partnership/birth certificate or divorce/adoption judgment will be required for this kind of change. If a new dependent is not added within 30 days, the employee must wait until the next open enrollment period.

## **EXCEPTIONS FOR MAKING PLAN CHANGES OUTSIDE OF OPEN ENROLLMENT**

### **Loss of Coverage**

In situations where a county employee has lost coverage while being covered under another medical plan, the employee and dependents will be allowed to enroll into CAT's medical plan. Applicable form must be completed and submitted to employee benefits electronically within 30 days of the loss of coverage. Proof is required.

### **Overlapping Open Enrollments**

In situations where a CAT employee and his/her spouse who is employed by another entity have different open enrollment periods, CAT will allow the employee and dependents to enroll/cancel during the non-CAT spouse's open enrollment period. Proof of the conflicting open enrollment period is required with the applicable county enrollment forms.

## **MEDICAL INSURANCE**

CAT offers a Health Maintenance Organization (HMO) and a Point of Service (POS) group medical plans. Election of coverage is optional. If elected, CAT will pay 70% towards the cost of the employee medical insurance coverage premium and the employee will pay the 30% balance of the premium.

## **DENTAL INSURANCE**

CAT offers a Point of Service (POS) dental plan. Election of coverage is optional. If elected, CAT pays 70% towards the cost of the employee only coverage for the dental insurance premium and the employee pays the balance of 30% of the premium.

## **VISION PLAN**

CAT offers a Vision Plan. Election of coverage is optional. If elected, Employees enrolling into the vision plan are responsible for 100% of the premium cost.



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## BASIC LIFE INSURANCE

CAT automatically enrolls all full-time employees in the basic and accidental death and dismemberment life insurance. Coverage is paid by CAT on the following basis:

Union Eligible	Amount based upon union contract
Non-Union	One times annual salary
Management	One times annual salary or contract agreement

## VOLUNTARY LIFE INSURANCE COVERAGE

CAT offers full-time employees additional, guaranteed voluntary life insurance and accidental death and dismemberment coverage. Election of coverage is optional. If elected, employees enrolling in the voluntary life insurance plan(s) are responsible for 100% of the premium based upon the following schedule:

Insured	Guaranteed Amount	Premium
Employee	Up to 100,000 in \$10,000 increments	Based on employee age and amount elected
Spouse	Up to \$25,000 in \$5,000 increments	Based on employee age and amount elected
Child(ren)	Up to \$10,000 in \$1,000 increments	A flat factor amount for all children

**Note: In order to enroll in the spousal or child supplemental life plans, the employee must be enrolled in an employee supplemental life plan for at least the same coverage or greater.**

Employees wishing to elect additional, voluntary life insurance coverage and accidental death and dismemberment above the guaranteed amount must complete an Evidence of Insurability Form (medical questionnaire) which must be approved by the insurance carrier's underwriters department. The employee will be enrolled in \$100,000 and charged the applicable premium until approved by underwriting. Upon approval by the insurance carrier's underwriting department, the employee will be enrolled in the excess of \$100,000 amount of coverage and the new applicable premium will be charged.

Any new or increased coverage for the Voluntary Supplemental Life Insurance policies during the annual Open Enrollment require completion of an Evidence of Insurability Form. The employee will not be enrolled until approved by underwriting. Upon approval by the insurance carrier's underwriting department, the employee will be enrolled in the new approved amount of coverage and the applicable premium.

## BENEFICIARY and GENERAL INFORMATION

Every regular full-time employee must designate a Primary Beneficiary for their Basic and Voluntary Supplemental Life Insurance by completing the applicable area on the Enrollment Form.

Elections for "Primary" and/or "Contingent" beneficiaries may be stated. If a minor child is designated as a beneficiary and the employee passes away, the Life Insurance proceeds will be put into a transition account until the child reaches the age of 18.

Employees may change the primary and/or contingent beneficiary at any time by contacting the Human Resources Department.



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The employee is the beneficiary for the spouse and child supplemental life policies.

### SHORT-TERM DISABILITY INSURANCE

CAT automatically enrolls all eligible full-time employees in the short-term disability (STD) insurance plan and CAT pays the cost of the premiums. Short-term disability benefits are available to employees who are unable to medically perform his/her essential job duties as defined by the insurance plan. The insurance provides 60% of base earnings to an approved, disabled employee on a weekly basis. This plan coordinates with other income received by the employee if the income is supplemented by CAT.

### LONG-TERM DISABILITY INSURANCE

CAT automatically enrolls all eligible full-time employees in the long-term disability insurance plan and CAT pays the cost of the premiums. Long-term disability benefits are available to employees who are unable to medically as defined by the insurance plan. The insurance provides 60% of base earnings to an approved, disabled employee on a monthly basis. This plan coordinates with other income received by the employee if the income is supplemented by CAT.

### FLEXIBLE SPENDING ACCOUNTS (FSA)

CAT offers full-time employees Flexible Spending Accounts for medical and dependent care reimbursement. Election of coverage is optional. If elected, the employee is saving from his/her bi-weekly paycheck on a pre-taxed basis. The FSA plans are self-administered by CAT. Participants should submit his/her FSA claim form along with the receipts to the Finance Department no later than the Wednesday following payday. The employee's FSA check will be available on the Friday prior to payday.

### MEDICAL REIMBURSEMENT

This option is for voluntary pre-tax contributions to be used for Qualified Medical Expenses not covered by the employee's medical, dental or vision plans. The maximum annual contribution is \$2,500.00

### DEPENDENT CARE REIMBURSEMENT

This option is for voluntary pre-tax contributions to be used for eligible Dependent Care Expense for eligible child care or adult dependent care (while the employee has to work).

### RETIREMENT BENEFITS

All full-time employees are eligible to participate in the CAT sponsored 401(a) plan and the supplemental 457 retirement plans.

#### 401(a) Plan

	Effective Date	CAT Contribution	*Employee Maximum Contribution
Union Eligible	120 days after employment	\$2.00 for each \$1.00 contributed by employee up to a CAT maximum of \$1,500.00 per year	2014: \$17,500
Non-union	120 days after employment	50% for every \$1.00 deferred up to a CAT maximum of 3%	2014: \$17,500
Executive	Immediately	As defined by contact	As defined by contact

\*The maximum contribution may change based upon the IRS annual contribution limits.

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Page 5 of 6



### Catch-up Contributions

Employees who are age 50 and over at the end of the calendar year can also make catch-up contributions, up to the maximum IRS annual contribution limit currently for 2014 at \$5,500.00.

### 457 Plan

	Effective Date	*Employee Maximum Contribution
All Employees	Immediately upon employment	\$17, 500.00 per year

### APPLIES TO:

All full-time regular employees of Chatham Area Transit Authority.