

COUNTY OF WASHINGTON

EMPLOYEES MEDICAL INSURANCE OPT-OUT INCENTIVE PLAN

EXPLANATION OF BENEFITS

I. ELIGIBILITY REQUIREMENTS

1. Must be an elected official, full time salaried employee, or a full time bargaining unit employee in the Service Employees International Union – Health Care or Local 668, Correctional Officers Union - Teamsters Local No. 205, Deputy Sheriff's Association of Washington County, the Pennsylvania Social Services Union (Local 668, SEIU, AFL-CIO), the Probation Officers Union – American Federation of State, County and Municipal Employees, Local 3046 or Assistant District Attorneys – Assistant Public Defenders, General Teamsters, Chauffeurs and Helpers, Local No. 249.
2. Employee must be eligible for coverage under the County's medical insurance program.
3. Employee must be covered by a medical insurance plan other than the County's and show proof of such alternate coverage.
4. Newly hired employees may choose to opt-out of their County medical insurance program effective the date they are eligible for the County's medical insurance program.

II. ENROLLMENT PROCEDURE

1. The employee must meet the previously outlined eligibility requirements.
2. Employees wishing to opt-out of the County medical insurance program must opt-out for the calendar year of 2017, unless certain qualifying events occur. At the end of 2017, during the open enrollment period, the employee will have the opportunity to re-establish coverage in the County medical insurance program, or, to continue in the Opt-Out Incentive Plan.
3. Employees will be permitted to change their election once a year and only during the open enrollment period established for the plan. The only exception to this rule is when a qualifying event occurs as outlined in Section III.

4. Those employees who want to opt-out of the medical insurance plan for 2017 must complete the Opt-Out Incentive Enrollment Form and return the required paperwork to the Human Resources Department during the open enrollment period for approval. Open enrollment periods will occur each year the plan is in effect near the end of the year.
5. All employees who submit an Opt-Out Incentive Enrollment Form must show proof of medical coverage elsewhere to the Human Resources Department. This will require the employee to supply supporting documents - e.g. from his/her spouse's employer or other alternate provider of coverage that states the name, type and dates of coverage, group number and identification number of the medical insurance plan.
6. Any employee who returns an Opt-Out Incentive Enrollment Form after the 2016 open enrollment period ends will not be eligible to participate in the Opt-Out Incentive Plan for 2017.
7. To be eligible for the Opt-Out Incentive, the employee must be entitled to have County insurance as of December 31, 2016 with the exception of new hires.
8. The Opt-Out amount an employee will receive monthly for opting out of the County medical insurance program is \$200.00. This amount applies to 2017. An amount will be distributed to employees each year that the Opt-Out Plan is available.
9. The monthly allowance for opting out of the medical insurance program will be included in the employee's paycheck the second pay of each month and will be subject to all normal payroll taxes, retirement plan contributions and any other payroll deductions based on gross pay.

III. QUALIFYING EVENTS

1. In accordance with Federal law, an employee will only be permitted to withdraw from or enroll in the medical insurance Opt-Out Plan **during the plan year** if one of the following qualifying events occur and is applicable to the employee's situation.
 - a. **Change in Family Status**
 - marriage or divorce of employee

- death of the employee's spouse

b. Change in Spouse's Employment

- termination of employment or the commencement of employment
- a significant change in health coverage attributable to spouse's employment
- spouse's employment status changes from full time to other than full time

c. Change in the County Employee's Employment Status

- switching from full time to a less than full time employment status

d. Either Spouse Takes an Unpaid Leave of Absence

- The unpaid leave of absence must result in the loss of medical insurance coverage. This does not apply if the employee or the spouse is on a Family Medical Leave.

e. Special Enrollment Under the Health Insurance Portability and Accountability Act of 1996

f. Court Order

g. Change of Worksite or Residence

IV. REINSTATEMENT TO MEDICAL INSURANCE COVERAGE

1. In the event employees who are enrolled in the Opt-Out Incentive Plan experience a qualifying event during the plan year and as a result, want to withdraw from the plan and be reinstated to the County's medical insurance program, the employee must submit a Revocation of Election Form along with proof of a qualifying event to the Human Resources Department.
2. Reinstatement to the County medical insurance program, for those employees who qualify, will occur on the first of the month following the date the Human Resources Department approves the Revocation of Election Form. Employees whose alternate medical coverage is scheduled to cease prior to the normal reinstatement date are to immediately notify the Human Resources Department to avoid a lapse in coverage.

3. The employee's Opt-Out Incentive Plan allowance will cease when the employee is reinstated to the County medical insurance program. **Under no circumstances will employees be entitled to receive both an opt-out allowance and coverage in the County medical insurance plan within the same month. Employees are responsible to the County for any opt-out monies paid in error.**
4. Employees who have revoked their election to the Opt-Out Incentive Plan and have been reinstated to the County medical insurance program, will not be permitted to again enter the opt-out program until the next enrollment period, unless event occurs.
5. Participation in the Opt-Out Incentive Plan will cease upon retirement. However, the employee will be eligible to enroll in the County retiree medical program upon retirement if he/she would otherwise be entitled to such coverage.

V. TERMS AND CONDITIONS

1. All terms and conditions of the County of Washington Employees Medical Insurance Opt-Out Incentive Plan are subject to the provisions detailed in the respective plan documents and summary plan description.
2. Except as modified by labor agreement, the County reserves the right to unilaterally change, alter or discontinue the program (in total or in part) without notice.
3. In the event the Opt-Out Incentive Plan is terminated, employees who have elected to waive medical insurance coverage will have the option to be immediately reinstated to the County medical insurance program upon completion of the necessary enrollment forms.

**COUNTY OF WASHINGTON
EMPLOYEES' MEDICAL INSURANCE**

OPT-OUT INCENTIVE PLAN
Opt-out Incentive Enrollment Form

Name: _____ Department: _____

Address: _____

I hereby make application for participation in the County of Washington Employees' Medical Insurance Opt-Out Incentive Plan.

My _____ [Please specify the individual(s), such as your spouse, etc. under whose medical insurance policy you are covered] is covered under a medical insurance policy that also covers me¹. That coverage is as follows:

Insurance Carrier(s), including the address of the Carrier(s) and the policy Number(s):

Dependent(s) Information:

<u>Name</u>	<u>Relationship</u>	<u>Date of Birth</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

By executing and submitting this form, I hereby elect to decline the Medical Insurance coverage that is offered by the County by virtue of my employment with the County. I further elect to receive an amount of cash, referred to as the Opt-Out amount, under the County of Washington Employees' Medical Insurance Opt-Out Incentive Plan. Any previous agreement under the County of Washington Employees' Medical Insurance Opt-Out Incentive Plan is hereby revoked.

¹ Please attach a copy of current documentation that reflects the above-referenced insurance coverage (**member identification card from the insurance carrier**). THIS IS REQUIRED TO ACTIVATE YOUR OPT-OUT AMOUNT.

I agree with the County of Washington that my regular pay will be increased by the Opt-Out amount as described in the Explanation of Benefits effective _____² and continuing for each succeeding second pay period in the calendar month until this agreement is amended or terminated. I understand that:

- I cannot change this agreement as of any date prior to the next January 1, unless that revocation is on account of and consistent with a change in my family status (i.e., my marriage or divorce, death of my spouse, cancellation of my coverage under the medical insurance plan which covers _____ (my spouse, etc.), commencement or termination of employment of my spouse, my or my spouse's unpaid leave of absence or change from full-time to other-than-full-time employment (or vice versa), and such other events as my employer determines will permit a change or revocation of an election.
- Upon the occurrence of one of the events listed in the immediately preceding paragraph, I will be permitted to revoke this agreement.
- Prior to January 1 each year, I will be offered the opportunity to change my Opt-Out for the following Plan Year (January 1 to December 31). I must submit my Opt-Out information in effect for the new Plan Year. In addition, this agreement will continue by its terms.
- The Human Resources Department may reduce or cancel the amount of my Opt-Out amount or otherwise modify this agreement in accordance with the County of Washington Employees' Medical Insurance Opt-Out Incentive Plan if it is advisable in order to satisfy certain provisions of the Internal Revenue Code. In addition, adjustments may be made to the extent provided in the County of Washington Employees' Medical Insurance Opt-Out Incentive Plan, in the event of an increase or decrease in the cost of medical coverage provided by an independent third-party provider.

Please return this form to the Human Resources Department.

Employee's Signature

Date

Accepted and Agreed to by the County of Washington:

By: _____

Date

² Opt-Out will become effective the first of the month after approval to participate in the program by submitting appropriate required documentation. Opt-out payment will be received in the second paycheck of each month.