



To: TSCPL Board of Trustees  
From: Gina Millsap, CEO  
Date: April 15, 2015

Re: Group Health Care Benefits for Qualified Retirees Policy

In consultation with attorney Chuck Engel, we are recommending that the Board enact changes to this policy in two stages. **Note: this replaces the draft policy sent with your board meeting packet.**

With that in mind, attached are three documents for your review.

**#1: Group Health Care Benefits for Qualified Retirees Policy, effective April 16, 2015 through December 31, 2016**

This replaces the original policy, corrects the language regarding years of service in the original so that it is in compliance with Kansas statute, continues the existing Plan through the end of 2015, and allows implementation of a transition year which ends in December, 2016. It will not be in effect after 12/31/16.

**#2: Group Health Care Benefits for Qualified Retirees Policy, effective January 1, 2017**

This is the staff recommendation to be the policy governing retiree health insurance coverage beginning January 1, 2017. This policy states that retirees 65 and older are no longer eligible to participate in the Library's health insurance Plan.

**Guidelines:** Both policy documents provide for the development of administrative guidelines by library administration. Those guidelines are outlined in document #3.

**#3 Group Health Care Benefits for Qualified Retirees Administrative Guidelines, 2015 - 2017**

We presented this chart to you at the March board meeting outlining our intention to provide a subsidy:

- for all retirees, regardless of age, through December, 2016.
- to retirees who retire before the age of 65. In 2017, retirees under 65 are eligible for up to 36 months of reduced premiums, depending on their age at the time of retirement.

Note that the Administrative Guidelines are not part of the policy. Premium reductions in any fiscal year would be reviewed as part of the budget process. This has the effect that the Board of Trustees would authorize any health insurance subsidy through its approval of the budget.

1515 SW 10th Avenue

Topeka, Kansas

66604-1374

PHONE 785 580-4400

FAX 785 580-4496

www.tscpl.org



## **#1: Group Health Care Benefits for Qualified Retirees Policy**

**Qualified retirees may elect to continue to participate in the Topeka and Shawnee County Public Library (TSCPL) group health care benefit plan (Plan).**

**A qualified retiree is a person who, on or before December 31, 2016:**

- a. has been employed by TSCPL and eligible for Plan benefits in the aggregate of not less than ten years,**
- b. is receiving retirement or disability benefits under the Kansas Public Employees Retirement System (KPERs) for service with TSCPL,**
- c. retires or has retired from TSCPL, and**
- d. has given the Human Resources Department written notice of his or her application to continue receiving Plan coverage for the qualified retiree and his or her dependent(s).**

**TSCPL will pay 50% of the premium of a qualified retiree and the retiree's dependent(s) through December 31, 2015. Thereafter TSCPL shall reduce premiums in an amount established annually by the Library administration until December 31, 2016.**

**A qualified retiree is responsible for payment of all premiums and administrative costs of the Plan as established annually by the Library administration through the effective date of this Policy.**

**Participation under the TSCPL Plan shall cease upon:**

- 1. the qualified retiree failing to make required premium and administrative cost payments on a timely basis, or**
- 2. the qualified retiree becoming covered or eligible to be covered under a group health care benefit plan of another employer.**

**The Library administration shall adopt such rules and guidelines as it deems necessary to implement this Policy.**

**In its sole discretion and in the absence of financial necessity, the TSCPL Board of Trustees reserves the right to change, amend or terminate this Policy at any time.**

**This Policy is effective beginning on April 16, 2015.**



## **#2: Group Health Care Benefits for Qualified Retirees Policy**

**This Policy shall become effective on January 1, 2017.**

**Qualified retirees may elect to continue to participate in the Topeka & Shawnee County Public Library (TSCPL) group health care benefit plan (Plan).**

**A qualified retiree is a person who on or after January 1, 2017:**

- a. has been employed by TSCPL and eligible for Plan benefits in the aggregate of not less than ten years,**
- b. is receiving benefits or disability payments under the Kansas Public Employees Retirement System (KPERs) for service with TSCPL,**
- c. retires or has retired from TSCPL, and**
- d. has given the Human Resources Department written notice of his or her application to continue receiving Plan coverage for the qualified retiree who is not yet age 65 and his or her dependent(s).**

**A qualified retiree is responsible for payment of all premiums and administrative costs of the Plan as established annually by the Library administration.**

**Participation under the TSCPL Plan shall cease upon:**

- 1. the qualified retiree attaining age 65,**
- 2. the qualified retiree failing to make required premium and administrative cost payments on a timely basis, or**
- 3. the qualified retiree becoming covered or eligible to be covered under a group health care benefit plan of another employer.**

**The Library administration shall adopt such rules and guidelines as it deems necessary to implement this Policy.**

**In its sole discretion and in the absence of financial necessity, the TSCPL Board of Trustees reserves the right to change, amend or terminate this Policy at any time.**

**#3 GROUP HEALTH CARE BENEFITS FOR QUALIFIED RETIREES TRANSITION GUIDELINES 2015-2017**

<b>GROUP HEALTH CARE BENEFITS FOR QUALIFIED RETIREES TRANSITION GUIDELINES 2015-2017</b>	
<b>Qualified retirees age 65 and over.</b>	<p><u>Remainder of 2015:</u> 50% reduction of health and/or dental premium for qualified retiree and spouse.</p> <p><u>Transition year</u> effective 1-1-2016 through 12-31-2016:            Monthly TSCPL Health Insurance Premium Reduction regardless of family size            No reduction for dental premium            Eligibility ends upon leaving TSCPL Plan, no reinstatement.</p> <p><b>Amount of premium reduction:</b></p> <ul style="list-style-type: none"> <li>• Qualified Retirees who at time of retirement worked 30 or more hours per week = \$300/month</li> <li>• Qualified Retiree who at the time of retirement worked at least 20 but less than 30 hours per week = \$150/month</li> </ul> <p><u>Effective 1-1-2017:</u> No eligibility for retirees or dependents over age 65, must transition out of TSCPL plan.</p>
<b>Qualified retirees up to age 65</b>	<p><u>Remainder of 2015:</u> 50% reduction of health and/or dental premium for qualified retiree and spouse.</p> <p><u>Transition year</u> effective 1-1-16 through 12-31-16:            Monthly TSCPL Health Insurance Premium Reduction regardless of family size            No reduction for dental premium            Eligibility ends upon leaving TSCPL Plan, no reinstatement.</p> <p><b>Amount of premium reduction:</b></p> <ul style="list-style-type: none"> <li>• Qualified Retirees who at time of retirement worked 30 or more hours per week = \$300/month</li> <li>• Qualified Retiree who at the time of retirement worked at least 20 but less than 30 hours per week = \$150/month</li> </ul> <p><u>Effective 1-1-2017</u></p> <ul style="list-style-type: none"> <li>• TSCPL health insurance premium reduction in an amount determined annually at policy renewal, prior to open enrollment, for up to 36 months or to age 65, whichever comes earlier</li> <li>• No reduction for dental premiums</li> <li>• Eligibility ends upon leaving TSCPL plan, no reinstatement.</li> </ul>