

## P. INSURANCE AND DEFERRED COMPENSATION

### GENERAL POLICY

It is the policy of Scott County to offer medical, prescription drug, dental, vision, life insurance coverage and deferred compensation options to its benefit-eligible employees.

### SCOPE

This policy is applicable to the following:

All employees responsible to the Scott County Board of Supervisors;

All employees responsible to a County elected office holder with the exception of the elected office holder themselves and Deputies;

All elected office holders and/or Deputies provided the appropriate elected office holder and the Board of Supervisors have certified its applicability;

All employees not directly responsible to either the Board of Supervisors or an elected office holder and whose governing body and the Board of Supervisors have certified its applicability.

Whenever the provisions of this policy are in conflict with the Code of Iowa, or with a collectively-bargained agreement between the County and a certified bargaining unit, the provisions of the collectively-bargained agreement and/or the Code of Iowa will prevail.

### HEALTH BENEFIT ELIGIBILITY

To be eligible for group health and/or life insurance benefits, an employee must occupy a regular full-time position or a regular part-time position scheduled to work at least one thousand, five hundred and sixty (1,560) hours per year. Coverage for employees expected to work full-time is normally effective the first day of the month following appointment to a benefit-eligible position.

The County will use the safe harbor measurements permitted under the Affordable Care Act for variable hour part-time (not anticipated to work thirty (30) or more hours a week) and seasonal employees to determine employee eligibility for group health coverage. The standard measuring period and stability periods are established at twelve (12) months. The County will review at the conclusion of the initial measuring period if the employee worked one thousand, five hundred and sixty (1,560) hour or more to determine eligibility, and if so consider the employee full-time and eligible for group health coverage through the stability period (regardless of hours worked). The administrative period for enrollment following the initial measuring period is thirty (30) days. If the employee worked less than one thousand, five hundred and sixty (1,560) hours during the initial measuring period

then the employee will not be treated as eligible for group health benefits during the stability period. When calculating hours for non-exempt employees under FLSA, the County will include hours worked plus hours where payment was made for vacation/PTO, holiday, sick/medical leave, jury duty, military leave or other paid leave of absence.

### **GROUP HEALTH BENEFITS**

Coverage available under the County's group health plan include: hospital and medical benefits; prescription drug benefits. Additionally the County provides group coverage for dental benefits and vision benefits. A detailed description of benefits, including deductible, premiums and coinsurance requirements, is available through the Human Resources Department.

The specific amount to be contributed by the County for single and family coverage will be established each year by the Board of Supervisors and become effective January 1<sup>st</sup>. Where there are two married employees covered by the County's plan, they may take either one family plan or two single plans and pay premiums accordingly.

Any errors made relative to insurance premiums or flexible spending account deductions will be adjusted accordingly either in the employee's favor (refunding premiums) or in the County's favor (deducting missed premiums). Repayment arrangements will be made between the affected employee and the Auditor's Office Payroll staff on a case-by-case basis.

### **GROUP LIFE BENEFITS**

Department Heads, Elected Officials, and Deputy Office Holders are eligible to receive term life and AD & D insurance coverage equal to two hundred percent of their annual salary as of September 1st of each year. Benefit-eligible employees in positions classified as exempt under FLSA and in a salary range of 27 or above are eligible to receive term life and AD & D insurance coverage equal to one hundred percent of their annual salary as of September 1st of each year. Employees previously provided this benefit of equal to 100%, who no longer qualify will be grandfathered into the existing coverage. All other benefit-eligible employees in positions are eligible to receive term life and AD & D insurance coverage equal to \$20,000.

The County will pay the monthly premium for the term life and AD & D coverage described above.

### **TERMINATION OF GROUP COVERAGE**

Life insurance coverage under the County's group plan will end on the employee's date of employment termination.

Health, dental and vision coverage under the County's group plan will normally terminate at the end of the month in which the employee terminates employment with the County. However, an employee may be eligible to extend coverage under the group plan as required by state or federal law. An employee shall be considered a retiree for purposes of continued insurance coverage until age 65 if one of the following occurs: 1) the employee qualifies for full retirement benefits through IPERS with service from the County, another employer, or purchased service quarters; 2) the employee is age 55 or more and has at least 20 years of service with the County; or 3) the employee is a Sheriff's deputy, is age 50 or more and has 22 or more years of service. Premiums for extended coverage after employment shall be paid by the employee at 102% of the actual cost. Information on the extension of group coverage and/or conversion to an individual medical insurance policy is available through the Human Resources Department

### **LONG TERM DISABILITY**

Benefit eligible employees (excluding deputy sheriff, sergeant, lieutenant, captain, major and sheriff) are provided with a long term disability insurance policy with the premium paid entirely by the County. The amount of coverage is sixty-six and two thirds percent (66 2/3%) of the employee's annual salary, following a determination of eligibility and a 90 day waiting period. Specific details are found in the insurance plan document.

### **DEFERRED COMPENSATION PLAN**

Employees shall have the option of deferring a portion of their compensation for the purpose of building retirement security in a tax-sheltered investment plan in accordance with state and federal law. Payroll deductions can only be made for Deferred Compensation Plan Providers who have completed Deferred Compensation Plan Administrator Agreement and have a minimum of 10 employees requesting enrollment in the plan. All Deferred Compensation Plan Providers must satisfy the requirements of Section 457 of the Internal Revenue Code and the Administrator Agreement to maintain eligibility as a provider.

The County will match an employee's contribution at \$.50 for each dollar the employee contributes during that calendar year, up to a maximum of \$1,000.00. The matching contribution will be paid no later than the second paycheck in January of the following calendar year or upon termination of employment, whichever occurs first. The employee is responsible for monitoring and not exceeding the maximum allowable annual contribution in accordance with Section 457 of the Internal Revenue Code.

Information regarding payroll deduction for deferred compensation and selection of Providers, distribution, change or designation of beneficiaries is available through the Human Resources Department. The County does not solicit, nor endorse any Deferred Compensation Plan Provider.

## **FLEXIBLE BENEFITS PLAN (SECTION 125)**

Pursuant to Section 125 of the Internal Revenue Code, the County offers employees the option of using a portion of their before tax compensation for one or more of the following flexible benefit plans:

1. Premium Only Plan - Provides for the reduction of compensation by the employee contribution for health and life insurance premiums before taxes.
2. Dependent Care Reimbursement Account - Employees fund the flexible spending account by regular payroll deductions prior to tax pursuant to federal law. Dependent care expenses are then reimbursed up to the amount of the annual election.

**Unused annual elected amounts are forfeited.**

3. Health Care Reimbursement Account - Employees determine an annual election amount permitted by federal law, to be put into a flexible spending account for non-covered health-related expenses. The elected amount is deducted from compensation prior to tax and expenses are then reimbursed up to the amount of the employee's annual election.

**An employee may roll over up to \$500.00 into the next calendar year pursuant to the IRS regulations and plan design.**

Employees electing to participate in one or more of the plans may have expenses for group health premiums, dependent care, or out-of-pocket health care costs deducted from compensation prior to taxes. Detailed information and enrollment forms regarding these flexible benefit plans are available through the Human Resources Department.

## **HEALTH INSURANCE BILL AUDIT PROGRAM**

A participant can receive cash payments by auditing his/her own hospital, medical and/or dental bills. The participant should check each bill for unrecognizable charges such as laboratory tests and procedures that were not received or therapy charges that do not reflect the treatment received. Scott County will share the savings with the participant. The procedures outlined below should be followed.

Before the participant leaves the hospital, physician's or dentist's office, or upon receipt of the itemized bill, the participant should carefully review the charges, looking for errors such as the following:

- an incorrect number of days was billed for a period of hospital confinement;
- an incorrect number of days in an intensive care unit was billed;
- the participant was billed for tests not performed;
- an incorrect number of hours of physical therapy was billed;

- the participant was inaccurately billed for drugs; and/or
- on the day the participant left the hospital, he/she was charged for take-home drugs that were not received.

If the participant questions any charges and believes they are incorrect, he/she should contact the dentist, physician or hospital's billing office. The participant should ask for an explanation of any charges he/she does not understand.

Hospital, medical and dental bills eligible for this program are those for the employee and his/her covered dependents incurred after January 1, 2011 and covered by the County's Plan. This Plan must pay before coordinating benefits with other group health insurance plans also providing benefits.

As an incentive to carefully review healthcare bills, Scott County will pay the participant 25% of the saving of \$100.00 or more to this Plan for overcharges or for charges he/she has eliminated from any hospital, medical or dental bill for treatment, services or supplies not received to a maximum incentive payment of \$250.00 per confinement, illness or injury. Obvious errors (e.g., \$1,000 for an office visit) will not be eligible for this program.

It will be the participant's responsibility, within 90 days of discharge or treatment to contact the hospital's or provider's billing department to report the error and obtain a corrected billing and to forward the original and corrected billing with corrected items circled to the Human Resources Department.

Upon review of the corrected billing, Scott County will notify the participant of the amount of payment for which he/she is eligible.

Employees should note that reimbursements of this nature are considered income for tax purposes.

## **HEALTHY LIFESTYLES PROGRAM**

Employees (whose insurance is not covered by a collective bargaining agreement) are eligible to participate in the Y@Work program through the Quad Cities YMCA. The County will pay twenty dollars (\$20.00) a month as a taxable benefit to the Quad Cities YMCA toward a membership for the employee, two adults or family. The employee must attend at least twenty four (24) times a quarter in order for the County to continue its monthly contribution. The employee is responsible for any additional financial obligations to the Quad Cities YMCA.

## **ADMINISTRATIVE PROCEDURES**

1. The Human Resources Department is responsible for administering the County's group health, dental, vision, life, deferred compensation and Section 125 flexible benefit plans.
2. The County retains full authority to change the plan of benefits described in this policy, to self-insure all or any portion of said benefits, and to select the insurance carrier or claims administrator.