

**IDYLLWILD WATER DISTRICT**  
**RETIREE HEALTH BENEFITS POLICY**

**EMPLOYEE ELIGIBILITY FOR PARTICIPATION**

- 1.) All employees who have reached a minimum age of 55 and a minimum of 10 years full time employment service are eligible to participate in the Retiree Health Benefit Plan (RHBP), upon retirement of *full time* active employment with Idyllwild Water District, according to the schedule below:

RETIREMENT AGE + YRS OF SERVICE	=	IWD % OF PREMIUM PAYMENT
65	=	50%
66	=	55%
67	=	60%
68	=	65%
69	=	70%
70	=	75%
71	=	80%
72	=	85%
73	=	90%
74	=	95%
75	=	100%

For example, the combination of age (minimum 55) plus full time years of service with the IWD (minimum 10) equals 65 points which would make the employee eligible for 50% of his/her premium to be paid by IWD upon retirement.

- 2.) Employees that have attained eligibility status for the RHBP and have been terminated *for cause* or voluntary resign before enrollment in the RHBP are ineligible to participate in the RHBP.
- 3.) Members of the District’s Board of Directors are not eligible to participate in the RHBP.
- 4.) Once a RHBP participant leaves the IWD plan, he/she are ineligible to return.

**SPOUSE PARTICIPATION IN THE RETIREE HEALTH BENEFIT PLAN**

Spouses of District employees may participate in the RHBP as follows:

- 1.) The spouse must be married to a District employee prior to the employee retiring from Idyllwild Water District.
- 2.) A surviving spouse of a deceased active employee (not yet a RHBP participant) who has met at least the minimum age and service requirements may participate in the RHBP if the surviving spouse has not remarried.
- 3.) A surviving spouse of a deceased RHBP participant may continue to participate *for life* in the RHBP as long as the surviving spouse has not remarried.
- 4.) A spouse who is divorced from an eligible employee before the employee participates in the RHBP will not be eligible to participate in the RHBP. A spouse who is divorced from an eligible retiree participating in the RHBP may continue to participate in the RHBP only for the period mandated by “COBRA” and only if the premiums are paid by divorced spouse.

RHBP, cont.

## PLAN BENEFITS

The RHBP is intended to offer the same health benefits coverage to IWD retirees as currently offered to active employees, with the exception of coverage for dependents other than spouse. Dependents other than spouse are not eligible for participation in the RHBP.

## REIMBURSEMENT IN LIEU OF COVERAGE

Participants who do not live within the service area of the IWD's health plan providers may receive reimbursement for health insurance premiums paid. Upon receipt of proof of insurance coverage, and a bill itemizing premium payment, the IWD will reimburse the retiree quarterly in a dollar amount equal to actual premium cost, but not to exceed the cost limitation in effect at that time. The reimbursement shall occur at the end of each three-month premium period and it is the responsibility of the participant to submit the required paperwork.

If eligible for Medicare, all RHBP participants must be enrolled in Part A and Part B. In this situation, Medicare will be the primary provider and the health plan will be the secondary provider.

## PREMIUM PAYMENTS

At the start of each fiscal year (July 1<sup>st</sup>), the District will determine retiree cost limitations based on premium rate adjustments for insurance coverages currently in force for active employees.

Where RHBP participants are enrolled in the same health plan as active employees, IWD will be responsible for payment of premiums. *Special coverage beyond basic coverage for active employees shall be at the expense of retirees.* Where RHBP participants are enrolled in health plans (regular or supplemental) different from active employees, it is the responsibility of the participant to pay premiums. IWD will reimburse participants on a quarterly basis at the end of each three-month premium period when all required paperwork has been submitted to IWD.

All eligible former employees whose health premiums are paid by IWD shall remain in force, until such time as they become Medicare Eligible. Once Medicare eligible, the insurance coverage must be considered as secondary coverage with Medicare as primary.

## PLAN COMPONENTS AND DURATION

The Board of Directors of the Idyllwild Water District reserves the right to review, revise and alter the RHBP at any time, without prior notice, including carriers and coverage, depending on the cost of the program and the fiscal condition of the Idyllwild Water District. The Board of Directors also reserves the right to eliminate the coverage and/or benefit contributions for employees and retirees not yet enrolled in the RHBP.