

TO: ALL COUNTY PERSONNEL

**FROM: VERDENIA C. BAKER
COUNTY ADMINISTRATOR**

PREPARED BY: RISK MANAGEMENT

**SUBJECT: RULES RELATING TO PAYMENT OF GROUP INSURANCE
PREMIUMS**

PPM #: CW-P-022

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<u>ISSUE DATE</u>	<u>EFFECTIVE DATE</u>
April 26, 2021	April 26, 2021

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PURPOSE:

To establish a policy for payment of Group Insurance Premiums for employees on leaves of absence under Workers' Compensation, Family Medical Leave Act (FMLA) and other types of approved leaves.

UPDATES:

Future updates to this PPM are the responsibility of the Director of Risk Management.

AUTHORITY:

- Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), as may be amended.
- Family Medical Leave Act of 1993 (FMLA), as may be amended.
- Florida Statutes, Chapter 440 – Workers' Compensation, as may be amended.
- PPM CW-P-077 Family and Medical Leave Act and Domestic Partner Leave Act, as may be amended.
- Uniformed Services Employment and Reemployment Rights Act (USERRA), as may be amended.

DEFINITIONS:

Basic life insurance Term life insurance that is paid for by the Board of County Commissioners (Board) and is provided at no cost to the employee.

Basic long term disability (HMO) Employees who are enrolled in the HMO medical plan are provided a basic or “Core” disability plan at no cost. Disability insurance provides income to an employee who is unable to work due to a disabling non-work related sickness or injury.

COBRA The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events. Qualified individuals may be required to pay the entire premium for coverage up to 102 percent of the cost to the plan.

Dependent life coverage Term life coverage for the spouse/domestic partner of an employee or the qualified child(ren) of an employee.

Employee contribution Portion of group insurance premium amounts paid by the employee.

Employer contribution Portion of group insurance premium amounts paid by the Board.

Flexible Spending Accounts Flexible Spending Accounts include the health care and dependent care flexible spending accounts and are part of the Board’s Flexible Spending Plan.

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FMLA Family Medical Leave Act of 1993 is a federal law that requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for qualified reason.

HMO Health Maintenance Organization health plan; one of the medical plan options offered by the Board to qualified employees and their qualified dependents.

OAPIN Open Access Plan In Network health plan; one of the medical plan options offered by the Board to qualified employees and their qualified dependents.

POS Point of Service health plan; one of the medical plan options offered by the Board to qualified employees and their qualified dependents.

Short term disability A voluntary program designed to cover any gap in an

employee's existing sick leave accumulation until the employee recovers or becomes eligible for long term disability (if enrolled).

Supplemental life coverage Term life coverage that is offered in addition to basic life insurance at higher coverage amounts to provide beneficiary(ies) added life insurance proceeds in the event of the death of the insured.

Upgraded long term disability (LTD) Long term disability coverage offered to employees who participate in the HMO or OAPIN medical plans where the Board pays the premium for the basic long term disability benefit and the employee can upgrade to a higher benefit level. Disability insurance provides income to an employee who is unable to work due to a disabling non-work related sickness or injury.

USERRA The Uniformed Services Employment and Reemployment Rights Act of 1994 is a federal law intended to ensure the protection of employment and reemployment rights of veterans, guardsmen, and reservists.

Voluntary long term disability. Long term disability coverage offered to employees who participate in the Point of Service (POS) medical plan or have opted out of medical coverage offered by the Board. Employees who elect this coverage pay the entire cost of the voluntary long term disability premium. Disability insurance provides income to an employee who is unable to work due to a disabling non-work related sickness or injury.

Voluntary supplemental coverage Employee funded voluntary supplemental coverage, including Accident, Cancer, and Hospitalization plans.

Workers' Compensation Workers' compensation is a form of insurance providing wage replacement and medical benefits to employees injured in the course of employment.

APPLICATION:

This PPM applies to employees of the Board who are eligible for and enrolled in Group Insurance benefits.

POLICY:

The Board provides a host of group insurance benefits including group medical, life, dental, disability, voluntary supplemental accident, cancer, and hospitalization coverage, and flexible spending accounts to each eligible employee. The employee, through payroll deduction, may be required to pay a portion of the premium, or the entire premium, as determined by the Board, to cover the employee and/or eligible

dependents in any of these plans. With regard to payment of premiums for employees on approved FMLA leave of absence, the Board's policy is to comply with the provisions of the Family Medical Leave Act of 1993.

Workers' Compensation

Employees who are receiving Workers' Compensation lost time benefits, who have not been terminated from Board service and are not working, shall have the employer contributions for medical coverage for themselves and any covered dependents as well as, basic life insurance and basic long term disability (HMO/OAPIN) paid by the Board. Any employee contributions for medical coverage, dental, voluntary or upgraded long term disability, short term disability, dependent and supplemental life insurances, voluntary supplemental accident, cancer, and hospitalization coverage, and flexible spending plan normally paid by the employee are still the responsibility of the employee. Upon termination from Board service, anyone still receiving Workers' Compensation benefits from the Board shall be offered continuation coverage under the provisions of COBRA.

FMLA

Employees on approved Family Medical (FMLA) Leave shall have their group insurance benefits continued in force for up to 12 weeks beginning with the first day FMLA leave commences. Any portion of the premium for personal or dependent coverage normally paid by the employee will continue to be the responsibility of the employee. Upon termination from Board service, the Board will offer COBRA continuation coverage.

Leave of Absence Without Pay

Employees on leave of absence without pay, including administrative leave without pay, for education, training, personal reasons, etc. will be personally responsible for paying the **entire** premium (Employee and Employer contributions) for **all** group insurance benefits. This includes both the premiums for the covered employee and any covered dependents for medical, basic life and basic long term disability (HMO/OAPIN) insurance. Any dental, short term disability, voluntary or upgraded long term disability, supplemental life insurances, voluntary supplemental accident, cancer, and hospitalization coverage, and flexible spending plan contributions normally paid by the employee are still the responsibility of the employee.

Suspension Without Pay

Employees suspended without pay will be obligated to pay the employee contributions for applicable group insurance benefits for the covered employee and any covered dependents for medical, dental, short term disability, voluntary or upgraded long term

disability, supplemental life insurances, voluntary supplemental accident, cancer, and hospitalization coverage, and flexible spending plan contributions normally paid by the employee. The Board will continue to fund the employer contributions for medical coverage for the employee and any covered dependents as well as, basic life insurance and basic long term disability (HMO/OAPIN).

Military Leave

Employees on extended Military Leave are eligible to continue in Board insurance plans.

PROCEDURES:

Workers' Compensation (Lost Time)

The Board will continue to fund the employer contributions for medical coverage for the employee and any covered dependents as well as, basic life insurance and basic long term disability (HMO/OAPIN). Any employee contributions for medical coverage, dental, voluntary or upgraded long term disability, short term disability, dependent and supplemental life insurances, voluntary supplemental accident, cancer, and hospitalization coverage, and flexible spending plan normally paid by the employee are still the responsibility of the employee. Monthly premiums are due in the Risk Management department by the first of each month. Group insurances will be canceled if payment is not received at Risk Management within 30 days of the due date. Employees using sick or vacation time while on Workers' Compensation leave will continue to have the insurance premiums deducted from their paycheck. Should these leave balances become exhausted, the employee must then pay the required premiums to Risk Management in order to maintain uninterrupted coverage.

FMLA

Any employee who wishes to apply for an approved absence under FMLA leave is required to comply with their individual department's procedures regarding leave and the provisions outlined in PPM CW-P-077 Family and Medical Leave Act and Domestic Partner Leave.

The Board will pay the Board's portion of premiums for group insurance benefits for a period of up to 12 weeks of approved leave under FMLA. Employees on FMLA leave must pay their portion of the premiums for their individual coverage and any covered dependents in order to maintain benefits without interruption. All required premiums are due in the Risk Management Department by the first of each month. Employees using sick or vacation time while on approved FMLA leave will continue to have premiums deducted from their paychecks. Should these leave balances become exhausted during

FMLA leave, the employee must then pay the required premiums to Risk Management in order to maintain uninterrupted coverage.

Upon the employee's return to work following the approved FMLA leave of up to 12 weeks, any coverages terminated during the leave because of non-payment will be reinstated as if the employee had continued to work; however, no benefits shall be paid for services provided during the period in which coverages were terminated. If the leave extends beyond 12 weeks, no reinstatement shall be made for any coverages terminated due to the employee's failure to pay the required premiums either for him/herself or applicable dependents.

Employees are expected to return to work immediately upon release by a health care provider or at the expiration of the approved leave of absence. If the employee does not return to work upon release by a health care provider or at the expiration of the approved leave of absence, the employee will be considered to be absent without authorized leave and subject to disciplinary action, up to and including termination. An employee who has been released by a health care provider to return to work and fails to return to his/her employment may be held responsible for costs incurred by the Board to keep the employee's health insurance in effect. Employees must follow the return to work provisions as outlined in PPM CW-P-077 Family and Medical Leave Act and Domestic Partner Leave.

Employees who are approved for additional leave without pay following the exhaustion of FMLA leave will be personally responsible for paying the **entire** premium (Employee and Employer contributions) for **all** group insurance benefits. This includes both the premiums for the covered employee and any covered dependents for medical, basic life and basic long term disability (HMO/OAPIN) insurance. Any dental, short term disability, voluntary or upgraded long term disability, supplemental life insurances, voluntary supplemental accident, cancer, and hospitalization coverage, and flexible spending plan contributions normally paid by the employee are still the responsibility of the employee.

Group insurance benefits that are not paid by the applicable due date and within the allowable grace period will be canceled.

Leave of Absence without Pay

Any employee out on leave of absence without pay, including administrative leave without pay, for education, training, personal reasons, etc. will be personally responsible for paying the **entire** premium (Employee and Employer premium contributions) for all group insurance benefits. This includes both the premiums for the covered employee and any covered dependents for medical, basic life and basic long term disability (HMO/OAPIN) insurance. Any dental, short term disability, voluntary or upgraded long

term disability, supplemental life insurances, voluntary supplemental accident, cancer, and hospitalization coverage, and flexible spending plan contributions normally paid by the employee are still the responsibility of the employee. Group Insurance premiums are due the first of each month and will be canceled if the entire payment due is not received within 30 days of the due date.

Suspension without Pay

Employees suspended without pay will be obligated to pay the employee contributions for applicable group insurance benefits for the covered employee and any covered dependents for medical, dental, short term disability, voluntary or upgraded long term disability, supplemental life insurances, voluntary supplemental accident, cancer, and hospitalization coverage, and flexible spending plan contributions normally paid by the employee. The Board will continue to fund the employer contributions for medical coverage for the employee and any covered dependents as well as, basic life insurance and basic long term disability (HMO/OAPIN).


Military Reservists Called to Active Duty

Eligible employees who volunteer, are drafted, or are recalled to active duty in the military service receive the rights and privileges authorized by federal military and veterans laws with respect to Group Insurance benefits, as applicable. The Board will continue to provide basic life, long term disability and medical insurance for these individuals. Any dependent and/or supplemental premiums will be deducted from the employee's regular or supplemental pay. Otherwise the employee must make arrangements with Risk Management to pay for these coverages by the first of the month being covered.

Upon termination from Board service, COBRA continuation coverage will be offered if the employee was self paying during the Leave of Absence. However, if the employee's insurance was canceled due to non-payment, COBRA continuation will not be offered.

RESPONSIBILITIES:

It is the responsibility of Risk Management to review bi-weekly payroll reports of group insurance deductions not taken on an ongoing basis and calculate amounts due at that time, as well as future premiums due, if the employee remains on an unpaid status. Employees who enter a no-pay status and appear on the payroll report are contacted by Risk Management/Group Insurance by letter, mailed to their address on record with the Board, about any premiums owed and payment deadlines in order to keep coverage in place. Risk Management/Group informs employees that their coverage will be terminated retroactively to the end of the last fully paid coverage month if payment is not received.


Verdenia C. Baker
COUNTY ADMINISTRATOR

Supersession History:

1. A.O. 6-7, effective 07/84
2. PPM #CW-P-022, effective 7/1/88, effective 12/1/07
3. PPM #CW-P-022, effective 12/01/13