

CHARTER TOWNSHIP OF FENTON
Ord. No. 758
Adopted: September 3, 2013

An ordinance to amend Ordinance No. 461 to add language relating to retiree health care insurance.

ARTICLE I. Ordinance No. 461 is hereby amended to add the following language:

Section 5. Retiree Health Insurance Eligibility.

Township employees are eligible to receive post-retirement single coverage health care insurance to be partially paid by the Township subject to the terms, conditions and restrictions established in this section. A retiring employee shall be initially eligible to receive post-retirement single coverage health care insurance to be partially paid by the Township only if:

1. The employee retires from full-time employment with the Township at age **62** or older, with **twenty (20)** or more years of service to the Township; and
2. The employee was eligible for health care insurance provided by the Township at the time of retirement or was eligible for such coverage for at least **fifteen (15) years** during his/her employment with the Township.

A. Form and Content of Retirement Policy. If any retiring employee is initially eligible to receive post-retirement single coverage health care insurance to be paid by the Township as provided above, then in such event, the form and content of the health care insurance policy to be provided by the Township shall be equivalent to the form and content of the health care insurance policy then being provided by the Township to current, active employees, as it may be modified from time to time, subject to any and all limitations established by applicable law or the relevant health care provider. The retired eligible employee shall be responsible for paying for a portion of his/her post-retirement health care insurance premium in the same manner and amount as current, active employees are required to pay to comply with the provisions of Public Act 152 of 2011, as it may be modified from time to time. The Township shall only be responsible for payment of the remaining portion of the premium for the employee alone. The Township shall not be responsible for payment of any portion of the health care insurance premium for the employee's spouse or dependent children.

B. Add-On Coverage. To the extent permitted by applicable law and the limitations established by the health care provider, the Township may allow the retired eligible employee to purchase coverage under the Township's then current health care insurance plan for his/her spouse and/or dependent children provided that the retired eligible employee shall be solely responsible for the payment of any and all costs for adding his/her spouse and/or dependent children to the Township's then current health care insurance plan.

C. Medicare/Medicaid Conversion. Any eligible retiree receiving post-retirement health care insurance benefits under the provisions of this contract shall be required to apply for Medicaid, Medicare or similar Federal program benefits as soon as he/she is eligible to do so. To be eligible to continue to receive post-retirement health care insurance benefits as provided in this section, the retiree must coordinate the health care insurance coverage provided by the Township with other governmental health insurances which may be available, in whole or in part, to the retired employee including, but not limited to, Medicaid and Medicare. As of the retired employee's date of eligibility for said Federal

program benefits, the health care insurance benefits provided by the Township shall be in the form of complementary insurance coverage that coordinates with the Federal program benefits, (i.e. Medicare "gap" insurance). In the event that the name of any of the coverages or benefits referred to are changed, the replacement programs shall apply to the above requirements. The employee shall continue to pay a portion of such premiums to comply with Public Act 152 of 2011 as provided above.

D. Termination of Post-Retirement Health Care insurance Benefits. The obligation of the Township to pay for post-retirement health care insurance benefits for otherwise eligible retirees shall cease in the event that comparable health insurance is available to the retiree through another employer or another source. The Township's obligation to provide post-retirement health care insurance coverage to the retiree shall immediately cease upon the occurrence of either of these circumstances. Circumstances which will result in the immediate termination of post-retirement health care insurance benefits include, but are not limited to, the following:

1. If the retiree accepts other employment and health insurance is available from that employer; or
2. If the retiree is eligible for health insurance through his/her working spouse.

In the event that the alternate coverage is lost, the retiree shall be eligible to be added / reinstated to the Township's health care insurance coverage subject to the restrictions of applicable law and limitations established by the health care provider. All questions of eligibility shall be determined by the rules and regulations established by the carrier providing such coverage.

ARTICLE II. This ordinance and its various articles, paragraphs and clauses thereof are hereby declared to be severable. If any article, paragraph or clause is adjudged unconstitutional or invalid, the remainder of this amendatory ordinance shall not be affected thereby.

ARTICLE III. All ordinances and provisions of ordinances of the Charter Township of Fenton in conflict herewith are hereby repealed.

ARTICLE IV. This amendatory ordinance shall be published as required by law and shall take effect immediately after adoption and publication.

Enacted at a regular meeting of the Fenton Township Board held on the 3rd day of September 2013.

Bonnie K. Mathis, Supervisor

Robert E. Krug, Clerk