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Health Insurance Benefit Option- Program

Employees currently enrolled in the City's health insurance plans may be compensated for not participating in the City's health insurance programs.

Eligibility

1. **Benefit Eligible-** To participate in the Program, an employee must be all. Active Employee who is eligible for group health insurance benefits through the City of Chelsea. This includes Union and non-Union City or School employees.
2. **Coverage as of May 1, 2009-** An active employee must be able to prove he/she had been covered by a City health insurance plan as of May 1, 2009. An employee who enrolls or re-enrolls in the City of Chelsea Health Insurance program after May 1, 2009, or a new employee, must participate in the City Health Insurance program for five (5) years, uninterrupted in order to be eligible for the full Health Insurance Benefit Option. If participatory for less than five (5) years but more than three (3) years, eligibility for the Health Insurance Benefit Option shall be allowed and the annual payment prorated permanently. Proration shall be based on the number of months fewer than sixty (60) months, but more than 35 months.
3. **Proof of other coverage -** An employee must show proof of coverage outside a City sponsored health plan before participating in this Program. Employees must fill out the state Health Insurance Responsibility Disclosure Form (HIRD) form and other necessary forms each year during the City's Open Enrollment period. To receive this benefit the employee must not be participating in a group health insurance plan based on their own work or the work of another subscriber (spouse, parent, etc.) and not through a retiree in the City's plan(s).

Timing of Application/Payment

Once an eligible employee waives coverage of his/her group health insurance through the City, he/she will receive an annual incentive payment in the annual amount of \$1,500 for an individual or \$3,000 for a family plan. Such payment shall be subject to deductions for state and federal taxes and other deductions required by law or authorized by the eligible employee. Such incentive payment shall not be considered part of or included in the employee's base pay. The Health Insurance Benefit Option shall be payable no later than Nov. 30th each

year for those eligible in the prior fiscal year.

1. Open Enrollment – Generally, employees will apply for the program during the Annual Open Enrollment Period
2. Spouse's Open Enrollment- Where an employee's spouse has a different open enrollment period, the employee can waive their group health insurance coverage during their spouse's open enrollment. Payment will be a pro-rated amount of the incentive at end of the plan year. Subsequent annual payments will be made at the end of each plan.
3. Qualifying Event- an employee can always waive his/her insurance outside the City's Open enrollment period if (s)he has a qualifying event. When such circumstance arises an employee can participate in the City's program.

Re-Enrollment in the City's Health Insurance Plans

An employee who enrolls in the Program may re-enroll in one of the City's health insurance plans:

- During the City's annual Open Enrollment period by contracting the City's Human Resources Office and completing the required paperwork, or
- In the case of a loss of coverage, by contacting the City Human Resources Office within 30 days of the qualifying event and providing documentation of the loss.

The City reserves the right to modify, amend or discontinue the Health Insurance Benefit Option Program.

Date issued: 12/10

City of Chelsea
Voluntary Waiver of Health Insurance
For Enrollment in Opt-Out Program

I, _____, am an active employee for the City of Chelsea and was covered by a City health insurance plan as of May 1, 2009 or I meet program standards as defined for re-enrolled or new employees. I hereby acknowledge that I have been advised of my right to enroll in health insurance coverage through the City of Chelsea. Having been so advised, I do hereby waive my right to health insurance coverage through the City and authorize the City to cancel my existing health insurance coverage as of:

Date of Voluntary cancellation: _____

In return for my agreement to waive health coverage, the City agrees to pay me no later than Nov.

30th of each year for those eligible in the prior fiscal year, the annual payment of one thousand five hundred dollars (\$1,500.00) for waiving my individual health insurance plan or three thousand (\$3,000.00) for waiving my family health insurance plan, whichever applies. Payment is determined by number of months in the prior fiscal year for which health insurance was not provided; periods of less than twelve months will have payment prorated for applicable months.

- I hereby certify that there is a no outstanding court order or agreement requiring me to provide health insurance coverage for my spouse, ex-spouse, dependent children, or any other party.
- I understand that the City of Chelsea is not responsible for my medical coverage effective on _____ (except for medical coverage for injuries and illnesses covered by M.G.L.ch. 41, § 111F & 100 or M.G.L.ch. 152) and for each fiscal year thereafter that I voluntarily agree to waive health insurance coverage through the City.
- I hereby acknowledge that I am only eligible to re-enroll in the City's health insurance plans during the Annual Open Enrollment period or, for a loss of coverage, notify the City Personnel Department and complete the re-enrollment process within thirty (30) days of the date of loss of coverage.
- I acknowledge that if I do re-enroll in the City's group health insurance, if my employment with the City ends, or if my hours are reduced to below 20 hours per week during the fiscal year, I will only be eligible for a pro-rated payment through the date prior to such re-enrollment, separation from employment, or reduction in hours.
- I acknowledge that I have read and agree to comply with the terms and conditions of the City of Chelsea's Health Insurance Benefit Option Policy.

Employee name/Employee signature

Date

Print Name

Issued: 12/10/20