

## **Early Retiree Insurance Coverage Plan**

### **Objective**

The plan will be a voluntary benefit that allows employees who would like to retire to keep their health insurance through the County until they become eligible for Medicare. Employees who reach the age and service requirements can participate in the plan.

### **Early Retiree Coverage Parameters**

- Employees become eligible for the program at age 62.
- Employees become eligible for the program after 20 years of total service to the employer.
- The employer pays for health insurance coverage for fully retired employee, who does not have coverage through other employment, until the former employee qualifies for Medicare (typically age 65).
- Cost for spouse or dependent coverage is paid by the retiree.
- The program only encompasses Health insurance. Dental and Vision can be continued at the Retiree's expense through COBRA.

### **Cost**

-For budgetary projections the fixed costs of the current health plan would represent a minimum cost of the Early Retiree Plan to the County. Using the current COBRA equivalent rates would provide an estimated cost of the program for each participating employee. Carroll County currently self-insures actual claims up to \$110,000 per employee per year under the County's current health plan. The below is based on the currently known figures for the current health plan. Subsequent plan years' costs are unknown at this time and will be based on the future renewal pricing and plan decisions.

- Current Fixed Cost per Employee: \$162.02 per month
- Current COBRA Cost for Employee Only Coverage on lowest cost plan: \$708.84 per month
- Current COBRA Cost for Employee Only Coverage on highest cost plan: \$779.01 per month

Cost to the retiree for continuing spouse or dependent coverage would be based of COBRA equivalent rates as well.

### **Implementation**

If the provision is implemented at the July 1 renewal date it would not require advance notice to the employees, however it will be disclose in advance so the eligible employees can plan, ask questions, and make decisions before the open enrollment period.