



## City of Phoenix

<b>ADMINISTRATIVE REGULATION</b>	A.R. NUMBER
	2.321 Revised
SUBJECT	FUNCTION
	Personnel and Payroll Page 1 of 6
<b>CITY OF PHOENIX BENEFIT PROGRAMS - PLANS AND ELIGIBILITY</b>	EFFECTIVE DATE
	August 19, 2004

### INTRODUCTION

#### **Transmittal Message**

This AR has been revised to incorporate changes resulting from agreements with employee representatives. Questions regarding this AR should be directed to the Personnel Department at (602) 262-4777.

#### **Summary of Changes**

AR 2.321 was last revised in 2002.

In the current revision, the document contains benefit program updates and text changes due to new processes and DCP vendor.

#### 1. Purpose

The purpose of this Administrative Regulation is to provide for uniform administration of benefits for all benefit eligible employees and retirees and to establish formal procedures for enrollment in various employee benefit programs.

#### 2. Background

As is customary in all group benefit programs, certain requirements and time limits are imposed for enrollment in and/or changes to benefit programs. Department Payroll/Personnel Clerks and Supervisors are responsible for assuring that eligible employees are informed of the requirements and that the enrollment forms and other necessary documents are received by the Benefits Office in a timely manner. Eligible retirees are responsible for contacting the Benefits Office in order to enroll in benefit programs within the established enrollment requirements and time limits.

#### 3. Procedure

- A. Basic Group Life, Basic Accidental Death and Dismemberment (AD&D), Occupational Accidental Death and Dismemberment (AD&D), and Commuter Insurances -

For all benefit eligible employees, enrollment in these benefit programs is automatic with coverage beginning at midnight of the first day of employment. It is necessary, however, for each eligible employee to state in writing a beneficiary designation for each of these plans. If death occurs and no beneficiary designation is on file, benefits will be paid in accordance with policy provisions. Changes in beneficiaries can be made at any time and take effect upon receipt of a "Beneficiary Designations" form by the Benefits Office. When Basic Group Life and Basic Accidental Death and Dismemberment coverage cease due to the employee's separation from city employment, these coverages may be converted to a private pay policy if application is made to the insurance carrier within 31 days of separation from the city. All other program rules can be found in the SelectCare® Life and AD&D Benefits booklet.

**B. Continuation of Basic Group Life Insurance Due to Disability –**

This benefit provides for the continuation of Basic Group Life insurance coverage at no cost to eligible employees.

All benefit eligible employees who become disabled before age 75 are eligible to continue their Basic Group Life and Basic Accidental Death and Dismemberment (AD&D) insurance coverage while the employee remains disabled, for up to nine months following the date last worked or the exhaustion of all paid leaves, whichever is greater. These coverages will continue only if the employee does not separate from city employment before the end of these nine months. If the disabled employee wishes to have Basic Group Life coverage continued beyond this nine month period, the employee must make application to the Benefits Office at that time. Basic AD&D coverage does not continue beyond nine months or the last day compensated, whichever is greater. The employee has the right to convert Basic AD&D coverage to a private pay policy with the insurance company, within 31 days of cancellation.

If the application is approved, the employee will be notified. If the application is declined or if the employee fails to respond by the due date, this coverage will be cancelled. Coverage will cease the last day of the month in which the employee was declined or in which documents due are not provided. The employee has the right to convert the Basic Group Life insurance coverage to a private pay policy with the insurance carrier, within 31 days of cancellation.

An employee is considered disabled if, for the first thirty months, the employee is unable, as a result of physical or mental illness or injury, to perform any and every duty pertaining to the employee's current position. Thereafter, the term "disability" means an employee being unable to perform work in any type of occupation that the employee is capable of performing, may be educated for, trained for, or become experienced in and could reasonably be expected to perform.

It is the employee's responsibility to file continued proof of disability with the Benefits Office at least annually or as often as requested.

C. Voluntary Supplemental Life Insurance –

All benefit eligible employees must enroll in or waive this coverage within 31 days of employment or benefit eligibility. This is an optional, employee paid benefit. Eligibility, the effective date of coverage, and other program rules can be found in the SelectCare® Voluntary Supplemental Life Benefits booklet.

D. Group Medical Insurance –

All benefit eligible employees must enroll in or waive this coverage within 31 days of employment or benefit eligibility. This is an employer and employee paid benefit. Eligibility, the effective date of coverage, and other program rules can be found in the SelectCare® Medical Benefits booklet.

E. Group Dental Insurance –

All benefit eligible employees must enroll in or waive this coverage within 31 days of employment or benefit eligibility. This is an employer paid benefit (single coverage), and an employer and employee paid benefit (family coverage). Eligibility, the effective date of coverage, and other program rules can be found in the SelectCare® Dental Benefits booklet.

F. Retiree Medical Insurance –

All benefit eligible retirees must enroll in or waive this coverage within 31 days of the end of the month in which the employee separates from city employment. If the retiree does not enroll within the first 31 days following retirement, the retiree may elect and enroll for this coverage within the first twelve months after the month of retirement. Coverage elected after the first 31 days of retirement will become effective on the next anniversary or policy effective date (August 1).

If the retiree does not make a benefit election (elect city medical coverage and/or the Medical Expense Reimbursement Program [MERP]) during the first 12 months after the month of retirement, no election can be made at a future date.

An active employee, under age 62, with five or more years of credited service who separates from city employment, and has not withdrawn his/her accumulated contributions, and is not eligible for a monthly retirement benefit is considered a deferred retiree. A deferred retiree is not eligible to make a benefit selection (city medical coverage or MERP). However, a former employee who has deferred retirement and subsequently returns to city employment as a regular benefit eligible employee for 12 or more consecutive months, and becomes eligible for a service or medical retirement from either COPERS or PSPRS, will be entitled to retiree medical coverage and the applicable MERP amount.

Eligibility, the effective date of coverage, and other program rules can be found in the SelectCare® Medical Benefits booklet. Eligibility and other program rules regarding MERP can be found in the City of Phoenix MERP document and AR 2.42.

G. Medical Expense Reimbursement Plan (MERP) –

All benefit eligible retirees must make application in order to receive a MERP payment based on years of city service and/or age. This payment is not taxable if used for eligible health related expenses during the calendar year in which it is received. Eligibility and other program rules can be found in the City of Phoenix MERP document and AR 2.42.

H. Retiree Dental Insurance –

Employees who retire from the City of Phoenix, who were covered under a city sponsored dental plan, may enroll for continued dental coverage under the federal regulation known as COBRA. Program rules can be found in the SelectCare® Dental Benefits booklet.

I. Consolidated Omnibus Budget Reconciliation Act (COBRA) –

This federal law provides for the continuation of existing City of Phoenix medical and/or dental coverage for eligible employees, retirees, and their dependents. Enrollment must be made within 60 days of group coverage cancellation. Refer to the section in your SelectCare® Medical and/or Dental Benefits booklets that addresses Termination of Coverage/COBRA.

J. Long Term Disability –

All employees in full-time benefit eligible positions, under age 75 are eligible for long term disability benefits after the employee has been continuously employed and working on a full-time basis for 12 consecutive months. Elected officials are considered eligible for this benefit after one continuous year following their first day in office. An employee who becomes ill or injured and anticipates it to last longer than 3 months should inquire/apply for this benefit. For non-industrial conditions, applications from former employees must be submitted within twelve months of the date of the disability. Program rules can be found in Administrative Regulation 2.323.

K. Deferred Compensation Program –

All benefit eligible employees in full-time positions can participate in this tax deferred savings program. The city contributes various amounts according to employee benefit category. Enrollment may be made at any time. Refer to City Ordinance or contact the vendor for program rules and guidelines.

L. Flexible Spending Accounts (FLEXRAP) –

All benefit eligible employees in full-time positions may participate in one or both of the flexible spending accounts. The Health Care account provides tax free reimbursement of eligible health care expenses not covered by insurance. The Dependent Care account allows for tax free reimbursement of eligible dependent care expenses. All program rules can be found in the FLEXRAP booklet and the FLEXRAP Plan Document.

M. Monthly Financial Aid for Child Care –

All benefit eligible employees who qualify may apply for Monthly Financial Aid For Child Care. This benefit provides assistance in paying for day care. Application can be made at any time. General program rules can be found in the City of Phoenix Child Care Program Highlights brochure and on the application.

N. Elder Care Connection –

All benefit eligible employees and retirees may request personalized, reliable, and customized services from the city contracted vendor. Services include referrals, in-home assessments, transition care management and care management, counseling, and consultations. Program rules can be found in the Elder Care pamphlet.

O. Prepaid Legal Plan –

All benefit eligible employees may participate in this employee paid plan for personal legal services provided by the city contracted vendor. Enrollment is for a full calendar year. All program rules are in the Prepaid Legal Plan pamphlet.

P. Service Award Program –

All benefit eligible employees in full-time positions are eligible for this program which recognizes each five years of service with an award, and retirement (except for sworn Police and Fire employees) with a plaque. These awards are provided to the city through a contracted vendor. Rules governing this program can be found in the Service Award procedures document.

Q. Executive and Middle Manager Physicals –

Executive employees are required to have a physical examination once every two years. Middle Managers are offered voluntary periodic physical examinations. These exams are provided through the contracted vendor(s) and are paid by the City of Phoenix Personnel Department. The protocol establishing the criteria for the physicals is contained in each contract.

All insurance coverages cease at the end of the month that the employee goes on extended General Leave, is separated from city employment, or retires. Any city contributions for these coverages also cease.

Payment to the city for purposes of continuing insurance in force requires that the employee send or bring a personal check or money order to the Benefits Office on or before the first of the month for which coverage is to be continued. It shall be the responsibility of each employee to make timely payments. The city is not obligated to notify the employee that payment is due. Payments for any policy that is converted to an individual policy are paid directly to the insurance company.

The city contributes toward medical and/or dental insurance for those employees who have continued coverage while on unpaid leave of absence for FMLA, the first twelve months of a medical leave of absence, military leave or for Police Officers on a disciplinary suspension.

Any monies due the City of Phoenix and/or its insurance carriers, including but not limited to unpaid premiums(s), claim overpayment(s), etc., may be withheld from the paycheck. This includes claims paid by the insurance company for services obtained by an ineligible dependent.

4. Master Agreements Prevail

These guidelines have been written to conform to the provisions of the various master agreements and regulations which dictate the operation of each of the city's benefit plans. However, if an inconsistency should occur, the provisions of the master agreement(s) and regulation(s) will prevail.

Under no circumstances will the city's agreements and regulations supersede a federal or state law or regulation with which the city must comply.

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By 

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