



# TOWN OF SAUGUS

## HUMAN RESOURCES

298 CENTRAL STREET

SAUGUS, MASSACHUSETTS 01906

Telephone: (781) 231-4142 • Fax: (781) 231-5666

### **Health Insurance Opt-Out Option – 2015 Program**

#### **Eligibility**

1. Available to Active Employees only
2. Must be Benefit Eligible (permanent status, 20+ hours per week)
3. Requires twenty-four (24) continuous months on Town of Saugus plan
4. Must provide written proof of other (non-Town) coverage

#### **Application**

1. Waives Town/MIIA/BCBS group coverage for self and/or dependents
2. Opt Out Enrollment Form must be filled out and signed by employee
3. Enrollment Forms available April 13<sup>th</sup> through May 13<sup>th</sup>
4. Must re-enroll each year to participate in program
5. Coverage termination effective July 1
6. Special Case: Spouse's Annual Enrollment period is different from Town's
  - a. Enrollment Form submitted to HR before May 13<sup>th</sup>
  - b. Requires proof of Spouse's Annual Enrollment period
  - c. Must provide proof of coverage at time of spouse's Annual Enrollment
  - d. Incentive payment will be pro-rated

#### **Annual Incentive Payment**

1. Incentive payments are subject to Federal, State and Medicare taxes
2. Incentive payments are not subject to Retirement/Pension deductions
3. Incentive payment will be made at end of plan (fiscal) year
  - a. Example: Enroll in Opt-Out Program in April/May 2015 (Plan year = July 2015 thru June 2016)
  - b. Lump sum payment will be made in July 2016
4. Annual Incentive payment for waiving INDIVIDUAL health insurance is \$1440
5. Annual Incentive payment for waiving FAMILY health insurance is \$3600
6. Resignation/Termination during plan year will result in forfeiture of incentive payment
7. Reduced hours or status change will result in pro-rated incentive payment

#### **Re-Enrollment**

1. Employees may re-enroll in Town-sponsored health insurance
  - a. During Annual Enrollment
  - b. During Plan Year with proof of Qualifying Event  
-Town must be notified within thirty (30) days of loss of coverage
  - c. Incentive payment will be pro-rated