

---

## **CHAPTER 10**

---

### **BENEFITS**

#### **10.1 Retirement**

##### **A. Virginia Retirement System**

The County participates in the Virginia Retirement System (VRS) as provided in the Code of Virginia.

##### **B. Eligibility**

Membership is mandatory for all employees in full-time positions with exception of those employees hired at age 65 or older. An employee in this category must notify the Department of Human Resources in writing if he does not wish to participate. The effective date of the retirement benefit shall be defined by VRS, as the VRS first business day of the month following the date of hire or shall be effective on the date of hire if hired on the VRS first business day of the month.

##### **C. Cost**

The County shall pay the employer's contributions as required by the VRS system. Employee contributions may be deducted from the first and/or second paycheck of the month. Retirement contributions begin as defined by VRS, on the VRS first business day of the month following the date of hire or shall be effective on the date of hire if hired on the VRS first business day of the month. The County will discontinue its contribution if the employee is on approved Leave Without Pay for 51% or more of his working month, unless absence is protected or granted under the Family Medical Leave Act, Sick Leave Bank, USERRA, and/or Worker's Compensation Act.

##### **D. Benefits**

The amount of service retirement or disability retirement benefit varies based on factors such as years of credited service, age upon retirement, and salary. Employees may contact the Department of Human Resources or VRS for information regarding their estimated benefits. Employees planning retirement should contact the Department of Human Resources 4 months before their retirement date to ensure coordination of all benefits.

---

## Group Life Insurance

### E. Eligibility

Certain VRS group life insurance is mandatory for all employees in full-time positions. VRS requires that mandatory life insurance begin on the employee's first day of regular full-time employment. A medical examination is not required. Additional life insurance, offered by the VRS at the employee's option and cost, may require a medical exam.

### F. Cost

The County will pay the cost of the mandatory group life insurance coverage that employees are not required to pay. The employee's portion of the life insurance premium is deducted from the first and second paycheck of each month.

If an employee is on approved Leave Without Pay or is on a protected or granted leave under the Family Medical Leave Act, Sick Leave Bank, USERRA, and/or Worker's Compensation Act and/or as may be required by the Americans with Disabilities Act or the Pregnancy Discrimination Act, the County will continue contributions to life insurance coverage up to 24 months on protected leave or until County separation, whichever occurs first.

Optional life insurance premiums are the responsibility of the employee.

### G. Benefits

Benefits may include natural or accidental death or dismemberment payments.

### H. After Retirement

After retirement, accidental death coverage ceases. Life insurance benefits will be reduced over a period of time as provided by VRS. Additional life insurance through the VRS's Optional Life Insurance Program may be continued at the retiree's cost.

## 10.2 Group Health Insurance

### A. Group Health Insurance Offered

The County shall provide at least one group health insurance option for employees.

---

B. Cost

The County shall pay a portion of the cost of the group health insurance coverage for active employees and retirees who are eligible as described below in Section 10.4 (D) or Section 10.4 (E). Premiums for active employees are deducted from the first and second pay check of each month. These premiums are withheld on a pre-tax basis. An active employee on approved Leave Without Pay for 30 calendar days, excluding absences protected or granted under the Family Medical Leave Act, the Sick Leave Bank, and/or Workers' Compensation Act, and/or as may be required to be excluded by the Americans with Disabilities Act or the Pregnancy Discrimination Act, is responsible for making all necessary payments including the County's portion for any mandatory and/or automatic deductions taken through payroll (ie. health insurance premiums, VRS retirement, VRS life insurance premiums, optional premiums and/or deferred compensation premiums) on the first of the month following 30 calendar days on unprotected leave without pay. If timely payment is not received, coverage will be cancelled retroactively.

C. Eligibility

All current employees in full-time positions, their spouses and dependent children shall be eligible for the County's group health insurance coverage. The effective date of health insurance coverage shall be the first of the month following date of hire. However, if the employee is hired on the first day of the month, coverage will be effective as of that date. ~~The effective date of health insurance coverage shall be the first of the month following 30 days of full-time employment.~~

D. Open Enrollment

Open enrollment is the time frame designated by the County for health insurance enrollment and where enrollment changes may be made without restriction.

E. Qualifying Event

After initial eligibility and outside Open Enrollment, an employee may elect to change or discontinue coverage only when there is a qualifying event. A qualifying event means an event described under Internal Revenue Code Section 125 that is (1) experienced by an Employee or an Employee's eligible family members; and (2) that gives rise to the Employee's ability to change coverage levels under the plan at a time not corresponding to the Open Enrollment Period. Qualifying events include but are not limited to marriage, divorce, birth of a child, and loss of other health insurance coverage. A change in



---

employment status from part-time to full-time and vice-versa will be handled as a qualifying event.

Health insurance changes due to a qualifying event must be made within 31 days of the event. Supporting documentation must be provided to show proof that a qualifying event has occurred. Health coverage resulting from a qualifying event will be effective the first of the month following the qualifying event, except for the birth of a child which will result in health coverage effective on the date of birth.

F. Opt-Out Program

A monetary allowance is provided to an eligible employee who opts-out of the County's health insurance program upon initial eligibility, open enrollment or during a qualifying event. Provisions of the County's Opt-Out Program may be obtained from the Department of Human Resources. The Board of Supervisors will evaluate this program each plan year.

G. Separation from Employment

If an employee separates from employment, health insurance coverage will continue until the end of the month in which the employee terminates as long as the employee's monthly premium has been received, where applicable.

H. COBRA

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allows an employee and/or dependents covered by the County's group health insurance plan the opportunity to maintain group coverage, for a specified period of time upon experiencing a qualifying event. If elected, the cost to continue coverage under COBRA is the full monthly premium for the coverage selected plus a 2% administrative fee.

### 10.3 Retiree Health Insurance

A. PERSONNEL TERMS/DEFINITIONS

1. Coverage – Coverage offered will be for the base healthcare plan supported by the County for general employees and will be for the retiree only. Retirees may also elect to purchase additional coverage above the base healthcare coverage offered to general employees and pay the difference in premiums themselves. Once the retiree becomes eligible for Medicare, coverage will then transfer to the stipend allowance for Medicare eligible retirees as

---

described below in Section 10.4 (D) or Section 10.4 (E) as applicable, if elected by the current retiree or future retiree employed by the County prior to September 25, 2018. Qualifying retirees hired after September 25, 2018, shall be eligible for base healthcare coverage under the HRA stipend described below. Retirees must contact the Department of Human Resources at least one month prior to Medicare eligibility.

2. Dependent – Dependent as defined by the current County health insurance plan document.
3. Employment Service – Employment service consists of years of employment with Spotsylvania County Government only. Employment with any other entity does not count towards employment service. Employment service with the Spotsylvania County School System is not included.
4. Enrollment – Enrollment in the retiree health insurance plan must occur at the time of retirement.
5. Due Date of Premiums – Premiums are due on the 20th of the month prior to the month of insurance coverage (i.e., August insurance premium due July 20).
6. Retiree – Full-time employee leaving County employment with retirement benefits.
7. Full Retirement Requirements – Full retirement requirements are determined by the Virginia Retirement System (VRS) based on plan membership, years of service and age.
8. Stipend Allowance – Shall mean, as used in this section, the amount of money set aside by the Board of Supervisors each year for payment of a portion of healthcare premiums or other allowable healthcare expenses for County retirees who are Medicare eligible and qualify for healthcare benefits, as set forth in this section.

B. HEALTH BENEFITS ELIGIBILITY FOR NON MEDICARE RETIREES RECEIVING FULL VRS RETIREMENT

1. Employees Hired **Prior** to November 1, 2007

---

Employees who meet the following criteria will be eligible for the County's **standard** group health insurance coverage with no employee cost:

- a. Completed ten (10) consecutive years of regular full-time employment service with the County immediately prior to full retirement under VRS OR,
- b. Completed ten (10) consecutive years of regular full-time employment service with the County immediately prior to social security retirement due to age OR,
- c. Completed ten (10) consecutive years of regular full-time employment service with the County immediately prior to social security retirement due to disability OR,
- d. Less than ten (10) consecutive years of regular full-time employment service with the County who have retired due to line-of-duty injuries and are entitled to benefits resulting from the Line of Duty Act will be eligible to participate as if ten (10) years of service was completed.
- e. Enrollment in health insurance coverage must occur at the time of retirement.
- f. If an employee decides to retire and he/she elects to maintain health insurance coverage through an actively employed spouse with the County, he/she may defer enrollment in the County retiree health insurance plan. At the time the retiree is no longer eligible for County health insurance through his/her spouse, enrollment in the County retiree health insurance plan may occur, provided this action is initiated within 30 days of the health insurance plan termination. Failure to enroll in the County retiree health insurance plan within 30 days of coverage termination will result in forfeiture of the retiree health insurance benefit. Further if the retiree is Medicare eligible, the stipend allowance described below in Section 10.4 (D) or Section 10.4 (E) shall be applicable, at the employee's election dependent upon the parameters set forth in these sections.

2. Employees Hired **On** or **After** November 1, 2007

---

County of Spotsylvania  
Adopted October 9, 2012  
Revised September 12, 2014  
Revised October 11, 2016  
Revised April 21, 2017  
Adopted September 25, 2018  
Adopted April 9, 2019



---

Employees who meet the following criteria will be eligible for the County's **standard** group health insurance coverage with no employee cost:

- a. Completed twenty (20) consecutive years of regular full-time employment service with the County immediately prior to full retirement under VRS OR,
- b. Completed twenty (20) consecutive years of regular full-time employment service with the County immediately prior to social security retirement due to age OR,
- c. Completed twenty (20) consecutive years of regular full-time employment service with the County immediately prior to social security retirement due to disability OR,
- d. Less than twenty (20) consecutive years of regular full-time employment service with the County who have retired due to line-of-duty injuries and are entitled to benefits resulting from the Line of Duty Act will be eligible to participate as if twenty (20) years of service was completed.
- e. Enrollment in health insurance coverage must occur at the time of retirement.

C. HEALTH BENEFITS FOR NON MEDICARE ELIGIBLE RETIREES RECEIVING REDUCED VRS RETIREMENT

1. If the criteria for full retirement under VRS and/or Social Security is **not** met, and the employee has completed at least 20 years of regular full-time service immediately prior to retirement, the County will contribute towards the retiree's health insurance premium for the standard group health coverage based on consecutive years of employment service as outlined below:

<u>Years of Employment Service</u>	<u>Percentage Paid by County</u>
Less than 20 years	not eligible for coverage
At least 20 years	50%
21 years	55%
22 years	60%

---

23 years	65%
24 years	70%
25 years	75%
26 years	80%
27 years	85%
28 years	90%
29 years	95%
30 years or more	100%

2. If an employee decides to retire and he/she elects to maintain health insurance coverage through an actively employed spouse with the County, he/she may defer enrollment in the County retiree health insurance plan. At the time the retiree is no longer eligible for County health insurance through his/her spouse, enrollment in the County retiree health insurance plan may occur, provided this action is initiated within 30 days of the health insurance plan termination. Failure to enroll in the County retiree health insurance plan within 30 days of coverage termination will result in forfeiture of the retiree health insurance benefit. Further if the retiree is Medicare eligible, the stipend allowance described below in Section 10.4 (D) or Section 10.4 (E) shall be applicable, at the employee's election dependent upon the parameters set forth in these sections.

D. HEALTH BENEFITS FOR MEDICARE ELIGIBLE RETIREES RECEIVING FULL VRS RETIREMENT

At the election of the current retirees and any future retirees who were employed by the County prior to September 25, 2018, the individual retiree or future retiree may choose to receive the base healthcare benefits available to regular full time employees for themselves or these individuals may choose to participate in the Healthcare Reimbursement Account (HRA), receiving a stipend, as described below.

Retirees who were hired on September 25, 2108, or later, who are Medicare eligible, qualify for full VRS retirement, and are otherwise qualified to participate, shall receive a monthly stipend allowance in lieu of County issued health insurance coverage. This stipend allowance must be used in accordance with the HRA, specifically to be used to purchase coverage under a Healthcare Reimbursement Plan, either for themselves or for their spouse and/or dependents.

1. The monthly stipend allowance may be adjusted annually according to the



---

Consumer Price Index (CPI) with the approval of the County Board of Supervisors as part of the regular budget process, not to exceed two (2) percent.

2. An individual account will be set up for the benefit of each retiree through the service provider selected by the County to administer the HRA. Funds will be deposited into said accounts on a monthly basis in the amount of the stipend allowance determined by the Board of Supervisors.
3. Retirees will be required to provide the service provider with proof of premium costs annually or when changes in premium or coverage are desired. Said proof required shall be as determined by the service provider. The service provider shall distribute the amount required to pay the premiums into the individual retiree's personal bank account, in accordance with the HRA; the retiree will be responsible for paying the premiums from said funds. If there are excess funds from the monthly stipend allowance, above the amount the retiree requires to pay his/her premiums, the excess can be used for other qualified expenses for the retiree or his/her spouse and/or dependents, in accordance with the HRA. Any balances not used in a given month or year will be rolled over in the account for use in subsequent months or years by the retiree for qualifying expenses allowable under the HRA.
4. Upon the death of the retiree, there will be no additional funding under the stipend allowance added to the account and any balance remaining in the account will be available to the retiree's spouse and/or dependents for up to 365 days from the date of death. Said balance shall be available to the retiree's spouse and/or dependents upon proof of death being presented to the service provider on the account and the balance must be used to pay for qualified expenses allowable under the HRA.
5. For calendar year 2019, the monthly stipend allowance has been determined to be \$625.00. Subsequently, the amount of the stipend allowance will be determined annually thereafter by the Board of Supervisors as part of the regular budget process.

#### E. HEALTH BENEFITS FOR MEDICARE ELIGIBLE RETIREES RECEIVING REDUCED VRS RETIREMENT BENEFITS

At the election of the current retirees and any future retirees who were employed by the County prior to September 25, 2018, the individual retiree or future retiree may choose

---

County of Spotsylvania  
Adopted October 9, 2012  
Revised September 12, 2014  
Revised October 11, 2016  
Revised April 21, 2017  
Adopted September 25, 2018  
Adopted April 9, 2019

---

to receive the base healthcare benefits available to regular full time employees for themselves or these individuals may choose to participate in the Healthcare Reimbursement Account (HRA), receiving a stipend, as described below.

Retirees who were hired on September 25, 2018 or later, are Medicare eligible, qualify for reduced VRS retirement, and are otherwise qualified to participate, shall receive a reduced monthly stipend allowance, in lieu of County issued health insurance coverage in accordance with the table set forth below. This stipend allowance must be used in accordance with the HRA, specifically to be used to purchase coverage under a Healthcare Reimbursement Plan, either for themselves or for their spouse and/or dependents.

<u>Years of Employment Service</u>	<u>Percentage Paid by County</u>
Less than 20 years	not eligible for coverage
At least 20 years	50%
21 years	55%
22 years	60%
23 years	65%
24 years	70%
25 years	75%
26 years	80%
27 years	85%
28 years	90%
29 years	95%
30 years or more	100%

1. The monthly stipend allowance may be adjusted annually according to the Consumer Price Index (CPI) with the approval of the County Board of Supervisors as part of the regular budget process, not to exceed two (2) percent.
2. An individual account will be set up for the benefit of each retiree through the service provider selected by the County to administer the HRA. Funds will be deposited into said accounts on a monthly basis in the amount of the stipend allowance determined by the Board of Supervisors.
3. Retirees will be required to provide the service provider with proof of premium costs annually or when changes in premium or coverage are desired. Said proof required shall be as determined by the service provider. The service provider shall distribute the amount required to pay the premiums into the

---

County of Spotsylvania

10 - 10

Adopted October 9, 2012

Revised September 12, 2014

Revised October 11, 2016

Revised April 21, 2017

Adopted September 25, 2018

Adopted April 9, 2019



---

individual retiree's personal bank account, in accordance with the HRA; the retiree will be responsible for paying the premiums from said funds. If there are excess funds from the monthly stipend allowance, above the amount the retiree requires to pay his/her premiums, the excess can be used for other qualified expenses for the retiree or his/her spouse and/or dependents, in accordance with the HRA. Any balances not used in a given month or year will be rolled over in the account for use in subsequent months or years by the retiree for qualifying expenses allowable under the HRA.

4. Upon the death of the retiree, there will be no additional funding under the stipend allowance added to the account and any balance remaining in the account will be available to the retiree's spouse and/or dependents for up to 365 days from the date of death. Said balance shall be available to the retiree's spouse and/or dependents upon proof of death being presented to the service provider on the account and the balance must be used to pay for qualified expenses allowable under the HRA.
5. The amount of the stipend allowance will be determined annually by the Board of Supervisors as part of the regular budget process.

#### F. ENROLLMENT REQUIREMENT

Enrollment in health insurance coverage must occur at the time of retirement.

##### Dependent Coverage

A retiree's spouse or dependent children may be covered by the County's group health insurance at the retiree's sole expense. If spouse or dependent children are enrolled at the time of the retiree's death, the enrolled spouse or dependent children may continue coverage at their sole expense with premiums submitted per this policy.

#### G. PAYMENT OF PREMIUMS

Individuals who receive insurance through the County's group health insurance shall submit payments directly to the Department of Human Resources by the premium due date. Checks should be made payable to the Treasurer of Spotsylvania



---

County. Non-payment of premiums will result in the loss of insurance and there will be no eligibility for re-enrollment.

#### **10.4 Employee Assistance Program (EAP)**

A. Counseling

The County offers a program to provide employees in full-time and regular part-time positions and their household members counseling and referral services designed to help them manage personal or job-related problems.

B. Confidential

Self-initiated counseling through the EAP is confidential. Neither the employee's name nor department is released to the County when the employee or household member seeks counseling EAP voluntarily. (See Chapter 19, Standards of Conduct, for mandatory referrals.)

C. Cost

The EAP shall provide a certain number of counseling sessions at no cost to the employee.

#### **10.5 Social Security and Medicare**

The County pays the employer's share of Social Security and Medicare. The employee's share is paid through mandatory payroll deduction.

#### **10.6 Unemployment Insurance**

Former employees may file for unemployment compensation through any Virginia Employment Commission (VEC) office. The VEC determines eligibility for benefits.

#### **10.7 Optional Benefits**

The County may offer its employees the opportunity to purchase various optional benefits through payroll deduction. Generally, such benefits are available to regular part-time employees who work an average of 20 hours or more per workweek as well as full-time employees.

---

Optional benefits may include, but are not limited to: life insurance, disability insurance, cancer insurance, credit union, direct deposit to a variety of banks, pre-tax savings accounts for unreimbursed medical expenses, dependent care expenses, retirement/deferred compensation, and any other benefits approved by the Board of Supervisors.

#### **10.8 Educational Assistance**

(See Training and Development, Chapter 14.)