

2024



RETIREE INSURANCE PROGRAM HANDBOOK



The City of Alexandria provides a number of valuable benefits to retirees. Understanding these benefits can help you make the most of your retirement. The Retiree Insurance Program includes medical insurance and life insurance.

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MEDICAL INSURANCE

One of the most important benefits you can receive as a City employee is access to ongoing medical insurance in retirement – for both you and your eligible dependents. This valuable benefit provides you with:

- Continued access to group health insurance.
- A health supplement from the City to help you pay for your premiums.
- Coverage from two large, national providers – Kaiser and UnitedHealthcare – to give you options when choosing or keeping providers.
- A Reimbursement Program that gives you an opportunity to elect coverage from a provider outside of a City-sponsored medical plan (such as your spouse’s plan) and have some of your costs reimbursed by the City.

Eligibility

As a full-time employee who retires from the City, you are eligible for retiree medical insurance if you meet the following requirements:

- You’re eligible for early, normal or disability retirement under the Virginia Retirement System (VRS), the City of Alexandria Firefighters and Police Officers Pension Plan or the Retirement Income Plan for Firefighters and Police Officers Pension Plan (pre-2004).
- You retire voluntarily. (If you are eligible to retire and are laid off by the City as part of a reduction in force — and not terminated for cause — you will be considered to have voluntarily retired.)
- You retire with retirement benefits that are effective immediately upon leaving the City.
- You’re enrolled in a City-sponsored medical plan at the time you retire. Any spouse or dependent you want to cover will also need to be enrolled in a City-sponsored plan when you retire. Note that retiree coverage – for both you and your spouse/eligible dependents – will continue at the level of coverage you have when you retire.
- You have completed at least five years of full-time service with the City in your current period of employment.
- If you transfer positions and your retirement plan changes from the VRS to the Firefighter and Police Officers Pension Plan (or vice-versa), fulltime service under both plans will be counted toward your eligibility for medical insurance.



MEDICAL INSURANCE (CONTINUED)

Important Considerations:

- If you decide to discontinue medical coverage with one of the City's providers for a different plan, you can enroll in the Retiree Medical Reimbursement Program as long as you were enrolled in a City sponsored health plan at retirement.
- If a surviving spouse or dependents discontinue coverage at a later date, they will not be allowed to re-enroll in any of the City's medical plan.
- If you retire with medical coverage, but then return to work with the City in either a full- or part-time position, you'll be eligible for retiree medical coverage when you retire again –assuming you're enrolled in one of the City-sponsored medical plans at that time.
- All retirees have an open enrollment each year where they can switch service providers.
- If you are enrolled in dental and vision coverage at the time you turn 65, you can continue that coverage under COBRA for up to 18 months. Over 65 retirees are eligible for Aetna's Vital Savings, which provides discounts for dental, vision, hearing and other services.



PAYING FOR COVERAGE

To help retirees pay for these costs, the City offers a Retiree Health Supplement of up to \$260 per month for the retiree.

Important Note:

How the health supplement is apportioned is based on your date of hire and years of full-time service with the City. The details are outlined in the chart on page 6 and are effective for anyone hired after July 1, 2008.

As a retiree, you pay 100 percent of the cost of the medical insurance premiums for yourself and your spouse/dependents, less any supplement to which you are entitled.

- Retiree premium rates are determined by the City and may reflect any changes in the cost that the City experiences.
- The cost for retiree coverage may or may not be different from the rate established for active employees for similar coverage.

The health supplement is available to you if you are eligible to participate in the Retiree Insurance Program. The amount of the health supplement varies depending on your date of hire and years of pensionable service.

- If you were hired **prior to July 1, 2008**, the amount of the health supplement is the lesser of the cost of coverage or \$260 per month.
- If you were hired or resumed full-time employment on or **after July 1, 2008**, the amount of the health supplement for retiree medical coverage depends on your years of full-time City service:
 - If you have **at least 25 years** of full-time City service, the monthly health supplement is the lesser of the cost of coverage or \$260 per month
 - If you have **less than 25 years** of full-time City service, the \$260 monthly health supplement is reduced based on your years of service, per the chart on the next page.

PAYING FOR COVERAGE (CONTINUED)

| Years of Service | Supplement | Maximum Supplement |
|------------------|------------|--------------------|
| Less than 5 | None | None |
| 5 | 20% | \$52 |
| 6 | 24% | \$62 |
| 7 | 28% | \$73 |
| 8 | 32% | \$83 |
| 9 | 36% | \$93 |
| 10 | 40% | \$104 |
| 11 | 44% | \$114 |
| 12 | 48% | \$123 |
| 13 | 52% | \$135 |
| 14 | 56% | \$146 |
| 15 | 60% | \$156 |
| 16 | 64% | \$166 |
| 17 | 68% | \$177 |
| 18 | 72% | \$187 |
| 19 | 76% | \$198 |
| 20 | 80% | \$208 |
| 21 | 84% | \$218 |
| 22 | 88% | \$229 |
| 23 | 92% | \$239 |
| 24 | 96% | \$250 |
| 25 | 100% | \$260 |



PAYING FOR COVERAGE (CONTINUED)

How the Health Supplement Is Paid

The health supplement is paid monthly to help cover the costs of your premiums. If you and/or your spouse enroll in a covered plan (Kaiser or UHC), the City pays the monthly premium directly to the carrier (except in the case where both individuals are in Medicare-eligible plans; in that case, the younger individual is billed separately by the carrier). Your cost is debited from your bank account on the 15th of each month.

If you and your spouse/dependents are covered under a plan that is not City-sponsored, you will need to enroll in the City's Health Reimbursement Program and submit documentation of your premium costs to determine the amount of the health supplement, which will be deposited in your bank account on the 15th of each month.

Survivorship Considerations:

- Surviving spouse/dependents will continue to be eligible for medical coverage and receive the existing health supplement if they were covered at the time the retired employee died.
- Coverage for surviving spouses/dependents under a City-sponsored medical plan must continue without any interruption. If the surviving spouse/dependents decline or drop coverage for any reason, the surviving spouse/dependents will no longer be eligible for coverage under a City-sponsored plan.
- If the legal marital status of the surviving spouse changes due to marriage, the surviving spouse can continue coverage, but cannot add his or her new spouse or new dependents to any City-sponsored health care plan.

Medicare

When you and/or your spouse become eligible for Medicare, you'll need to apply and enroll in both Medicare Parts A and B to get coverage through one of the City's approved plans for Medicare-eligible retirees (Kaiser Medicare Advantage or UHC Medicare Advantage Plans).

If you retire before age 65

You will need to apply for Medicare Parts A and B three months before your 65th birthday.

If you retire after age 65

You will need to apply for Medicare Parts A (if you have not already) and Part B three months before your retirement date.

If your spouse turns 65 at a different time, he/ she may participate in a different plan for a period of time (one in the Medicare-eligible plan and one in an employee plan). Once you are enrolled in Medicare Parts A and B, contact the Benefits Office to apply for one of the available plans for Medicare-eligible employees. If you are unsure about how to get Medicare coverage, contact Medicare at 1.800.MEDICARE or go to [medicare.gov](https://www.medicare.gov).



LIFE INSURANCE

The City allows full-time employees hired before **July 1, 2009**, to carry life insurance coverage into retirement. This is a valuable benefit that helps you protect the financial security of your loved ones and beneficiaries when you are no longer able to provide for them.

There are two types of life insurance available to you in retirement:

- **Plan 1 (Basic):** The amount of the basic life insurance is the same as it was on your last day of work. The cost for Plan 1 coverage for eligible retirees is covered by the City.
- **Plan 2 (Additional):** The amount of the additional life insurance is the same as it was on your last day of work. If you elect Plan 2 coverage in retirement, you must pay monthly premiums to cover the costs.

Hired After July 1, 2009?

If you were hired after the eligibility date for City-sponsored retiree life insurance, you can elect to convert your active coverage to an individual policy in retirement – up to the same level as your active coverage and without providing Evidence of Insurability. You will need to have had active life insurance for five years prior to retiring and converting your policy, and then you'll have 31 days following retirement to apply in writing and make your first premium payment.

Eligibility

To qualify for additional life insurance in retirement, you must have City-sponsored life insurance at the time you retire. You're considered eligible when you retire under the VRS or the Firefighters and Police Officers Pension Plan.

You are not considered eligible if you are:

- A temporary, seasonal or part-time employee.
- A leased employee.
- An independent contractor.
- A full-time member of the armed forces of any country.

If you choose to continue additional life insurance in retirement, you are eligible on the day you retire without having to provide Evidence of Insurability, which generally requires passing a physical exam and answering health questions. However, you may be required to provide this evidence if you:

- Increase coverage over what you had as an active employee,
- Apply late for Plan 2 additional coverage (more than 90 days after you are eligible), or
- Need to be reinstated in Plan 2 coverage because you missed premium payments.

If you are rehired after retirement to a new City position, you are not allowed to re-enroll in life insurance as an active employee. Life Insurance remains the same as when you retired.

Taxation of Life Insurance

Life insurance is a tax-free benefit in amounts up to \$50,000. The Internal Revenue Service requires you to pay income tax on the value of any amount exceeding \$50,000. The IRS determined value is called "imputed income" and is calculated from the government's "Uniform Premium Table I." You will receive a W-2 each year with value of your life insurance benefit to assist with preparing your tax return.



LIFE INSURANCE

(CONTINUED)

Reductions in Insurance Levels

When you reach certain ages, the amount of your retiree life insurance will be reduced on January 1 following your birthday. The amount of your new life insurance benefit will be your existing coverage multiplied by the percentages below:

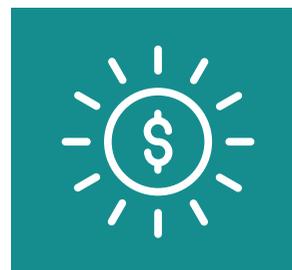
| Age | Percentage |
|-----|------------|
| 65 | 75% |
| 66 | 65% |
| 67 | 55% |
| 68 | 45% |
| 69 | 35% |
| 70 | 25% |



Kathy retired two years ago at age 63 with a salary of \$70,000, and did not elect any additional coverage. Her birthday is coming up. Her current life insurance benefit is \$140,000



April 10, 2017 — Happy 65th Birthday, Kathy!



January 1, 2018
 Kathy's life insurance benefit is reduced by 25%
 $\$140,000 \times 75\% = \$105,000$



TRANSITIONING TO RETIREMENT

When you are planning to retire, there are several steps you need to take to ensure a smooth transition.

Estimate Retirement Benefits

To estimate your retirement benefits, you will need to go to your retirement plan's website:

- VRS participants can go to varetire.org to estimate the benefits. For assistance registering or logging on to the website, call VRS at 888.827.3847 from 8:30 a.m. to 5:00 p.m. Monday to Friday.
- Participants in the Supplemental Retirement Plan or the Firefighters and Police Officers Pension Plan can go to Empower <https://participant.empower-retirement.com/participant/#/login> to estimate their benefits. For assistance registering or logging on to the website, call Empower at 1.855.756.4738 from 8:00 a.m. to 9:00 p.m. Monday to Friday.

Note: Firefighters and police officers with account balances in the Retirement Income Plan for Firefighters and Police Officers should also contact Pension Administration regarding payments from this account at retirement.

Apply for Retirement

To apply for retirement, you will need to contact the Retirement Office at Retirement@alexandriava.gov four months before your planned retirement date to complete application forms and schedule a meeting. In order to apply to retire, you will also need to provide:

- Proof of birth, which should be a legible copy of your passport or birth certificate,
- Proof of birth for your spouse if you plan to elect a survivor payment option, and
- Account number and bank routing number for account where pension payments will be deposited.

Retirement Checklist

- ✓ Estimate your retirement benefits
- ✓ Apply for retirement four (4) months in advance with the Pension Division
- ✓ Contact the Benefits Office two (2) months before your planned retirement date for retirement options

During the retirement meeting, Pension Administration will:

- Review your benefits and payment options under the plans noted above.
- Review payment options from the City of Alexandria 457 Deferred Compensation Plan and from the Payroll Deduct Roth IRA Plan with Mission Square.
- Discuss your option to defer leave pay into the 457 Plan.

Enroll in Retiree Insurance Benefits

Contact the Benefits Office (See Important Contacts section) two months in advance of your planned retirement date to schedule a meeting. During the insurance meeting, the Benefits Office will:

- Explain your benefit options (health, dental, vision and life) and the costs.
- Explain payout of vacation, compensatory leave and sick leave (if applicable).
- Provide you with the appropriate forms to select benefits.
- If you're over age 65, provide you with the appropriate Medicare-eligible plan application (you will need a copy of your Medicare Parts A and B card from the Social Security Administration).
- Collect banking information for automated payment of benefits.
- Give you a copy of all the signed documents.



OTHER BENEFITS

As a City employee, you have access to other valuable benefits from the City:

- **Supplemental Retirement Plan:** The City's defined benefit retirement plan for General Schedule Employees, Deputy Sheriffs, Medics and Fire Marshals. This plan provides a retirement benefit to all benefit-eligible full-time and part-time employees who are not firefighters or police officers.
- **Virginia Retirement System (VRS):** The City participates in the state pension plan, which is for full-time City employees who are not firefighters or police officers. This plan provides retirement benefit in the form of a monthly pension (Plan 1 or Plan 2) or a combined monthly pension and retirement savings account (Hybrid Plan) at retirement.
- **City of Alexandria Firefighters and Police Officers Pension Plan:** The City's defined benefit plan for firefighters and police officers. This plan provides retirement benefit in the form of a monthly pension.
- **Pension Plan for Firefighters and Police Officers (pre-2004) Plan:** The City's defined contribution plan for firefighters and police officers prior to 2004. This plan provided an account balance to the participant at retirement.



LOAN FORGIVENESS

You want **student loan savings** and **forgiveness**. We have a new benefit that may make that happen.

Sign up for **Summer** (<https://app.meetsummer.org/onboard/cityofalexandria>) to save and pay off your debt faster.

With this benefit **you and your family** will be able to:

- Access expert student loan support
- Lower your payments
- Apply for a forgiveness plan
- Track your loan situation with easy-to-use online tools

Sign up today and use the following access code to create your free account: COA

For any questions, please email Summer directly at partnersupport@meetsummer.org or Dr. Grace Ingram at grace.ingram@alexandriava.gov.

For more information on Summer please see the attached flyer: [Summer Informational Flyer](#)

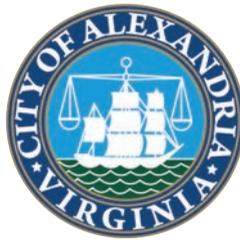


IMPORTANT CONTACTS

| Retiree Benefit | Provider Contact |
|--|---|
| <p>Medical, Dental and Vision Coverage</p> <hr/> <p>Life Insurance</p> <ul style="list-style-type: none"> ▪ Basic Life Insurance ▪ Additional Life Insurance <hr/> <p>Supplemental Retirement Plan</p> <ul style="list-style-type: none"> ▪ Defined Benefit Plan <hr/> <p>Virginia Retirement System</p> <ul style="list-style-type: none"> ▪ Defined Benefit Plan (Plan 1 & Plan 2) ▪ Defined Benefit & Contribution Plan (Hybrid) <hr/> <p>City of Alexandria Firefighters and Police Officers Pension Plan</p> <ul style="list-style-type: none"> ▪ Defined Benefit Plan <hr/> <p>City of Alexandria Retirement Income Plan for Firefighters and Police Officers (pre-2004)</p> | <p>Department Benefits Office 703.746.3777 or DHR.Benefits@alexandriava.gov</p> <hr/> <p>Finance Department Pension Division 703.746.3906 or retirement@alexandriava.gov</p> <hr/> <p>Center for Medicare Services: 1.800.MEDICARE (1.800.633.4227) TTY: 1.877.486.2048 medicare.gov</p> |

Right of City of Alexandria to Modify or Terminate Extended Health Coverage
 The City of Alexandria has and continues to reserve the right to unilaterally amend, supplement, terminate, withdraw, suspend or modify any policy regarding (1) Access to health benefits provided to active employees, disabled employees and retirees at any time and for any reason, or (2) Any payment made by the City with respect to health benefits provided to active employees, disabled employees and retirees (including, without limitation, the retiree medical health supplement contained in this Policy) or (3) Formulas the City uses to determine subsidies or pooling of groups to determine health insurance premium rates. The City of Alexandria will advise affected employees and retirees of any changes affecting their eligibility for continued health care coverage through a City-sponsored health care plan.

Right of City of Alexandria to Modify or Terminate Life Insurance Coverage
 The City of Alexandria has and continues to reserve the right to unilaterally amend, supplement, terminate, withdraw, suspend or modify any policy regarding (1) Access to life insurance benefits provided to active employees, disabled employees and retirees at any time and for any reason, or (2) Formulas the City uses to determine life insurance premium rates. The City of Alexandria will advise affected employees and retirees of any changes affecting their eligibility for continued life insurance coverage through a City-sponsored life insurance plan.



About this Guide

This benefit summary provides selected highlights of the City of Alexandria benefits program. It is not a legal document and shall not be construed as a guarantee of benefits nor of continued employment at the company. All benefit plans are governed by master policies, contracts and plan documents. Any discrepancies between any information provided through this summary and the actual terms of such policies, contracts and plan documents shall be governed by the terms of such policies, contracts and plan documents. City of Alexandria reserves the right to amend, suspend or terminate any benefit plan, in whole or in part, at any time. The authority to make such changes rests with the Plan Administrator.

