QUESTION AND ANSWER SUMMARY
JULY 2005
CITY OF ALEXANDRIA RETIREE HEALTH INSURANCE REIMBURSEMENT PROGRAM

This Question and Answer Summary has been prepared to explain the current eligibility provisions for participation in the program. The City reserves the right to amend or terminate any provision of this program. Retirees are responsible for providing their expense information to stay active in the program.

Q. <u>Who is eligible to participate in the reimbursement program?</u>

A. 1. All retirees who are not currently participating in a City health plan, and who are receiving lifetime monthly benefits from a primary City retirement plan, which also includes:

2. Retired Police Officers and Firefighters participating in the defined contribution retirement income plan with at least *20 years* of City service, and;

3. Employees who retired with disability benefits from a primary City retirement plan.

Q. <u>Are former employees who are vested in the retirement plan and leave City service eligible to participate when they apply for a retirement benefit in the future?</u>

A. No. Only those employees who retired at the time they separated from City service may participate.

Q. <u>How much is the current monthly reimbursement amount?</u>

A. Effective July 1, 2005, reimbursement is based upon the actual cost of the retiree's monthly insurance premium UP TO $260.00 per month, or a maximum of $780.00 quarterly. Checks are mailed quarterly only on the schedule noted below if all documentation from the retiree is received on time.

Q. <u>How does a retiree actively participate?</u>

A. Eligible retirees must complete the blue *Reimbursement Statement each quarter and furnish proof of health insurance coverage or monthly payments every 6 months*. This information should be provided in January and July each year. Please complete and return the Reimbursement Statement along with the necessary proof by the dates in the middle column below to receive your reimbursement check.

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Q. <u>How often are reimbursement payments made?</u>

A. Payments are made 30 days <u>after the end of each</u> quarter provided the Reimbursement Statement (blue form) and proof of health insurance coverage or payment was received from the eligible retiree. Retroactive payments cannot be made for prior quarters. Any necessary adjustments will be made prospectively with the next quarterly reimbursement check.

Quarter	Documents Received /Approved by	Payments Made by
January*, February & March	March 1	April 30
April, May, & June	June 1	July 30
July*, August, & September	September 1	October 30
October, November, December	December 1	January 30

Proof must be sent to us during January and July these two months only. However, you can show proof of premium increases at any time. The remaining quarters will be paid automatically with no further documentation from you. Therefore, it is in your best interests to notify us of changes in your premiums as they occur.

Q. What is needed as proof of coverage and payments for January and July?

A. 1. A statement from the insurance plan carrier or employer which shows the type of coverage (individual or family) and the retiree's monthly cost for such coverage, or

2. Copies of payment coupons along with a copy of canceled checks, or

3. Copies of paycheck stubs for the period showing the deductions were paid along with a copy of the employer's verification of health plan and type of coverage.

If the retiree is covered under a spouse's insurance plan, then the monthly rates for both the spouse's individual and employee- plus or family coverage must be provided. An example appears below.

Q. Will the City reimburse for more than one health plan?

A. No. The City will only provide reimbursement for a single basic health plan which provides hospital and physician care. Medicare premiums will be considered for reimbursement only if the retiree does not participate in any other health insurance plan.

Q. Are dental and vision care plans included in the program?

A. Only if the coverage is already included as part of the basic health insurance plan.

Q. If the retiree's monthly cost for health coverage is less than $260.00 then what will the retiree be eligible to receive?

A. If the retiree's monthly cost is less than the current monthly reimbursement maximum of $260.00 the retiree will receive reimbursement for the actual cost of health insurance premiums.

Q. <u>Will reimbursement be made if a spouse adds the qualified city retiree to his/her employer's plan?</u>

A. Yes. Reimbursement is based on the difference between the spouse's cost for an individual plan and the spouse's cost for converting to a family or employee-plus plan. For example, the spouse's coverage as an individual costs $140 per month. The spouse's cost including family members is $300 per month. The City will reimburse the difference between $300 and $140, or $160 per month in this case. That amounts to $480 for the covered quarter.

Q. <u>If the retiree dies, does the spouse become eligible for the reimbursement program?</u>

A. Only if the coverage was in the retiree's name and covered the spouse and eligible dependents. Contact the Benefits and Records Division at (703) 746-3785 for more information.

Q. <u>Where do I send my request to participate and the necessary documentation?</u>

A. Send the Reimbursement Statement along with proof of coverage or payment to Personnel Services Department, Benefits Division, P.O. Box 178, 301 King Street Alexandria, VA 22314.

Q. <u>What if I have questions that are not discussed here?</u>

A. Contact the Benefits and Records Division at (703) 746-3785 for assistance.