



Health Insurance Benefits Policy

Policy Number: PP 6-1

Effective Date: July 1, 2017

Approved By: Roger L. Stancil, Town Manager

POLICY

The Town offers group medical insurance benefits, including family coverage, to all regular full and part time employees. An employee's eligibility for coverage, and the cost to an employee for such coverage, will be in compliance with applicable state and federal laws and the [Town of Chapel Hill Code of Ordinances, Section 14-53](#).

PURPOSE

Having an employer-sponsored group medical insurance plan supports the recruitment and retention of Professional, well qualified employees, and promotes Safety as it relates to the health and well-being of existing employees.

R.E.S.P.E.C.T. VALUES



Safety: We strive to maintain our own mental and physical well-being and the well-being of those around us. We are dedicated to a work environment that minimizes risk of injury or accident. We are also dedicated to an environment that provides for honest and courteous discussion of workplace issues without fear of repercussion.



Professionalism: We are committed to the excellence and accountability of our own performance as well as the performance of the organization. We carry out our jobs efficiently and effectively, are open to feedback about our performance and show a willingness to learn.

APPROVAL

Roger L. Stancil, Town Manager



Health Insurance Benefits Procedures

Policy Number: PP 6-1

Effective Date: July 1, 2017

Approved By: Cliff Turner, Human Resources Development Director

PROCEDURES

These procedures are issued by the Director of Human Resource Development to implement the Health Insurance Coverage Policy, PP 6-1, issued by the Chapel Hill Town Manager. The Town complies with all provisions of applicable state and federal laws. These procedures may be periodically updated.

A. Eligibility

1. All regular full and part time employees: All regular full and part time employees are eligible for coverage beginning on their first day of employment.
2. Program Support and Temporary Employees: Are generally not eligible for group medical benefits unless they meet the qualifications for coverage under current law. These employees should contact their Human Resource Development (HRD) partner if they have questions regarding coverage eligibility.
3. Dependent Coverage: Dependent coverage is available to regular full and part time employees beginning on the first day of employment.
4. Domestic Partners: Domestic partners qualify for dependent coverage. Domestic partners must provide evidence of financial and legal ties, such as a joint mortgage, insurance policy, domestic partner registration, or similar documentation.

B. Types and Costs of Coverage:

1. Type(s) of Coverage: The Town negotiates its group insurance coverage and premium amounts annually through a competitive process. Though every effort is made to minimize any changes in coverage and employee costs from year to year, such changes can and do occur.
2. Cost of Coverage: The Town will pay a proportional share of employee and dependent coverage as determined through the budget process annually and as according to the [Code of Ordinances, Section 14-53](#). The Town may also charge employees differing amounts for individual coverage based on the employee's participation in the Town's Wellness program, as permitted by law.

3. Information provided during Open Enrollment: Information about the Town's insurance plan, including the employer and employee contributions for various types of coverage, will be provided during the open enrollment period each year.

C. When Coverage Can Start, End, or Change:

1. Initial Hire: Individual or dependent coverage, if applied for within 30 days of the first day of employment, will begin on the first day of employment and extend through the last calendar month the employee works.
 - a) If insurance selection not finalized by time of first paycheck: If the employee has not completed enrollment before the first paycheck, then all monies owed from the date of hire will be deducted from subsequent checks once the employee has selected coverage.
2. Open Enrollment: Open enrollment occurs annually and is a time when employees may make changes to their health insurance coverage. Changes become effective on September 1 each year.
 - a) Deductions for Changes due to Open Enrollment: Deductions reflecting coverage or rate changes during open enrollment will start on the first pay period in August.
3. Qualifying Events: Certain life events are considered "qualifying events," which permit the employee to make changes to health insurance coverage at any time during the benefit year. Some examples of such events include a change in marital or domestic partner status; a partner's job change or loss, or the birth or adoption of a child. The health insurance carrier may require documentation of the qualifying event. Usually, such changes must be made within a narrow time frame after the qualifying event, so please contact your HRD partner as soon as the qualifying event occurs.
4. When coverage ends: coverage ends on the last day of the month in which the employee works; or when the employee makes any changes during open enrollment or due to a qualifying event which results in terminating coverage for him/herself and/or any dependents.

D. Payments During Various Types of Leave

1. Paid Leave: If the employee is in pay status during the pay period, any deductions for coverage will be taken out of the employee's paycheck. If the amount of the check is insufficient to cover the cost of deductions, then the balance owed will be deducted from a future check.

PROCEDURES
CONT.

2. Unpaid Leave of Absence:

a) FMLA status: the Town continues to pay the same portion of individual and dependent coverage for a period of up to twelve weeks as it would if the leave had been paid.

b) Layoff or Reduction in Force: payment for health insurance benefits will be covered according to the terms and conditions of the [Reduction in Force Policy, PP 9-1](#).

c) Unpaid Administrative Leave: The Town will continue to pay its share of employee and dependent coverage for employees that the Town places on unpaid administrative leave due to pending investigations or possible disciplinary actions.

d) Leave without Pay Due to Military Service or National Emergency: Federal law provides that the employee may continue insurance coverage for up to 24 months at the employee's expense.

e) Other Unpaid Leave: The Town will make its usual contributions for employees on any unpaid leave of less than twelve (12) weeks; for unpaid leaves in excess of twelve (12) weeks, an employee may continue health insurance under the Town's group policy at their own expense under the provisions of Federal Consolidated Omnibus Budget Reconciliation Act, or COBRA.

E. Payments Due upon Separation from Employment: any outstanding amounts due will be deducted from the final paycheck, if any; or collected from the employee in a separate payment.

FORMS/INSTRUCTIONS

Employees fill out enrollment paperwork during New Employee Orientation. Employees receive forms and assistance for making changes during open enrollment each year.

PROCEDURES
APPROVED BY

Cliff Turner, Human Resources Development Director



ADDITIONAL
CONTACTS

Human Resource Development 919-968-2700 or HR@townofchapelhill.org Ombuds office 919-265-0806 or Ombuds@townofchapelhill.org

RELATED
INFORMATION

[PP 2-8 Family and Medical Leave Act](#)

[PP 9-1 Reduction in Force Policy](#)

The Affordable Care Act and related Laws

RESPONSIBILITIES

All Employees are expected to:

- a) Complete health insurance enrollment, if desired, within 30 days of new hire.
- b) Contact HRD promptly when a qualifying reason occurs that requires a change in insurance coverage
- c) Be aware of and comply with open enrollment deadlines
- d) Ask questions about anything they do not understand

All Supervisors/Managers and Department Heads are expected to:

- a) Distribute information about open enrollment in a timely fashion
- b) Allow employees to confer with HRD about their insurance benefits

All Human Resource Development staff members are expected to:

- a) Provide accurate information to employees about their benefits
- b) Direct employees to the Benefits Specialist for individualized assistance
- c) Provide information to all employees during open enrollment about insurance benefits and costs

SCOPE

All regular full and part time employees are covered by this policy.

POLICY HISTORY

Adopted November 1999

Reissued November 2000

Reissued January 2012

Revised and Reissued July 1, 2017 to comply with Town Ordinance Revisions of September 2014 and changing Federal, State, and Local laws

This policy replaces and supersedes any previous Town policies, departmental policies, handbooks, or unwritten policies or practices covering the same subject. Departmental policies in compliance with this policy are referenced in Section XI below, Related Information. In the event of any disparity between this policy and the Town's Code of Ordinances and/or applicable local, state, or federal laws, the Town's Ordinance and/or applicable laws shall prevail.