



RETIREE HEALTH BENEFITS

Vesting of Retiree Medical Coverage

The number of years that a retiree has continuously participated in the School Board health insurance plan immediately preceding retirement will determine the amount the employer will subsidize his/her premium as a retiree. Included as continuous coverage will be years that the employee was carried as a spouse of another employee on the School Board health insurance plan(s). Employees who retire with a service-connected disability retirement will not be subject to this vesting plan but will receive 100% of the employer subsidy. All other disability retirements are subject to the same vesting plan as regular retirees. A retiree who cancels the health insurance coverage loses all rights to it and can never enroll in it again.

The vesting schedule for retirees is as follows:

Years of Participation	Vested Percentage
Fewer than 5 years	25% of the Employer Portion
5 years but fewer than 10 years	50% of the Employer Portion
10 years but fewer than 15 years	75% of the Employer Portion
15 years or more	100% of the Employer Portion

The employer portion is adopted by the School Board each year in the annual budget and could change from year to year. The vesting percentage for each retiree will be determined from the table above at the date of retirement and will not change during the retirement years. This percentage would be applied to the employer portion to determine the premium for each retiree. For example, the employer would pay 32.5% of the premium for an employee who retires with eleven (11) years of continuous participation when the employer contribution is set at 65% ($50\% \times 65\% = 32.5\%$). The employee would be responsible for the remaining 67.5%.

For additional information, contact the Human Resources Department.