



Marblehead Health Insurance Opt-Out 2026–2028 Agreement

Quick Reference Q & A

1. What is the Town's Health Insurance Opt-Out Program?

The Town of Marblehead offers an incentive to eligible employees who voluntarily decline Town health insurance coverage.

- \$4,000 for an employee who waives individual/single coverage
- \$8,000 for an employee who waives family coverage

Employees must meet the eligibility requirements and provide proof of qualifying alternate health insurance coverage. Payments are subject to applicable taxes and withholdings. Payments do not count toward retirement income.

2. Who qualifies for the Town's opt-out incentive?

To qualify, an employee must:

1. Be eligible for enrollment in the Town's health insurance plan;
2. Have been continuously enrolled in the Town's health insurance plan **for at least two consecutive years** immediately before opting out; and
3. Provide proof of alternate qualifying health insurance coverage acceptable to the Town.

3. Can my spouse's employer-sponsored insurance qualify as my alternate coverage?

- Yes. If you enroll in health insurance offered through your spouse's employer, that coverage may qualify as your alternate health insurance.
- However, there are two separate issues:
 - You must satisfy the Town's requirements to receive the opt-out payment.
 - You must also follow GIC's requirements to cancel your GIC coverage.

4. Does applying for the Town's opt-out automatically cancel my GIC insurance?

- No. The Town's opt-out program and GIC enrollment are two separate processes.
- You must qualify for the Town's opt-out, enroll in qualifying alternate health insurance, and properly notify GIC and complete the GIC process to cancel your GIC coverage.
- Do not assume that submitting the Town's opt-out paperwork automatically cancels GIC.

5. Is my spouse's employer Open Enrollment a qualifying event to leave the GIC?

- Yes. GIC recognizes a spouse's employer Open Enrollment as a qualifying event. If you enroll in your spouse's employer-sponsored health plan during that Open Enrollment, you may request cancellation of your GIC health coverage, subject to GIC's documentation and timing requirements.
- This is particularly important for employees who want to move from GIC coverage to a spouse's employer-sponsored plan.

6. How much time do I have to submit the change to GIC?

- For cancellation based on enrollment in a spouse's plan during the spouse's Open Enrollment, GIC must receive the Enrollment/Change submission and required documentation within 60 days of the qualifying event. For this type of cancellation, GIC identifies the qualifying event as the effective date of enrollment in the spouse's plan.
- GIC cancellation is prospective only. The effective date is determined by GIC after it receives a complete submission and supporting documentation.

- Example: If your spouse's new coverage becomes effective January 1, obtain documentation of the Open Enrollment and the January 1 effective date and submit the GIC cancellation request promptly. GIC must receive the complete submission within 60 days of January 1.

7. What should I do if I want to leave GIC and join my spouse's plan?

- STEP 1 — Confirm that you qualify for the Town opt-out.
Make sure you have two consecutive years of continuous Town/GIC enrollment immediately before opting out, qualifying alternate health insurance, and documentation showing your alternate coverage.
- STEP 2 — Confirm the spouse's employer Open Enrollment.
Find out when Open Enrollment begins and ends, when new coverage becomes effective, and what documentation shows that you are eligible.
- STEP 3 — Submit the change to GIC.
Submit the appropriate Enrollment/Change request and required documentation to GIC, preferably through MyGICLink. For cancellation based on a spouse's Open Enrollment, the complete submission must be received by GIC within 60 days of the effective date of enrollment in the spouse's plan. Keep confirmation that your request was submitted.
- STEP 4 — Enroll in the alternate plan.
Complete enrollment in your spouse's employer-sponsored plan during Open Enrollment and confirm the effective date.
- STEP 5 — Confirm the GIC cancellation.
Confirm the GIC termination date and your new insurance effective date. Coordinate the dates carefully to avoid a gap in health insurance coverage or an unintended overlap.

8. What if I am switching to my spouse's insurance during their employer's Open Enrollment?

This is a qualifying event recognized by GIC. The general sequence is:

Spouse's employer Open Enrollment → enroll in spouse's plan → document the effective date → submit the GIC cancellation request and documentation → confirm the GIC termination date.

Submit the GIC request promptly and confirm the effective dates of both coverages. The complete GIC submission must be received within 60 days of the effective date of enrollment in the spouse's plan, and GIC cancellation is prospective only.

9. Does the Town's April 30 opt-out deadline have anything to do with GIC's 60-day qualifying-event period?

No. They are separate requirements.

The Town's April 30 deadline determines eligibility for the full annual opt-out incentive under the Town's Agreement. Later opt-out elections are subject to the proration schedule in the Agreement. The GIC 60-day period governs when the employee must submit a qualifying-event change to GIC. For cancellation based on enrollment in a spouse's plan during the spouse's Open Enrollment, GIC must receive the complete submission within 60 days of the effective date of enrollment in the spouse's plan.

Employees must satisfy both the Town's opt-out requirements and GIC's enrollment/cancellation requirements.

10. What documentation should I keep?

Keep copies of:

- Town opt-out application
- Proof of alternate health insurance
- Documentation of the spouse's employer Open Enrollment showing the Open Enrollment period and the date the new coverage will take effect
- Confirmation of enrollment in the alternate plan and its effective date
- GIC Enrollment/Change submission or cancellation request
- GIC confirmation of the cancellation and its effective date
- Any other documentation requested by the Town or GIC

11. What is the Town's deadline to receive the full payment?

To receive the full opt-out payment, written notice must be provided to the Town by April 30. Later elections receive a prorated payment according to the schedule in the Agreement.

Town deadline: Written notice by April 30 receives 100% of the annual payment. Later elections are prorated according to the Agreement.

12. What is the Opt-Out Payment Proration Schedule?

Notice Date	Percentage of Payment
By April 30	100%
By May 31	90%
By June 30	80%
By July 31	70%
By August 31	60%
By September 30	50%
By October 31	40%
By November 30	30%
By December 31	20%
By January 31	10%

13. Can I receive the opt-out payment and later return to GIC?

- You may return to GIC if you experience a qualifying event or otherwise become eligible under GIC rules.
- However, returning to GIC during the same plan year can require you to repay a prorated portion of the opt-out payment.
- Members should contact the appropriate Town/GIC representative before making a change.

Important Note

This FAQ is intended as a general summary. In the event of any inconsistency, the Town's Health Insurance Opt-Out Agreement and applicable GIC rules and procedures control. GIC requirements may change; employees should confirm current requirements with GIC before making a coverage change.