

RETIREE BENEFITS AND SUBSIDY POLICY

ELIGIBILITY FOR RETIREE BENEFITS

Any employee of Indian River County who participates in and satisfies the Vesting, Disability, Early or Normal Retirement provisions of the Florida Retirement System (FRS) may be eligible for certain Other Post-Employment Benefits. Currently, the eligibility requirements for retirement under the FRS Defined Benefit Pension Plan are as follows.

VESTING RETIREMENT *Enrolling to FRS prior to July 1, 2011:* Termination after 6 years of creditable service.
Enrolling to FRS after June 30, 2011: Termination after 8 years of creditable service.

However, there will be no OPEB benefits available after termination of employment, unless employee satisfies eligibility requirements for any other retirement benefits listed below and starts receiving retirement benefits from FRS.

DISABILITY RETIREMENT *Line of Duty:* Members are eligible if totally and permanently disabled during the actual performance of duty. There is no service credit requirement.
Non-Duty: Members are eligible if totally and permanently disabled after completing at least 8 years of creditable service.
However, Members with renewed membership and DROP participants are not eligible for Disability Retirement.

SURVIVORSHIP *Line of Duty:* Member died during the actual performance of duty. There is no service credit requirement.
Non-Duty: Employment is terminated as a result of death after 6 years of creditable service for all classes of membership.

EARLY RETIREMENT All employees may retire with a reduced pension benefit upon accrual of six years of creditable service (8 years if hired after June 30, 2011). However, employee must be 59 ½ upon retirement in order to be eligible for post-retirement benefits.

NORMAL RETIREMENT *Regular, Elected Officers' and Senior Management Classes:*

- *Enrolling to FRS prior to July 1, 2011:* Age 62 with six years of creditable service, or 30 years of creditable service regardless of age; eligible immediately.
- *Enrolling to FRS after June 30, 2011:* Age 65 with eight years of creditable service, or 33 years of creditable service regardless of age; eligible immediately.

Special Risk:

- *Enrolling to FRS prior to July 1, 2011:* Age 55 with six years of creditable service, or 25 years of special risk creditable service regardless of age, or age 52 and 25 years of creditable combined service (including special risk

service and military); or 30 years of any creditable service, regardless of age, eligible immediately.

- *Enrolling to FRS after June 30, 2011:* Age 60 with eight years of special risk creditable service, or 30 years of special risk creditable service regardless of age, or 33 years of any creditable service regardless of age; eligible immediately.

Special Risk Administrative Support Class: With at least six years of special risk class service, same as apply to *Special Risk*, above, otherwise same as apply to *Regular Class* above.

DROP PARTICIPANTS

DROP Participants are considered active employees while still in the DROP period. Upon actual retirement at the end of or during the DROP period the employee becomes eligible for certain post-employment benefit coverage.

Eligibility requirements for retirement under the FRS Investment Plan are as follows.

INVESTMENT PLAN

Participants become vested after one year of service. There are no other age or service requirements that must be met to “retire” under the provisions of the FRS Investment Plan. However, to be eligible for OPEBs, employees must attain age 59½ with at least 6 years of creditable service, or meet eligibility criteria applicable to similarly situated participants of the DB plan.

LOSS OF ELIGIBILITY FOR RETIREE BENEFITS

Any retired employee who is no longer deemed to be a retiree under section 112.0801, Florida Statutes, will no longer be eligible to participate in the Indian River County group insurance plan, Medicare Advantage plan, or self-insurance plan and will forfeit all other post-employment benefits, as permitted by law. The loss of post-employment benefits extends to all covered dependents of the retiree.

OTHER POST-EMPLOYMENT BENEFITS

The post-employment benefits include continued access to purchase of coverage for the retiree and dependents in the Medical/Prescription and Life Plans sponsored by the County.

HEALTH-RELATED BENEFITS

Eligible retirees may choose from the same Medical Plan options available to active employees of the Employer, subject to premium payment. In addition a Medicare Advantage plan is offered to eligible retirees. Similar to active members, retirees have the option to have their dependents covered, subject to the premium payment. Prescription Drug coverage is automatically extended to retirees and their dependents who continue coverage under the Medical Plan.

Covered retirees and their dependents are subject to all the same Medical and Prescription benefits and rules for coverage as are active employees. Retirees and their dependents, who are Medicare eligible are required to enroll for Parts A and B under Medicare. For all Medicare eligible members, the Plan pays as the secondary payer.

Any retiree who elects to switch from the County’s Health Insurance Plan to the Medicare Advantage Plan shall not be allowed to change back to the previous Plan (unless the Medicare Advantage Plan is no longer offered).

RETIREE CONTRIBUTIONS FOR MEDICAL/PRESCRIPTION COVERAGE

In order to begin and maintain retiree Medical/Prescription coverage, premium contributions are required from the retiree. For dependent coverage, the retiree is required to pay a premium as well. If any required amounts are not paid timely, the coverage for the retiree and/or the dependent(s) will cease. The amount of the contributions required for retiree and dependent coverage may change from time to time.

RETIREE HEALTH SUBSIDY

In addition to the Health Insurance Subsidy paid by FRS, certain retired employees of Indian River County will receive a subsidy from the County. The amount of subsidy depends on: the date of employment, date of retirement and the total service with the county (rounded to whole years). For retirees that are eligible to receive a subsidy, in the event of their death, the subsidy continues on to their surviving spouse until the spouse remarries or terminates coverage.

The chart on the following page summarizes the retiree health subsidy, expressed as a percent reduction off the stated monthly premium for the tier selected (e.g., 2% of the single premium for single coverage or 2% of the family premium for family coverage).

Hired Before 2/1/2006				Hired On or After 2/1/2006
Retirement Date	Service	Under Age 65	Retiree or Spouse Medicare Eligible	
On or Before 1/31/2009*	Less than 15 years	No Subsidy	20% Subsidy*	No Subsidy
	At least 15 years	2% per Year of Service (maximum of 40%)	Additional 20% Subsidy (maximum of 60%)*	
After 1/31/2009*	Less than 15 years	No Subsidy	No Subsidy	
	At least 15 years	2% per Year of Service (maximum of 40%)	Subsidy Ceases	

**Additional Subsidy will be paid to Medicare Eligible retirees regardless of whether they are enrolled in Medicare Advantage Plan and regardless of whether they become Medicare Eligible before or after October 1, 2004.*

***Employees who commit by June 1, 2008 to retire before January 31, 2009 will receive subsidy as if retired before June 1, 2008.*

DISABLED RETIREES PREMIUM CONTRIBUTIONS

Members eligible for disability retirement are subject to premium payments the same as all regular retirees. An exception is made to law enforcement officers who had sustained catastrophic injuries in the line of duty. Premiums for health coverage of such members, their spouses and any dependent children will be

paid by the County as prescribed by the Florida Statute Section 112.19(h)1 (first introduced as the Alu-O'Hara Public Safety Act).

SURVIVORSHIP BENEFITS

The surviving spouse of a retiree is eligible to continue coverage under the group plan subject to premium payments applicable to an individual retiree at the current subsidized rate until the spouse remarries or terminates coverage. No benefit (other than COBRA) is offered to surviving beneficiary of the active employee.

SUSPENSION OF SUBSIDY

In the event that Indian River County is notified that the applicable official or board responsible for paying benefits under a public retirement system has placed a hold or stay on paying benefits to a retired employee under section 112.3171, Florida Statutes, Indian River County will cease providing a health subsidy to that retired employee effective retroactive to the date the hold was placed on the account. The retired employee will assume responsibility for the full monthly premium amount retroactive to the month the hold was placed on the account. Under this provision, if the retired employee fails to make full premium payment within 30 days of notification, the benefits will be cancelled. Indian River County will provide the retired employee with reinstatement of such subsidy if, and when, such official or board determines that the retired employee retirement benefit are not to be forfeited. If benefits are determined to be forfeited, the retired employee is no longer eligible for retiree benefits as identified in the loss of eligibility provisions above.

LIFE INSURANCE

Retiring employees have an option of participating in the Employer sponsored group life policy. Retirees who retired before October 1, 1999 are eligible for a \$10,000 policy, with the benefit being reduced to \$5,000 upon attainment of age 70. Retirees who retired after October 1, 1999, are eligible for a \$20,000 policy, with the benefit being reduced to \$10,000 upon attainment of age 70. The cost of the insurance is paid by retiree.

COBRA BENEFITS

Former employees, retirees and dependents may be eligible for an extended benefit under COBRA, regardless of the terms of the employer's other post-employment benefits. COBRA benefits are not considered as other post-employment benefits for the purposes of GASB Statement No. 45.

TERMINATION AND AMENDMENT

The post-employment benefits are extended to retirees and continued at the discretion of the Employer, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change premium contributions required from retirees in the future as circumstances change.

APPROVED BY THE BOARD OF COUNTY COMMISSIONERS ON JUNE 5, 2018.

Peter D. O'Bryan, Chairman
Indian River County
Board of County Commissioners

ATTEST: Jeffrey R. Smith, Clerk of Court and Comptroller

BY: _____
Deputy Clerk