

RETIRING & RETIREE BENEFITS

Revised June 2023

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A. RETIREMENT NOTIFICATION

1. Employees are asked to notify their department head and the human resource office of their intent to retire at least 90 days prior to their retirement date to allow time to facilitate insurance matters and to address staffing needs.
2. Notification to Tooele City does not constitute notification to the Utah State Retirement office or to other benefit providers. Employees must contact the Utah State Retirement office or the respective retirement plan to begin the retirement process.

B. LIFETIME PASS TO CITY RECREATION FACILITIES

An employee who retires from Tooele City Corporation as their last employer and is credited with at least 10 years of service as a Tooele City full-time regular or appointed status employee is provided a lifetime individual wellness/recreation card, the use of which is to be consistent with Section 31 herein this Manual. The pass is non-transferrable.

C. COBRA CONTINUATION COVERAGE UPON RETIREMENT

Retirees may be eligible to continue certain benefits pursuant to COBRA continuation coverage. COBRA continuation is described in Section 29: Benefits, herein this Manual.

D. HEALTH & LIFE INSURANCE FOR RETIREES & RETIREE'S DEPENDENTS

Prior to retiring, employees are encouraged to carefully evaluate their rights and responsibilities regarding continuation of health insurance or other benefits following retirement. Although it is the intent of Tooele City to maintain insurance coverage as specified below, it is understood that insurance providers may change eligibility or coverage provisions for retirees at any time. Tooele City will make reasonable effort to include coverage in negotiations with 2nd party insurance carriers; however, if such carriers refuse to provide coverage on terms deemed reasonable by Tooele City, or if coverage is not available, the provisions below are subject to change and may impact past, current, and future retirees. If coverage lapses or changes, Tooele City will make reasonable effort to notify affected retirees.

1. **Eligible Retiree.**

Some retirees are provided with health and life insurance benefits after they retire from Tooele City. For purposes of this Section, these retirees are defined as an "Eligible Retiree" and must meet the following criteria:

- a. Was not involuntarily dismissed from employment, with the exception of appointed employees;
- b. Did not voluntarily separate employment from Tooele City Corporation before being eligible for and electing to retire;

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Example: An employee quit (did not retire from Tooele City), accepted a position with the County, worked for the County for a period of time, and retires. The employee retired from the County and is therefore, not eligible for benefits offered by Tooele City to an Eligible Retiree.

- c. Has been eligible to participate in the Tooele City health and life insurance plans for an equivalent of at least ten (10) years. Tooele City's policy regarding reinstatement of service will be used to determine equivalent and credited years should an employee encounter a break in service or changes in health/life insurance eligibility (i.e. change to part-time);
- d. Is a bona fide retiree under the Utah State Retirement System pension plan, or if participating in a 401K plan only due to Exemption or the employee elected to participate in the URS Tier 2 Defined Contribution (401k) Only Plan is eligible to withdraw from the retiree's 401K account as an eligible retiree, penalty free, as specified by the IRS;
- e. Is not retiring under a medical retirement (i.e. long-term disability) plan;
- f. Is not an elected city council member; and,
- g. Ensures that the required premium payments are made.

2. **Earned Premium Credit (EPC).**

At the time of retirement, Tooele City will calculate an Earned Premium Credit (EPC) that will equal 1 year for every 5 full years of service as a benefit eligible employee with Tooele City. Tooele City's policy regarding reinstatement of service will be used to determine equivalent and credited years should an employee encounter a break in service or changes in health/life eligibility status (i.e. went part-time). Service credited by the Utah Retirement System for pension calculation purposes, but not actually rendered to Tooele City, is not considered service with Tooele City for purposes of the EPC calculation.

- a. The EPC represents:
 - (1) The time the City will pay for a City-sponsored single insurance plan for the Eligible Retiree, a City-sponsored Medicare Supplement Plan for the Eligible Retiree, or the Waiver Payback to an Eligible Retiree in lieu of coverage.
 - (2) The time period an Eligible Retiree is eligible to remain on the group life insurance policy and the time period Tooele City will pay for such plan.
 - (3) The time period an Eligible Retiree is eligible to continue their group voluntary/supplemental spouse or dependent life insurance policy.

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- b. If during the EPC period, an Eligible Retiree passes away, the EPC ends. There is no transferability of the EPC.
 - c. If the Eligible Retiree returns to employment with the City as an active benefit eligible employee, the EPC is put on hold and the remaining EPC balance is again made available to the Eligible Retiree when no longer eligible for coverage as an active benefit eligible employee.
3. **Health Insurance.**
- a. An Eligible Retiree may remain covered under the City group health plan through their EPC provided: he/she was covered on the last day worked, is not Medicare eligible, and is under age 65.
 - b. At expiration of EPC, age 65, or upon becoming Medicare eligible, an Eligible Retiree may no longer remain covered under the City group health plan (COBRA eligibility may apply). Such Eligible Retirees are encouraged to contact the Utah State Retirement Office to determine if a Medicare Supplemental Insurance plan is available.
 - c. Coverage may not be reinstated if an Eligible Retiree at any time, declines coverage, drops coverage, or has coverage cancelled for non-payment.
4. **Life Insurance.** *(Some provisions apply to married couples both retired from Tooele City. Specific plan documents and contracts will apply and may limit the following benefits.)*
- a. An Eligible Retiree may remain covered under the City group basic life insurance plan and group basic dependent life insurance plan during their EPC, as allowed by the insurance provider.
 - b. An Eligible Retiree may continue their group voluntary/supplementary employee, spouse, and dependent life coverage during their EPC, as allowed by the insurance provider.
- Once the EPC period has expired, Tooele City will maintain and pay for a \$5,000 basic life policy on the Eligible Retiree and if coverage was in effect during the EPC, a \$2,500 basic life policy on their spouse until the Eligible Retiree dies or the legal relationship ends, as allowed by the insurance provider.
- c. All dependent life coverage discontinues at the time of the Eligible Retiree's death.

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E. RETIREE SICK LEAVE CONVERSION

1. There is no minimum service requirement for retiree sick leave conversion. A retiree may convert his/her sick leave provided that the employee is retiring from Tooele City and will be eligible to receive pension payments from the Utah State Retirement System or the City sponsored 401K plan(s) without IRS penalty within 30 days of separation.
2. Retiring employees may convert their sick leave as follows:

Hours of Sick Leave at Retirement	Converted Cash Payout	Convert to Purchase Years Under the Utah State Retirement System, if applicable
0 - 250 Hours	(# Hours * .05) * Hourly Rate at retirement	(# Hours * .20) * Hourly Rate at time of payment
251 - 400	(# Hours * .07) * Hourly Rate at retirement	(# Hours * .25) * Hourly Rate at time of payment
400 - 600	(# Hours * .10) * Hourly Rate at retirement	(# Hours * .30) * Hourly Rate at time of payment
601- 1000	(# Hours * .15) * Hourly Rate at retirement	(# Hours * .35) * Hourly Rate at time of payment
1001-1500	(# Hours * .20) * Hourly Rate at retirement	(# Hours * .40) * Hourly Rate at time of payment
1501 - 2000	(# Hours * .25) * Hourly Rate at retirement	(# Hours * .45) * Hourly Rate at time of payment
2000+ up to a maximum of 2500	(# Hours * .30) * Hourly Rate at retirement	(# Hours * .50) * Hourly Rate at time of payment

3. Special Requirements if Converting to Buy Years to Retire -
 - a. Retirees may provide Tooele City with documentation from the Utah Retirement Office (URS) substantiating their desire to purchase years for the purpose of retiring at a specified date. When such documentation is provided and intent to retire is official, the employee may convert his/her sick leave to a cash payment, contingent upon employee purchasing years and retiring as specified in the documentation. Payment is made to the employee within the time period required by the URS Office and the employee then remits payment to the URS office. Employee are encouraged to consult with a tax advisor and the URS office about the possibility of deferring this payment to a URS 401k plan and the possibility of in-service transfer from plan to plan at the URS level.

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- b. If the employee fails to retire as committed, the employee is responsible for reversing such payment within 2 weeks and will be responsible for any taxes, fees, penalties, etc. incurred to do so.

F. PUBLIC SAFETY MENTAL HEALTH RETIREE BENEFITS

Consistent with Utah Code Title 54, Chapter 21, Mental Health Resources for First Responders, Tooele City provides mental health resources through our Employee Assistance Program (EAP) benefits to eligible first responders and the spouses of retired first responders (Example: crime scene tech, police officers, full-time firefighter, forensic) who have retired from Tooele City on or after May 15, 2022 for three years from the date of retirement. If mental health resources are requested thereafter, Tooele City will provide mental health resources through a peer support specialist who is qualified to provide peer support services under the Act for up to three years following the request.