



**LAKE COUNTY**  
BOARD OF COUNTY COMMISSIONERS  
*County Procedure*

**Title: Employee Benefits**

Number: ES-3.03.05  
Approved: July 10, 2009  
Originator: Employee Services &  
Quality Improvement  
Review: July 10, 2014

**I. PURPOSE AND SCOPE**

The purpose of this document is to provide procedures for and describe coverage of insurance benefits available to all eligible employees.

**II. REFERENCES**

Replaces the Policies and Practices Employee Manual – Section 23, Employee Insurance, approved Sept 7, 1999

Employee Status Policy LCC-89

Internal Revenue Code (IRC), Title 26, Subtitle A, Chapter 1, Subchapter B, Part III, §125 Cafeteria Plans, and Subtitle K, Chapter 100, Group Health Plan Requirements

Lake County Board of County Commissioners, IRS Section 125 Flexible Spending Account Plan (Cafeteria Plan)

Code of Federal Regulations (CFR), Part 160 – 164, Health Insurance Portability and Accountability Act of 1996 (HIPAA)

**III. APPLICABILITY**

This procedure applies to all eligible employees of Lake County Board of County Commissioners (BCC).

**IV. DEFINITIONS**

Benefits-eligible: Employees in positions scheduled to work at least thirty (30) hours per week, excluding temporary employees, are eligible for County benefits including such insurances as group health, dental, vision, life, etc. The County's benefits package may periodically be modified with BCC approval.

## V. PROCEDURES

### A. General Administration

It is the policy of LCBCC to provide insurance benefits to benefits-eligible employees. Employees are eligible to enroll upon initial employment, with coverage beginning the first day of the month following 30 days of employment, and once a year during annual open enrollment. The cost of insurance premiums will be determined by the Board of County Commissioners (BCC). The plan documents of each Plan Provider will govern the provisions of the benefits plans, which are available on the Office of Employee Services and Quality Improvement (Employee Services) webpage. The Employee Services webpage on the intranet and internet shall house general and detailed information regarding benefits. Employee Services will coordinate the procedures outlined in this document.

### B. Basic County-Paid Benefits

The following benefits are provided and paid for by the County:

#### 1. Life Insurance and Accidental Death & Dismemberment (AD&D)

The County pays for Basic Life Insurance and AD&D for all benefits-eligible employees. Basic Life Insurance and AD&D coverage is the equivalent of one times an employee's annual salary, rounded up to the next \$1,000 with a minimum of \$20,000. Employees are responsible for notifying Employee Services of changes to their beneficiary of record.

#### 2. Long Term Disability

Benefits-eligible employees are covered by a group long term disability policy. This coverage replaces 60% of an employee's monthly pre-disability gross income in the event of a disability and in accordance with policy provisions, after an elimination (waiting) period.

#### 3. Employee Assistance Program (EAP)

The County's EAP provides benefits-eligible employees and their family members a predetermined number of free visits during a fiscal year. The EAP offers a variety of counseling and informational services. The EAP is also available for problems not normally covered under the mental health provisions in the County's Group Health Plan, such as stress, weight loss, financial issues, family problems, etc.

#### 4. Retirement

The County participates in the Florida Retirement System (FRS) and contributes a percentage (based on the member's FRS classification) of the benefits-eligible employee's salary. Employer contribution rates are established by state law and can fluctuate annually. See the County's Employee Retirement Procedure for additional information.

### C. Voluntary Benefits

The following benefits are voluntary and premiums are paid for by the employee through payroll deduction. Payroll deduction payments are made 30 days in advance. Employee dependents, including spouse and children, are eligible for some of the insurance benefits so long as coverage is also purchased for the employee.

#### 1. Medical (Health)

A Health Maintenance Organization (HMO) medical plan and a Preferred Provider Organization (PPO) medical plan are available to benefits-eligible employees and their eligible dependents. Prescription benefits are also included under the medical plan. Employees pay for the employee portion of medical coverage through payroll deduction.

Employees may also enroll in a Flexible Spending Account (FSA) which allows employees to have money deducted from their paycheck before it is taxed, resulting in employees reimbursing themselves for eligible medical and dependent care expenses with tax-free dollars.

#### 2. Dental

Benefits-eligible employees have the option of selecting one of several dental plans (e.g., HMO, PPO, or a middle-tier option). Coverage under the dental plan includes a variety of procedures including routine cleanings and x-rays. Co-pays for each particular procedure and networks vary by dental plan. The County pays the premium for single coverage and employees pay the premium for their dependents' coverage through payroll deduction.

#### 3. Vision

Employees may purchase a voluntary vision plan. Benefits under the vision plan include eye exams, frames, lenses, and vision-related discounts.

#### 4. Supplemental Life Insurance & AD&D

Benefits-eligible employees may purchase term employee Supplemental Life and AD&D Insurance subject to the terms and maximums of the Certificate of Insurance (in \$10,000 increments, up to five (5) times their annual salary, with a maximum of \$300,000, up to the guaranteed amount and subject to evidence of insurability, if applicable). The amount of supplemental AD&D cannot exceed the amount of elected supplemental life insurance coverage for employee, spouse, or child coverage.

Employees may purchase term life insurance and AD&D coverage for their spouse (in \$5,000 increments, up to the lesser of \$150,000 or 50% of the employee's basic and supplemental coverage combined, up to the guaranteed amount and subject to evidence of insurability, if applicable). A spouse is not eligible if he/she is also eligible for employee coverage.

Employees may also purchase term life insurance and AD&D coverage for their children (in \$2,500 increments, up to the lesser of \$10,000 or 50% of the employee's basic and supplemental coverage combined).

An employee must be participating in the supplemental life plan to elect dependent coverage.

5. Long Term Disability 90-Day Buy Down

Benefits-eligible employees have the option of purchasing a shorter waiting period [180 days down to 90 days] for their County-paid Long Term Disability coverage.

6. Deferred Compensation 457 Plans

Voluntary Deferred Compensation programs are available for employees to defer compensation until retirement in accordance with the provisions of the IRS Code 457(b). The allowable maximum deferral amount and catch-up provisions are determined by federal law. The amount deferred into a 457 plan decreases an employee's taxable income. All employees may enroll in, cancel or change participation in a 457 at any time during the year. (Non-benefits eligible positions are eligible to participate in the 457 plans.)

7. Other Voluntary Benefits

Benefits-eligible employees have the option of purchasing other voluntary benefits such as short term disability and legal coverage.

D. Making Changes to Insurance Coverage

Employees may make changes to their existing benefits coverage during the annual open enrollment period designated by the County or when an employee experiences a qualifying event. All insurance coverage changes require completion of a Benefits Election Form as well as the corresponding enrollment form.

1. Annual Open Enrollment

Annual Open Enrollment is the County-designated 30-day period each year where employees can make changes to their insurance benefits. During Open Enrollment, eligible employees have the opportunity to attend informational meetings to learn about any changes being made to their benefit plans. Employees may add or drop plans, add or drop dependents, and increase/decrease life and AD&D coverage amounts (within the plan's guaranteed limits).

2. Qualifying Events

Any changes to existing coverage that are requested outside of the Annual Open Enrollment period must accompany a qualifying event. Qualifying events include

birth, adoption, death, marriage, divorce, a change in employee, spouse or dependent employment status, or spouse or dependent loss of coverage.

Changes to coverage must be consistent with the qualifying event in accordance with the County's Section 125 plan, Internal Revenue Code and Health Insurance Portability and Accountability Act (HIPAA). An example of an eligible change in coverage would be if an employee loses medical coverage through the spouse's employer plan, then the employee may elect to join the County's medical plan.

Employees must notify Employee Services in writing of any changes related to a qualifying event. In addition, employees must complete the Qualifying Event Benefits Election Form and relevant enrollment/change/cancellation paperwork within 30 days of the qualifying event, unless based on the nature of the qualifying event law dictates otherwise.

Effective dates for enrollments, changes and cancelations will be administered in accordance with the nature of the enrollment or qualifying event, and within the requirements set forth by the third party administrator or insurance carrier.

Premiums for benefits will be paid for the entire calendar month in which coverage is established or canceled, regardless of effective date.

#### E. Legal Documentation

Employees are required to provide copies of legal documentation verifying the dependent's (spouse or child) relationship to the employee and justifying the dependent's eligibility on the County's benefits plans (e.g., marriage license or birth certificate). Legal documentation includes official legal or state-issued documents. Church marriage certificates or hospital birth certificates/announcements will not be accepted as appropriate documentation. Acceptable documentation to prove that a dependent meets eligibility on the County's benefits plans includes:

1. For spouse – Official state or county marriage license/certificate
2. For children –
  - Birth certificate (State/Country issued birth certificate)
  - Adoption decree
  - Court order naming legal guardianship or custodian
  - Divorce decree requiring coverage be provided

#### F. Over-aged Dependents

1. Eligible dependents may be covered under the medical, dental, vision, life and AD&D, and EAP plan until the end of the calendar year in which the child reaches age 19. (Other voluntary benefits may have other stated limiting ages. See specific benefit document for more information.) The limiting age may be extended until the end of the Calendar Year in which the child reaches age 25, if the child meets the following requirements:

- The child is dependent upon the employee for support; AND
  - The child is living in the employee's household; AND/OR
  - The child is a full time or part-time student
2. Eligible dependents may be covered under the medical plan only if the dependent has reached the end of the calendar year in which he/she becomes 25, but has not reached the end of the calendar year in which he/she becomes 30. To be eligible, the parent(s) of the over-aged dependent must be actively covered under the County's medical plan and the dependent must be the insured's child (by birth or by law) and must meet the following criteria:
- is less than 30 years of age; and
  - is unmarried; and
  - has no dependents; and
  - is a resident of Florida or if not a resident of Florida enrolled as a full or part-time student; and
  - is not covered by any other medical plan and is not entitled to benefits under Medicare.

Documentation of the above listed items will be required upon enrolling a dependent on the medical plan. Employees are financially responsible for coverage of their dependents aged 26-30 who are enrolled in the medical plan. Premiums are withheld through payroll deduction and are equal to the current COBRA single rate per dependent aged 26-30.

#### G. Employee Responsibilities to Remove Dependents (children and spouses) When No Longer Eligible

1. It is the employee's responsibility to inform Employee Services if and when the dependent reaches the limiting age or is no longer eligible and to establish that the child(ren) meet(s) the applicable requirements for continued eligibility.
2. Employees may be subject to disciplinary action and repayment to the County for failing to remove a dependent within 30 days from the date of ineligibility and/or providing false or inaccurate information.
3. Dependents will be removed from the plan immediately, or retroactively, to the time in which the dependent became ineligible.
4. The employee will be required to reimburse the County for premiums and/or claims paid by the County on the dependent's behalf.

#### H. Benefits While on Unpaid Leave

1. The County will automatically deduct benefits premiums from an employee's paycheck while he/she is receiving sufficient pay to cover the premiums. If an employee has exhausted all accrued sick and annual leave and continues to be on unpaid leave, the employee must send payments for his/her portion of benefits premiums each month to Employee Services. Employee Services will

inform the employee of payment requirements in order for the employee to maintain coverage and remain on track with payroll deductions.

2. If the payment is more than 30 days late, the employee's benefits coverage may be discontinued for the duration of his/her leave. The County will provide a 15-day notification prior to the loss of coverage.

Employees out for a non-FMLA qualifying reason, who lose (or are dropped) from coverage will be required to wait until the County's next annual open enrollment period to re-enroll in the County's benefits plans, with enrollment effective October 1 of that year.

3. FMLA-Qualifying Absence

Employees out on a FMLA qualifying event, who do not to return to work upon the completion of their FMLA leave for reasons other than their own continued serious health condition or a circumstance beyond their control will be required to reimburse the County the amount it paid for the employee's insurance coverage during his/her leave. The rate charged will be that of the applicable COBRA rate subtracting any premium that he/she has already paid.

Reinstatement of benefits for employees who are on a FMLA-qualifying absence and lose (or are dropped from) coverage will be the day the employee returns from leave, in accordance with the Family and Medical Leave Act (FMLA), Title 29, Part 825.

- I. Consolidated Omnibus Budget Reconciliation Act (COBRA)

Covered employees and/or their dependents are eligible for temporary continuation of the medical and dental plan in the event of a qualifying event such as termination of employment, death or divorce.

## **VI. RESERVATION OF AUTHORITY**

The authority to issue or revise this Procedure is reserved to the County Manager. The County Manager may authorize exceptions to this procedure when deemed appropriate.

Approved By: Cindy Hall, County Manager  
Date: 7/10/09