



## Employee Benefits

**Number: E-1**

**Revision: 3**

**Effective Date:**  
**07-01-2011**

**Pages: 5**

### 1.0 POLICY

As an integral part of a comprehensive, competitive employee compensation program, the County offers its full time employees a series of benefits, which may include such components as medical coverage, dental assistance, retirement programs, life insurance and others.

### 2.0 DEFINITIONS

None.

### 3.0 PROCEDURE / RULE

**3.1 Full time benefited employees** are eligible for all benefits covered in sections 3.4 through 3.11 below and paid time accruals as specified in policy F-1 and F-2.

**3.2 Part time benefited employees working at least 1,000 hours** per year are eligible for unemployment compensation, social security, workers' compensation, retirement, 401(k) and paid time accruals as specified in policy F-1 and F-2.

**3.3 Part time benefited employees working less than 1,000 hours** per year are eligible for unemployment compensation, social security, workers' compensation and paid time accruals as specified in policy F-1 and F-2.

#### **3.4 Health Insurance Benefits – Active Employees:**

- A.** The County will provide basic coverage for individual hospitalization and life insurance to all employees occupying full-time budgeted positions. Employees electing to be covered by a plan with higher benefit payments will be required to pay the difference in premiums above that of the basic plan. Employees shall be enrolled in the programs in accordance with the provisions of the insurance contracts on the first day of the month following a waiting period of thirty (30) days.

- B. Deductions shall be allowable, at the option of the employee, to provide hospitalization and other insurance for dependents in accordance with the provisions of the insurance contracts.

**3.5 Health Insurance Benefits – Retired Employees:** Lee County provides continuing hospitalization insurance to **certain qualified retirees**. In order to qualify for this benefit all of the following requirements must be met:

- A. Employee must retire from Lee County service with a benefit from the NC Local Governmental Employees' Retirement System;
- B. Employee must be age 55 or older and have 20 years of creditable service with the Retirement System, or the employee can be any age with 30 years of creditable service with the Retirement System; **AND**
- C. Employee must have at least 15 years of continuous Lee County employment immediately preceding retirement.
- D. In the event that an employee sustains an on-the-job injury, as defined by the NC Workers' Compensation Act, which qualifies him/her for disability retirement under the provisions of the NC Local Governmental Employees Retirement System, said employee will be considered as qualifying for the retiree health coverage as long as he/she has a minimum of 15 years of continuous Lee County service immediately preceding termination of employment.  
Said employee will be given the retiree health coverage benefit upon application for disability retirement with the understanding that a determination by the Medical Review Board that the employee does not qualify for disability retirement under the provisions of the NC Local Governmental Employees Retirement System will cause the employee's coverage to be terminated immediately.
- E. If the above criteria are met, the retiring employee will be provided with an individual policy until he/she becomes covered by Medicare. This policy will be the same as the standard policy offered to active employees. Where more than one plan is offered to County employees, if the retiree elects a richer coverage than the basic plan offered free to active county employees, the retiree will be required to pay any additional premium on the same basis as if he/she were an active employee. Once the retiree becomes covered by Medicare, the type of retiree benefit offered will depend upon the County's insurance carrier at the time. The retiree will either be offered a Medicare supplement policy or; if Medicare supplements are not available from the current insurance carrier, the retiree will continue to be provided with an individual policy which will pay secondary to their Medicare coverage. In order to retain insurance coverage the retiree must maintain residence in the current insurance carrier's service area.

**F. Retiree Health Insurance for Employees Hired After March 1, 2010**

Upon retirement, retirees **(as classified in section 3.5, item A, B, and C)** may continue medical coverage under this Plan until the earlier of:

- a. Reaching age sixty-five (65); or
- b. Becoming covered under another comparable group medical plan; or
- c. Becoming entitled to Medicare
- d. If the county is offering a Medicare Supplement Policy at the time the retiree reaches Medicare eligibility, the qualified retiree **((as classified in section 3.5, item A, B, and C)** may purchase the supplement policy at the County's cost.

**G. Payments of Premiums for Retiree Health Insurance Coverage.**

Monthly payments for retiree coverage are due on or before the first day of the month. Although monthly payments are due on the first day of each month, a thirty (30) day grace period will be granted. During the grace period the retiree can contact the Human Resources Director and work out a payment arrangement to catch up the premium. The arrangement must be approved by the Board of Commissioners. **If payment arrangements are not agreed upon by the end of the grace period for that month, all rights to retiree coverage will be lost and benefits will be terminated.**

All covered retiring employees will be required to report any other group medical coverage which they have at the time of retirement or which they may obtain subsequent to retirement so that benefits can be coordinated with the other insurance carrier. Any group coverage that a retiree obtains as a result of post-retirement employment will be considered primary and the Lee County coverage will be secondary. Failure to report other coverage will be considered justification for the County to terminate retiree coverage. Should a retiree withdraw from the retiree health coverage, the benefit cannot be reinstated at a later date.

No employee who is terminated involuntarily will be eligible for this benefit other than those qualifying under the on-the-job related disability situation listed in #D above.

**3.6 Life Insurance:** Each full time benefited employee will be given a standard amount of life insurance with the option to purchase additional coverage for themselves and/or their dependents.

**3.7 Unemployment Compensation:** County employees who are laid off or dismissed from the county service may apply for unemployment compensation through the local office of the Employment Security Commission. Eligibility for unemployment compensation will be determined by the Employment Security Commission.

**3.8 Old Age and Survivors Insurance (Social Security):** The County, to the extent of its lawful authority and power, shall extend Social Security benefits for its eligible employees in accordance with the provisions of the Social Security Act.

**3.9 Retirement Benefits:** Each regular employee in a budgeted position, working a minimum of 1,000 hours per year, will be required to enroll in the Local Government Employees' Retirement System upon successful completion of their probationary period (normally six (6) months but up to 12 months). New hires who are already members of the State or Local Retirement System will be covered under Retirement immediately so that there will be no break in their creditable service. Employees contribute, through payroll deduction, six percent (6%) of their gross salary each month to the system. The county contributes an actuarially determined percentage of the gross payroll each month to the system.

**3.10 Retirement Death Benefit:** If an employee dies while still in active service with at least one (1) year as a contributing member of the Retirement System, the employee's beneficiary will receive a lump-sum payment equal to the employee's highest twelve (12) consecutive months' salary during the preceding twenty-four (24) months, but not less than \$25,000 and not more than \$50,000. This benefit is also paid if the employee dies within 180 days of the last day for which he or she was paid a salary.

**3.11 Law Enforcement Officers' Separation Allowance:**

**A.** The county shall provide a special separation allowance to qualified officers who retire early or who leave service early and who meet all of the following qualifications:

1. The officer must have completed thirty (30) or more years of creditable service or have attained fifty-five (55) years of age and completed five (5) or more years of creditable service (creditable service is defined as that service for which credit is allowed under the Retirement System, provided that at least 50 percent of that service time has been as a law enforcement officer);
2. The officer must not yet be age sixty-two (62); and
3. The officer must have completed at least five (5) years of continuous service as a law enforcement officer immediately before service retirement.

**B.** Payment of the separation allowance will cease if the officer **(1)** reaches age sixty-two (62); **(2)** dies; or **(3)** is re-employed in any capacity by any unit of local government which participates in the Local Government Retirement System and

under any circumstances which would require said employee to participate in said retirement system.

**3.12 Supplemental Retirement Income Plan – 401(k):** The Supplemental Retirement Income Plan of North Carolina dictates an automatic 5% contribution by the employer for all NC Law Enforcement Officers' Retirement System. All sworn law enforcement officers automatically become members of the State Supplemental Retirement Income Plan on the date of hire.

Other benefited employees of Lee County are provided a contribution to the 401 (k) as designated annually by the Lee County Board of Commissioners. Benefited employees working a minimum of 1,000 hours per year automatically become members of the 401 (k) Plan the same date they become members in the Local Governmental Employees Retirement System.

**3.13 Workers' Compensation:** Lee County provides worker's compensation for all employees. Worker's compensation covers medical expenses and time lost from work due to work related injuries.

**3.14 Benefits--Other (Flexible):** Additional deductions or benefits may be allowed at the option of the employer and their cost may be deducted from the employee's pay with proper employee authorization. Examples of such deductions are listed below:

- A. Miscellaneous voluntary insurance plans;
- B. Payroll savings, Credit Union and direct deposit;
- C. United Way contributions;
- D. Deferred compensation plans, authorized by Section 457 of the Internal Revenue Code, which provide supplemental long-term retirement;
- E. Flex Plan, authorized by Section 125 of the Internal Revenue Code which allows employees to spend pretax dollars on insurance premiums and deductibles, uncovered health and medical expenses, and expenses for care of dependent children.

#### **4.0 APPENDIX / APPENDICES**

None.