



Board of County Commissioners Agenda Request

4A
Agenda Item #

Requested Meeting Date: February 8, 2022

Title of Item: Personnel Policy-Update Early Retirement Health Insurance Incentive Policy

<input checked="" type="checkbox"/> REGULAR AGENDA	Action Requested:	<input type="checkbox"/> Direction Requested
<input type="checkbox"/> CONSENT AGENDA	<input checked="" type="checkbox"/> Approve/Deny Motion	<input type="checkbox"/> Discussion Item
<input type="checkbox"/> INFORMATION ONLY	<input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Hold Public Hearing* <i>*provide copy of hearing notice that was published</i>

Submitted by: Bobbie Danielson	Department: Human Resources
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Presenter (Name and Title): Bobbie Danielson	Estimated Time Needed: 3 Minutes
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Summary of Issue:

Personnel policies are reviewed on an ongoing basis. The Personnel Committee recommends the attached update. The January 15 date was originally inserted for implementation and can be removed; all employees will qualify at age 62 if they meet the other criteria as well. Striking "consecutive" years of service will allow returning full-time staff to qualify with at least 5 years of service being served immediately prior to retirement.

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:
Motion to amend the MSRS HCSP Early Retirement Health Insurance Incentive Policy as presented.

Financial Impact:

Is there a cost associated with this request? Yes No

What is the total cost, with tax and shipping? \$

Is this budgeted? Yes No *Please Explain:*

Personnel Committee Recommendation, Update Early Retirement Health Insurance Incentive Policy

Subd. (6) MSRS HCSP Early Retirement Health Insurance Incentive:

Term: January 1, 2019 through December 31, 2024

Intent: Aitkin County values its long-term employees and this incentive is intended to assist employees who want to retire between the age of 62 and 65. Age 62 is the age at which most employees can start receiving Social Security retirement benefits (the amount is reduced until they reach full retirement at age 65 or older). Age 65 is the age at which employees become eligible for Medicare. This early retirement health insurance incentive is intended to help the employee cover any health insurance gaps between age 62 and 65.

Applies to: All employees age 62 or older (by January 15th annually) who have 15 or more years of full-time consecutive service* with Aitkin County, with at least 5 of the 15 years being served immediately prior to retirement, and who have met age and service requirements necessary to receive an annuity from PERA or who are receiving a disability benefit from PERA who elect to participate in the county's Early Retirement Incentive option in calendar year 2019, 2020, or 2021. All of these factors (age + years of service + PERA annuity or disability) must be met in order to qualify for the early retirement incentive. (*Part-time, seasonal, intermittent, and temporary service does not apply.)

Contribution: The employer will deposit up to \$512.08 per month into a Minnesota State Retirement Systems (MSRS) Health Care Savings Plan (HCSP) account as a reimbursement for the employee's single health insurance premium up to age 65. Employer contributions will stop sooner than age 65 in cases where the employee becomes eligible for Medicare sooner¹, or upon death. In cases where the single health insurance premium is less than \$512.08 per month for single coverage, the employer's contribution shall not exceed the cost of the actual single premium. The employee will be responsible for any difference in premium.

¹If the employee becomes eligible for Medicare sooner by either satisfying eligibility or disability criteria.

[HR file note: Retirements effective by June 30th, 60 days written notice required. An example: If an eligible employee submits their written retirement notice by April 30, 2022, and retires by June 30, 2022, they are eligible for the \$512.08 per month from July through December 2022 or until age 65 or eligible for Medicare. If an eligible employee submits their written retirement notice after April 30, 2022 and does not retire by June 30, 2022, they are ineligible for the \$512.08 per month from July through December 2022; their contribution would start in January 2023.]