EARLY RETIREMENT BENEFITS #170

<u>**NOTICE OF PHASE OUT:**</u> As of January 2, 2026, this benefit will not be offered for newly hired employees. Employees hired before 2026 will still be eligible for this benefit if they retire on or before January 1, 2036.

1.0 Employees and elected officials receiving health insurance and eligible to retire under Utah Retirement System (URS) regulations may apply for early retirement benefits, provided they have at least eight (8) years of total employment experience with Davis County. Employees and elected officials in “post-retirement” or “retirement-exempt” status under URS regulations are also eligible to apply if the requirements of retirement would be met except for such status, and if they have at least eight (8) years of total County employment experience. Employees who are dismissed for cause or who resign in lieu of dismissal for cause shall not be eligible for early retirement benefits. Employees and elected officials shall not be eligible to receive Davis County early retirement benefits more than once. Application for these benefits indicates agreement with this policy. Employees shall apply for these benefits before ending employment. Elected officials shall apply for these benefits before the end of their term of office. Employees who do not apply for benefits before retiring and elected officials who do not apply for benefits before the end of the term shall be treated in compliance with COBRA insurance laws and shall be responsible for the entire premium. There is an Early Retiree Plan for retirees under age 65 and a Medicare Supplement Plan for retirees 65 years and older.

2.0 **EARLY RETIREE PREMIUM.** Employees retiring from County employment before 65 years of age may enroll in the Early Retiree Plan. The County will pay, for a maximum of five (5) years, a percentage of the health insurance premium cost that is five (5) percent less than the percentage paid for active employees with the same coverage and merit status. The portion of the premium paid by the County will be based on the premium charged to active employees. The retiree must pay the balance of the premium in accordance with directions from the Office of Personnel Management. In addition, the Public Employees Health Plan (PEHP) charges retirees an additional amount (currently approximately 35 percent of total premium cost) beginning eighteen (18) months after retirement. This cost increase is paid by the retiree. Employees and spouses retiring under this paragraph will be moved to the Medicare Supplement Plan when they turn 65 years of age.

2.1 **MEDICARE SUPPLEMENT PREMIUM.** Employees retiring from County employment at age 65 or older may enroll only in the Medicare Supplement Plan. The County will pay, for a maximum of five (5) years, a percentage of the Medicare Supplement premium cost that is five (5) percent less than the percentage paid for active employees with the same merit status. The portion of the premium paid by the County will be based on the premium charged to retirees. Spouses and dependent children of retirees under age 65 may remain on the early retiree plan(s) for the remainder of the five (5) years, or until they turn 65 years of age, or until they no longer qualify for coverage -- whichever occurs first. Spouses turning age 65 may enroll in the Medicare Supplement at that time. The County’s contribution for the combination of Medicare Supplement premiums and Early Retiree premiums shall not exceed the amount allowed in Paragraph 2.0.

2.2 **ELECTED OFFICIAL PREMIUM.** The County will pay, for a maximum of five (5) years, a percentage of the total health insurance premium that is five (5) percent less than the percentage paid for active elected officials with the same coverage. The portion of the premium paid by the County shall be based on the total premium charged to retired elected officials. The retiree must pay the balance of the premium in accordance with directions from the Office of Personnel Management.

3.0 If a retiree dies within five (5) years of retirement, their spouse may continue receiving the benefit for the remainder of five (5) years as long as the spouse continues premium payments.

3.1 Retirees may maintain coverage at their own expense after five years by paying the total premium as prescribed by the Office of Personnel Management. Usually, retirees in these circumstances will pay premiums directly to the insurance carrier and be subject to the rules and policies of the insurance carrier with regard to premiums, eligibility, and related matters.

4.0 Retirees are allowed to leave all or a portion of accrued and unused vacation balances on deposit with the County to pay their portion of the premium. In addition, retirees with ten (10) or more consecutive years of County service in positions earning paid leave benefits are allowed to leave up to one-third of their accrued and unused sick leave balances on deposit with the County to pay their portion of the premium. Any interest resulting from balances will accrue only to the County. If the retiree terminates coverage, all unspent balances will be refunded, and the proceeds will be reported to the IRS as taxable income. The County shall not incur any liability for taxes, retirement, or other matters arising from refunds.

5.0 Retirees choosing not to leave balances on deposit with the County, and those eligible employees without leave balances can remain on County insurance by paying premiums as prescribed by the Office of Personnel Management.

6.0 Any retiree failing to remit premiums to the County as instructed will forfeit this benefit, and their insurance shall be canceled. Any accrued and unused leave balances will not be returned to the retiree in this situation.

7.0 If a retiree receiving benefits under this policy terminates coverage, they will not be allowed to reapply for early retirement benefits.