

Exhibit 1
CHARLES COUNTY COMMISSIONERS
HEALTH INSURANCE POLICY - RETIREES
Effective August 1, 1997

*Revised July 1, 1999, Revised July 1, 2002, Revised August 1, 2005, Revised June 1, 2007,
Revised June 23, 2009, Revised September 20, 2016, Revised November 29, 2022 and Revised July 1,
2025.*

This policy applies to all civilian, non-public safety employees of Charles County who are eligible to participate in the employee benefits program. In addition, it shall also apply to any Public Safety employee of the County who elected not to transfer to the Public Safety Benefit under the Charles County Employees' Pension Plan, as well as any correctional officer or communications dispatcher who is not a participant in the Charles County Sheriff's Office Retirement Plan.

I. DEFINITIONS

For purposes of this policy, the following definitions shall apply:

RETIREE: an individual who leaves County employment or employment with a covered agency after meeting the minimum age and years of service requirements for retirement under the Charles County Employee's Pension Plan as amended July 1, 1997. This definition shall apply to all employees even if an individual is not a participant in the Charles County Employee's Pension Plan at the time of retirement.

SERVICE: length of full-time employment and/or full-time reduced hour (FTRH) employment with Charles County or a Covered Agency. Service does not include any additional credited service an individual may receive for accrued unused sick leave, service with another governmental employer or pre-employment military service at the time of retirement.

COUNTY COMMISSIONER: an elected official who participated in the active employee health insurance plan before January 1, 2017, and are currently participating in the plan.

II. PLAN PROVISIONS

A. A retiree as defined above will be eligible to participate in the County's Retiree Health Plan ("the plan") if all the following qualifications are met:

1. has a minimum of 5 years of service; and
2. has passed his/her 52nd birthday; and
3. a combination of age and years of service that total a minimum of 70 years; and
4. has been enrolled in the plan for the three (3) plan years immediately preceding retirement.

B. If a retiree does not meet the criteria as set forth in II.A. above, he/she would not be eligible to participate in the plan but would be provided benefits under COBRA provisions.

C. 1. A retiree who meets the criteria set forth in Section II.A. above will be able to participate in the plan in accordance with the following payment percentage schedule: (NOTE: Service does not include any additional credited service an individual may receive for accrued unused sick leave, service with another governmental employer or pre-employment military service at the time of retirement.)

<u>Years of County Service</u>	<u>Percentage Paid by County</u>
5 years	2% per year - 10%
Yrs. 6 - 10	3% per year (maximum 25% total)
Yrs. 11 - 15	4% per year (maximum 45% total)
Yrs. 16 - 20	4.34% per year (maximum 66.7% total)
Yrs. 20+	66.7%

2. If an individual retires prior to his/her normal retirement age, the payment percentage indicated in Section II.C.1. would be calculated as follows: The number of years the individual is retiring early would be deducted from the total years of service. The payment percentage would then be calculated using the adjusted years of service.

Example: Employee A retires at age 55 with 21 years of service, which would be five (5) years early. Five (5) would be deducted from 21 years of service, resulting in 16 years of adjusted service.

D. Death of an employee:

1. If, at the time of death, an employee has met the eligibility requirements for retirement but has not yet retired AND meets the criteria set forth in II.A. above, a spouse and/or dependent who was covered at the time of death will be eligible to receive health insurance under the plan in accordance with the payment premium scheduled in II.C. above.
2. If, at the time of death, an employee has not met the eligibility requirements for retirement, the spouse and/or dependent who was covered at the time of death will be eligible for benefits under COBRA provisions.

E. The terms and conditions for retiree health insurance benefits for appointed officials may differ from those stated in Sections II.A, B, or C. above if specified in the official's employment contract.

III. COUNTY COMMISSIONERS

A. Any County Commissioner who is eligible based upon the definition in Section I will accrue benefits under the Plan according to the following schedule:

1. After 1 term – eligible for a 20% benefit under the terms of the Plan;
2. After 2 terms – eligible for a 40% benefit under the terms of the Plan;
3. After 3 terms – eligible for a 60% benefit under the terms of the Plan; and
4. After 4 terms – eligible for a 66.67% benefit under the terms of the Plan; and

B. A County Commissioner shall not accrue a benefit unless they complete one (1) full term of office.

C. Any County Commissioner who leaves during the middle of their second or subsequent term, will only be eligible to receive a benefit equal to the amount accrued based on completed terms (i.e., if leaving in the middle of third term, only eligible for a 40% benefit).

D. Only persons who were sworn into office on or before the closing date of the Plan (December 31, 2016) are eligible.

E. To be eligible for any change in benefits, a former County Commissioner must have elected to take their benefits at the time they become eligible to accept these benefits and must still be receiving them as of November 29, 2022, without interruption.

F. Effective November 29, 2022, these changes take effect and no person otherwise eligible for a change in benefits will be entitled to any repayment or amendment for any benefit received prior to the effective date of this change.

IV. GENERAL REGULATIONS

- A. A retiree who qualifies under Section II.A. above but who elects at the time of retirement not to participate in the plan, will not be allowed to enroll at a later date.
- B. A retiree whose participation in the plan is terminated at any time, for any reason, will not be allowed to rejoin the plan at a later date.
- C. A retiree may continue to cover eligible dependents who were enrolled in the plan at the time of retirement. However, if a retiree wishes to add dependents after retirement, the retiree shall be responsible for paying 100% of the premium cost associated with adding the dependent(s) so long as they were a retired member of the plan prior to July 1, 2025.
- D. A retiree and/or dependent who is disabled or over age 65 must enroll in Medicare to participate in the plan. If a retiree or dependent is not age 65 and is not disabled at time of retirement, Medicare enrollment must be completed upon reaching age 65 or becoming disabled to continue coverage. The County's medical insurance becomes secondary to Medicare when a retiree reaches age 65 or becomes disabled. If a retiree fails to enroll in Medicare at the time they are eligible, they must continue to pay for their plan to maintain eligibility, but claims will not be paid until Medicare becomes the primary insurance.
- E. In the event of a retiree's death, the spouse and/or any dependent(s) enrolled in the plan at the time of retiree's death may continue on the plan at the same contribution level. Participation may continue for a spouse until the spouse remarries, for a dependent until the dependent no longer meets eligibility requirements and for a spouse or dependent until another employer sponsored health insurance program is available to the spouse and/or dependent.
- F. If a retiree who has health insurance under the County's retiree health insurance program returns to work for the County in a benefit eligible position, the retiree's health insurance shall remain under the retiree health insurance program.

V. PAYMENT OF HEALTH INSURANCE PREMIUMS

- A. If a retiree receives a monthly annuity check from the County's Employee Retirement Plan, the retiree must have the total monthly premium deducted automatically from their monthly retirement check
- B. If a retiree does not receive a monthly annuity check from the County retirement plan, he/she will be billed monthly for the health insurance premium(s). Payment will be due within 15 days from the date of the invoice. If payment is not received within 45 days of the date of the invoice, the insurance may be cancelled for non-payment of premium.
- C. If a retiree receives a monthly annuity check from the County's retirement plan, but it does not cover the total monthly health insurance premium, the retiree will follow V.A. and then V.B for the remainder of the premium.

- VI. **THE COUNTY RESERVES THE RIGHT** to change or eliminate these benefits for current or future retirees. This includes but is not limited to (1) change in the dollar amount of premiums, (2) change in the cost sharing between the retiree and the County, (3) change in the health care providers available for retiree health insurance, and (4) changes in the types of coverages available for retirees.

**Exhibit 2
CHARLES COUNTY COMMISSIONERS
HEALTH INSURANCE POLICY**

**RETIREES UNDER SHERIFF'S OFFICE RETIREMENT PLAN
and
PUBLIC SAFETY RETIREES UNDER CHARLES COUNTY EMPLOYEES' PENSION PLAN**
*Effective August 1, 1997
Revised July 1, 2002, Revised August 1, 2005, Revised June 23, 2009,
Revised September 20, 2016, and Revised July 1, 2025.*

This policy applies to sworn officers, correctional officers and communications dispatchers who are participants in the Charles County Sheriff's Office Retirement Plan, as well as Public Safety participants in the Charles County Employees' Pension Plan. For individuals employed in the previously mentioned positions but who have elected to remain in the County's retirement plan or not to participate in either retirement plan, the Charles County Health Insurance Policy for Retirees shall apply.

I. DEFINITIONS

For purposes of this policy, the following definitions shall apply:

RETIREE: an individual who leaves County employment after meeting established criteria for retirement under either the Charles County Sheriff's Office Retirement Plan or the Charles County Employees' Pension Plan, as applicable. An individual that is participating in DROP is considered an active employee and not a retiree.

SERVICE: length of full-time employment and/or full-time reduced hour (FTRH) employment with Charles County or the Charles County Sheriff's Office. Service does not include any additional credited service an individual may receive for accrued unused sick leave, service with another governmental employer or pre-employment military service at the time of retirement.

II. PLAN PROVISIONS

- A. A retiree as defined above will be eligible to participate in the County's Retiree Health Plan ("the plan") if the retiree has been enrolled in the plan for the three (3) plan years immediately preceding retirement.
- B. If a retiree does not meet the criteria as set forth above in II.A., he/she would not be eligible to participate in the plan but would be provided benefits under COBRA.

III. PREMIUM COST SHARING PROVISIONS

- A. Normal Retirement: A retiree who meets the criteria set forth in the definition above will be eligible to participate in the County's Retiree Health Plan ("the plan"). The retiree will pay 33-1/3% of the monthly premium, while the County will pay 66-2/3%.
- B. Line of Duty - Total & Permanent Disability Retirement: An individual who is granted a total and permanent disability retirement due to an injury sustained in the line of duty will be eligible to participate in the plan. The retiree will pay 33-1/3% of the monthly premium, while the County will pay 66-2/3%.

(NOTE: Enrollment for the three (3) plan years immediately preceding retirement is not required for an individual who retires under this provision. The individual must, however, be enrolled in the plan at the time the disability retirement is granted.)

- C. Line of Duty - Permanent/Partial Disability Retirement: An individual who is granted a permanent/partial disability retirement due to an injury sustained in the line of duty will be eligible to participate in the plan. The cost shall be divided equally among the County and the retiree, with each paying 50% of the monthly premium.
- D. Non-Line of Duty - Disability Retirement: An individual who retires due to an injury or illness not directly related to his/her occupation will be eligible to participate in the plan in accordance with the following payment percentage schedule (minimum of five (5) years of service):

<u>Years of County Service</u>	<u>Percentage Paid by County</u>
5 years	2% per year - 10%
Yrs. 6 - 10	3% per year (maximum 25% total)
Yrs. 11-15	4% per year (maximum 45% total)
Yrs. 16 - 20	4.34% per year (maximum 66.7% total)
Yrs. 20+	66.7%

- E. Line of Duty - Death: If an individual dies as the result of an injury sustained in the line of duty, the spouse and/or dependent who was covered at the time of death will be eligible to participate in the plan. The spouse and/or dependent will pay 33-1/3% of the monthly premium, while the County will pay 66-2/3%.
- F. Non-Line of Duty - Death:
 - 1. If, at the time of death, an individual has met the eligibility requirements for retirement but has not yet retired, a spouse and/or dependent who was covered at the time of death will be eligible to participate in the plan. The spouse and/or dependent will pay 33-1/3% of the monthly premium, while the County will pay 66-2/3%.
 - 2. If, at the time of death, an employee has not met the eligibility requirements for retirement, the spouse and/or dependent who was covered at the time of death will be eligible for benefits under COBRA provisions.

IV. GENERAL REGULATIONS

- A. A retiree who qualifies for health insurance under Section II above but who elects at the time of retirement not to participate in the retiree health insurance plan, will not be allowed to enroll at a later date.
- B. A retiree whose participation in the plan is terminated at any time, for any reason, will not be allowed to rejoin the plan at a later date.
- C. A retiree may continue to cover eligible dependents who were enrolled in the plan at the time of retirement. However, if a retiree wishes to add dependents after retirement, the retiree shall be responsible for paying 100% of the premium cost associated with adding the dependent(s) so long as they were a retired member of the plan prior to July 1, 2025.
- D. A retiree and/or dependent over age 65 or disabled must enroll in Medicare to participate in the plan. If a retiree or dependent is not age 65 or disabled at time of retirement, Medicare enrollment must be completed upon reaching age 65 or becoming disabled to continue coverage. The County's medical insurance becomes secondary to Medicare when a retiree reaches age 65 or becomes disabled. If a retiree fails to enroll in Medicare at the time they are eligible, they must continue to pay for their plan to maintain eligibility, but claims will not be paid until Medicare becomes the primary insurance.
- E. In the event of a retiree's death, the spouse and/or any dependent(s) enrolled in the health plan at the time of retiree's death may continue on the plan at the same contribution level. Participation may continue for a spouse until the spouse remarries, for a dependent until the dependent(s) no longer meet eligibility requirements and for a spouse or dependent until another employer sponsored health insurance program is available to the spouse and/or dependents.

- F. If a retiree who has health insurance under the County's retiree health insurance program returns to work for the County in a benefit eligible position, the retiree's health insurance shall remain under the retiree health insurance program.

V. PAYMENT OF HEALTH INSURANCE PREMIUMS

- A. A retiree must have the total monthly premium for the retiree's health insurance deducted automatically from the retiree's monthly retirement benefit.
- B. If a retiree elects to be billed monthly for the health insurance premium, payment will be due within 15 days from the date of the invoice. If payment is not received within 45 days of the date of the invoice, the insurance may be cancelled for non-payment of premium.
- C. If a retiree receives a monthly annuity check from the County's retirement plan, but it does not cover the total monthly health insurance premium, the retiree will follow V.A. and then V.B for the remainder of the premium.

VI. THE COUNTY RESERVES THE RIGHT to change or eliminate these benefits for current or future retirees. This includes but is not limited to (1) change in the dollar amount of premiums, (2) change in the cost sharing between the retiree and the County, (3) change in the health care providers available for retiree health insurance, and (4) changes in the types of coverage available for retirees.

Approved

04/03/2025

Date



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