

Procedure Title: Retiree Benefits

Impact: Benefits Eligible Employees

Responsibility: Human Resources

Effective Date: 08/21

Last Update:

Relates to Policy: 3.02.17

Legal Citation(s):

Information on employee retirement benefits can be found on the Human Resources portal site in MyNIC

I. Benefits at retirement

At retirement, employees who are at least 55 years of age and have completed a minimum of five years of benefits eligible service at NIC may be eligible to use a portion of their sick leave to pay for continued medical and dental insurance, or a Medicare MedAdvantage or Supplemental plan through NIC for themselves and eligible dependents.

- A. The employee shall have been eligible to receive benefits from NIC for the entire one-year period prior to retirement.
- B. The retiree may use his/her sick leave balance on account with PERSI beginning the first month after leaving NIC for medical and/or dental insurance or defer their sick leave balance until they reach age 65.
- C. The monthly insurance premium is due to NIC by the 20th of each month preceding the month of coverage. If regular, on-time payments are not made, the retiree health insurance may be canceled and the retiree will not have the option of re-enrolling for NIC medical or dental insurance. Notification will be sent to the retiree prior to any cancellation.
- D. Retirees will be notified of plan and premium changes and may make changes to their elections during the annual open enrollment period.
- E. The retiree (and dependents) may continue coverage on NIC's retiree health insurance policy until the first day of the month in which the retiree turns 65, or until the retiree is eligible for Medicare, whichever occurs last.
- F. Covered dependents who lose coverage due to the retiree turning 65, will be eligible for COBRA for up to 36 months.

- G. If the retiree dies while on this coverage, the dependent(s) will be eligible for COBRA continuation coverage but will not be eligible to use any of the retiree's remaining sick leave balance.
- H. Any exceptions to the above will be considered as a separate case by the Chief Human Resources Officer.

II. Retiree insurance costs and sick leave usage

An employee's sick leave balance may be used to pay for certain retiree benefits. When an employee retires, NIC reports the unused sick leave balance to PERSI and calculates the dollar value of the sick leave. [Idaho Statute 67-5333\(2\)](#) limits the sick leave hours an employee can convert based on the employee's years of service.

For the purpose of determining the monetary value of unused sick leave, employees can convert up to half their existing sick leave balance based on the following parameters:

- A. 5 years – half of your accrued sick leave up to a maximum balance of 840 hours (balance of 840 accrued hours = 420 hours converted).
- B. 5 years but less than 10 years – half of your accrued sick leave up to a maximum balance of 960 hours (balance of 960 accrued hours = 480 hours converted).
- C. 10 years but less than 15 years – half of your accrued sick leave up to a maximum balance of 1080 hours (balance of 1080 accrued hours = 540 hours converted).
- D. 15 years or more – half of your accrued sick leave up to a maximum balance of 1200 hours (balance of 1200 accrued hours = 600 hours converted)

Retirees who are under age 65 are eligible to remain on NIC's medical and dental insurance. Insurance costs are based on the retiree's cumulative years of benefits eligible service with NIC as follows:

- A. 5 years but less than 10 years – Retiree may remain on a NIC retiree medical and/or dental insurance plan(s) only until their sick leave balance has been exhausted. The retiree will be responsible for 100 percent of the cost of coverage for themselves and their eligible dependents. Once the retiree has exhausted their sick leave balance, they are no longer eligible to remain on the retiree plan(s).
- B. 10 years but less than 25 years – Retiree may remain on a NIC retiree medical and/or dental insurance plan(s) and will pay 100 percent of the cost of coverage for themselves and their eligible dependents. Once the retiree has exhausted their sick leave balance, they may remain on the retiree plan(s) and pay 100 percent of the cost of coverage.
- C. 25 cumulative years or more – Retiree may remain on a NIC medical and/or dental plan(s) and pay the active employee cost of coverage for themselves and their eligible dependents. NIC will continue to cover the employer portion of

premiums. Once the retiree has exhausted their sick leave balance, they may remain on the retiree plan(s) and pay the active employee cost of coverage.

- D. Retirees who are 65 years of age at retirement or turn 65 while using accrued sick leave must enroll in Medicare and may be eligible to use their sick leave balance to pay for a Medicare Supplement or MedAdvantage plan.