



# Commission Policy

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| Subject: Insurance and Related Benefits   | Index: 1-77.20           |
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| Authority: Statute: § 62.623, Wis. Stat. (Section VI)   | Issued: 11/17/83         |
| Resolution: 83-164-11, 02-136-7, 06-104-9, 09-052-4<br>10-167-12, 11-120-9, 12-028-2; 16-154-11;<br>20-171-11; 23-126-10; 25-136-10 | Last Revised: 10/27/2025 |
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**Policy Purpose:** This policy outlines insurance and other benefits available to full-time staff and eligible retirees.

**I. Health Insurance for Full-time Employees**

The District will provide comprehensive health insurance, either family or single plan, as appropriate, including medical and prescription drug coverage. Employees are responsible for a premium contribution, at an amount established by the District annually, with the District responsible for the remaining cost of coverage.

**II. Dental Insurance for Full-time Employees**

The District will provide dental insurance, either family or single plan, as appropriate. Employees are responsible for a premium contribution, at an amount established by the District annually, with the District responsible for the remaining cost of coverage.

**III. Vision Insurance for Full-time Employees**

The District will provide limited vision insurance for corrective lenses, either family or single plan, as appropriate, with no premium contribution required of the employee.

**IV. Life Insurance for Full-time Employees**

- A. The District will pay for life insurance coverage. The amount of coverage will be equal to the employee's previous year's base salary as of December 31 (or first year base salary as appropriate), rounded to the next highest thousand.
- B. Employees may elect to supplement their life insurance coverage by 50% or 100% at their own expense. Participation under this voluntary plan must meet requirements established by the insurance carrier. Such voluntary coverage will cease when the employee terminates employment or elects to discontinue coverage.
- C. Employees may elect to provide life insurance coverage in the amount of \$5,000 for their spouse at their own expense. Participation under this voluntary plan must meet requirements established by the insurance carrier. Such voluntary coverage will cease when the employee terminates employment or elects to discontinue coverage.
- D. If an employee elects not to participate in a life insurance option at time of hire, future participation will require an employee to undergo an underwriting review by the insurance carrier who will make the determination concerning an employee's/spouse's insurability.

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## V. Disability Insurance for Full-time Employees

### A. Long-term Disability Insurance

Employees will be offered long-term disability insurance. The long-term disability/income continuation program will provide a monthly benefit of no more than 60% of an employee's monthly salary per applicable plan guidelines. If an employee elects not to participate at time of hire, future participation will require an employee to undergo an underwriting review by the insurance carrier who will make the determination concerning an employee's insurability.

In the event of disability, the District will pay an amount permitted by law for continuance of membership in the City of Milwaukee Employees' Retirement System (CMERS), or any other retirement plan mandated by law, for the time permitted by the rules of that System. Further, the District may continue the insurance coverages granted under this policy if the employee meets the eligibility requirements.

### B. Short-term Disability Insurance

Employees will be offered short-term disability insurance. Employees will be eligible to enroll in a short-term disability/income continuation program administered by the District at the employee's expense. The short-term disability/income continuation program will provide a weekly benefit of up to 60% of an employee's weekly salary per applicable plan guidelines. If an employee elects not to participate at time of hire, future participation will require an employee to undergo an underwriting review by the insurance carrier who will make the determination concerning an employee's insurability.

## VI. Pension for Full-time Employees

Full-time staff hired prior to January 1, 2024 are members of the City of Milwaukee Employees' Retirement System (CMERS). Pursuant to 2011 Wisconsin Act 10, these employees will pay all employee required contributions for funding benefits under CMERS. Employees hired on or after January 1, 2024 will be members of the Wisconsin Retirement System (WRS) and will pay all employee required contributions for funding benefits under WRS.

## VII. Deferred Compensation

The Executive Director will have the authority to establish a deferred compensation program in accordance with Federal and State Laws.

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**VIII. Health Insurance for Management/Professional and Administrative/Support Retirees (not Including Formerly Represented Employees) Hired Prior to August 1, 2002**

For purposes of Section VIII *et seq.*, the term “formerly represented employees” means active MMSD employees represented by AFSCME Local 366 as of April 30, 2016, and retired MMSD employees who were represented by any union that had a collective bargaining agreement with MMSD on the employee’s date of retirement. “Represented employees” means those individuals who are identified as “affected employees” on Schedule 19 of the Agreement for Management, Operations and Maintenance Services between Veolia Water Milwaukee, LLC, and MMSD dated December 3, 2007, and the Extension Agreement between Veolia Water Milwaukee, LLC, and MMSD dated June 27, 2016.

- A. The District will provide retiree health insurance for management/professional and administrative/support employees (not including formerly represented employees), hired prior to August 1, 2002, subject to the following requirements:
  1. For employees who leave District employment at age 60 or older, the District will pay 100% of the premium, provided the retiree has at least 10 years of creditable service under CMERS.
  2. For employees who leave District employment prior to age 60, the District will pay 100% of the premium, provided the retiree has at least 15 years of creditable service under CMERS.
  3. For employees who leave District employment prior to age 60, the District will pay 50% of the premium, provided the retiree has at least 10 years, but less than 15 years, of creditable service under CMERS.
- B. The extent of coverage pursuant to Section VIII A. above is dependent on which pension option the employee elects to take:
  1. If the employee elects to take the maximum pension option as his/her retirement benefit under CMERS, the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter, as long as the retiree lives.
  2. If the employee elects to take a survivorship option as his/her retirement benefit under CMERS (to provide payment of benefits after death), the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a

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Medicare Advantage program thereafter, as long as the retiree and eligible dependents live.

3. If the employee elects to take a deferred pension (to commence some time in the future), at such time as the employee begins to draw a pension, the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter. The duration of such coverage will be the same as the duration of the pension option elected.
4. Provided however as to 1-3 herein, domestic partners (as defined in the Summary Plan Description) are not eligible for health insurance until April 1, 2011.

## IX. Health Insurance for Management/Professional and Administrative/Support Retirees (not Including Formerly Represented Employees) Hired on or after August 1, 2002, and Prior to June 1, 2012

- A. The District will provide retiree health insurance for management/professional and administrative/support employees (not including formerly represented employees), hired on or after August 1, 2002, and prior to June 1, 2012, subject to the following requirements:

1. The employee must have a minimum of 15 years of creditable service under CMERS as a District employee, and
2. The employee must retire from active employment with the District and be drawing a pension from CMERS; or
3. The employee must have a minimum of 30 years of creditable service under CMERS as a District employee.

Based on the years of service with the District, the following schedule will apply to pre-65 retiree health insurance benefits:

| <u>Years of Service</u> | <u>Premium Amount Paid by District</u> |
|-------------------------|--|
| 15 – 19                 | 30% of full premium equivalent rate    |
| 20 – 24                 | 40% of full premium equivalent rate    |
| 25 or more              | 50% of full premium equivalent rate    |

The District will pay the specified premium amount of any plan offered to retirees by the District for health insurance coverage as noted above based on years of District service or the premium percentage paid on behalf of active employees, whichever is less. The retiree and his/her eligible dependents at the time of retirement (as defined in the

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Summary Plan Description) will be responsible for paying the remainder of the premium. Benefit levels within the health insurance plan(s) are not frozen and are subject to change at any time based upon Commission authorization.

The District will not pay for supplemental health insurance upon becoming Medicare eligible; however, for those retirees/spouses who qualify for retiree health insurance and who have opted to continue in the District's pre-65 health insurance coverage, the District will allow the retiree/spouse to continue in a Medicare Advantage program through the District if the retiree/spouse pays 100% of the premium. For retirees who do not continue in the District's pre-65 health insurance coverage, the Medicare Advantage program will not be offered upon becoming Medicare eligible.

The District will not reimburse retirees/spouses for the Medicare Part B premiums.

- B. The extent of the coverage is dependent on which pension option the employee elects to take and provided the retiree pays the required premium contribution:
1. If the employee elects to take the maximum pension option as his/her retirement benefit under CMERS, the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter, as long as the retiree lives.
  2. If the employee elects to take a survivorship option as his/her retirement benefit under CMERS (to provide payment of benefits after death), the employee and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter, as long as the retiree and eligible dependents live.
  3. If the employee elects to take a deferred pension (to commence some time in the future) at such time as the retiree begins to draw a pension, the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter. The duration of such coverage is dependent on the pension option elected under 1 or 2 above.

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- X. Life Insurance for Management/Professional and Administrative/Support Retirees (not Including Formerly Represented Employees) Hired Prior to August 1, 2002
- A. The District will provide paid retiree life insurance for management/professional and administrative/support employees hired prior to August 1, 2002, subject to the following requirements:
1. The employee must have at least 10 years of creditable service under CMERS, and
  2. The employee must be at least age 55.
- B. At the time of retirement, retirees who meet the eligibility requirements will be provided District paid life insurance at 100% of the base salary of December 31 the year prior to retirement. Upon reaching age 65 there shall be a 50% reduction of the coverage amount on the first of the month, following the month the employee reaches age 65.
- XI. Life Insurance for Management/Professional and Administrative/Support Retirees (not Including Formerly Represented Employees) Hired on or after August 1, 2002, and Prior to June 1, 2012
- A. The District will provide paid retiree life insurance for management/professional and administrative/support employees hired on or after August 1, 2002, and prior to June 1, 2012, subject to the following requirements:
1. The employee must have at least 15 years of creditable service under CMERS as a District employee, and
  2. The employee must retire from active employment with the District and be drawing a pension from CMERS, and
  3. The employee must be at least age 55.
- B. At the time of retirement, retirees who meet the eligibility requirements will be provided District paid life insurance at 50% of the base salary of December 31 the year prior to retirement. Upon reaching age 65 there shall be a 75% reduction of the pre-retirement coverage amount on the first of the month, following the month the employee reaches age 65.
- XII. Health Insurance for Formerly Represented Retirees Hired Prior to August 1, 1995
- A. The District will provide retiree health insurance for formerly represented employees hired prior to August 1, 1995, subject to the following requirements:
1. The employee must have at least 10 years of creditable service under CMERS as a District employee, and



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2. The employee must retire from active employment with the District and be drawing a pension from CMERS, and
  3. The employee must be at least age 55, and
  4. The employee will be responsible for paying the premium shares for under age 65 retiree health insurance in the dollar amounts applicable to him/her on last day of employment, or
  5. The employee must have at least 20 years of creditable service under CMERS as a District employee, and
  6. The employee must be at least age 55, and
  7. Does not have to be in active District employment at time of retirement, and
  8. The employee will be responsible for paying the premium shares for under age 65 retiree health insurance in the dollar amounts applicable to him/her on last day of employment.
- B. The extent of the coverage is dependent on which pension option the employee elects to take and provided the retiree pays the required premium contribution:
1. If the employee elects to take the maximum pension option as his/her retirement benefit under CMERS, the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter, as long as the retiree lives.
  2. If the employee elects to take a survivorship option as his/her retirement benefit under CMERS (to provide payment of benefits after death), the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter, as long as the retiree and eligible dependents live.

## XIII. Health Insurance for Formerly Represented Retirees Hired on or after August 1, 1995, and prior to December 1, 2004

- A. The District will provide retiree health insurance for formerly represented employees hired on or after August 1, 1995, and prior to December 1, 2004, subject to the following requirements:
1. The employee must have at least 10 years of creditable service under CMERS as a

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- District employee, and
    - 2. The employee must retire from active employment with the District and be drawing a pension from CMERS, and
    - 3. The employee must be at least age 55, and
    - 4. The employee will be responsible for paying the premium shares for under age 65 retiree health insurance in the dollar amounts applicable to him/her on last day of employment.
  - B. The extent of the coverage is dependent on which pension option the employee elects to take and provided the retiree pays the required premium contribution:
    - 1. If the employee elects to take the maximum pension option as his/her retirement benefit under CMERS, the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter, as long as the retiree lives.
    - 2. If the employee elects to take a survivorship option as his/her retirement benefit under CMERS (to provide payment of benefits after death) the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter, as long as the retiree and eligible dependents live.

## XIV. Health Insurance for Formerly Represented Retirees Hired on or after December 1, 2004, and Prior to March 8, 2010

- A. The District will provide retiree health insurance for formerly represented employees hired on or after December 1, 2004, and prior to March 8, 2010, subject to the following requirements:
  - 1. The employee must have at least 20 years of creditable service under CMERS as a District employee, and
  - 2. The employee must retire from active employment with the District and be drawing a pension from CMERS, and
  - 3. The employee must be at least age 55, and
  - 4. The employee will be responsible for paying the premium shares for under age 65 retiree health insurance in the dollar amounts applicable to him/her on last day of



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employment.

- B. The extent of the coverage is dependent on which pension option the employee elects to take and provided the retiree pays the required premium contribution:
1. If the employee elects to take the maximum pension option as his/her retirement benefit under CMERS, the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter as long as the retiree lives.
  2. If the employee elects to take a survivorship option as his/her retirement benefit under CMERS (to provide payment of benefits after death), the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65 and in a Medicare Advantage program thereafter as long as the retiree and eligible dependents shall live.

XV. Health Insurance for Formerly Represented Retirees Hired on or after March 8, 2010, and Prior to May 1, 2012

- A. The District will provide retiree health insurance for formerly represented employees hired on or after March 8, 2010, and prior to May 1, 2012, subject to the following requirements:
1. The employee must have at least 20 years of creditable service under CMERS as a District employee, and
  2. The employee must retire from active employment with the District and be drawing a pension from CMERS, and
  3. The employee must be at least age 55, and
  4. The employee will be responsible for paying the premium shares for under age 65 retiree health insurance in the dollar amounts applicable to him/her on last day of employment.
  5. The District will not pay for supplemental health insurance upon becoming Medicare eligible; however, for those retirees/spouses who qualify for retiree health insurance and who have opted to continue in the District's pre-65 health insurance coverage, the District will allow the retiree/spouse to continue in a Medicare Advantage program through the District if the retiree/spouse pays 100%

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of the premium. For retirees who do not continue in the District's pre-65 health insurance coverage, the Medicare Advantage program will not be offered upon becoming Medicare eligible.

- The District will not reimburse retirees/spouses for the Medicare Part B premiums.
- B. The extent of the coverage is dependent on which pension option the employee elects to take and provided the retiree pays the required premium contribution:
1. If the employee elects to take the maximum pension option as his/her retirement benefit under CMERS, the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65.
  2. If the employee elects to take a survivorship option as his/her retirement benefit under CMERS (to provide payment of benefits after death), the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain age 65.

## XVI. Life Insurance for Formerly Represented Retirees Hired Prior to June 1, 2012

- A. The District will provide paid retiree life insurance for formerly represented employee hired prior to June 1, 2012, subject to the following eligibility requirements:
1. The employee must have at least 10 years of creditable service under CMERS as a District employee, and
  2. The employee must retire from active employment with the District and be drawing a pension from CMERS, and
  3. The employee must be at least age 55, and
  4. The life insurance amount will be 100% of the base salary of December 31 of the year prior to retirement. Upon reaching age 65 there shall be a 50% reduction of the coverage amount on the first of the month, following the month the employee reaches age 65.
- B. Employees who retire prior to age 60 who meet the service requirements for District retiree life insurance will be allowed to remain on the District's life insurance plan if they pay the monthly premium amount until they become eligible for the District paid retiree life insurance at age 60.

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**XVII. Health Insurance for Formerly Represented Retirees Hired on or after May 1, 2012 and Management/Professional and Administrative/Support Retirees Hired on or after June 1, 2012**

- A. The District will provide retiree health insurance for formerly represented employees hired on or after May 1, 2012, and management/professional and administrative/support employee hired on or after June 1, 2012, subject to the following eligibility requirements:
1. The employee must have at least 15 years of creditable service under CMERS or WRS as a District employee, and
  2. The employee must retire from active employment with the District and be drawing a pension from CMERS or WRS, or
  3. The employee has at least 30 years of creditable service under CMERS or WRS as a District employee, and
  4. Does not have to be in active District employment at time of retirement.

Based on the years of service with the District, the following schedule will apply to pre-Medicare health insurance benefits:

| <u>Years of Service</u> | <u>Premium Amount Paid by District</u> |
|-------------------------|--|
| 15 – 19                 | 30% of full premium equivalent rate    |
| 20 – 24                 | 40% of full premium equivalent rate    |
| 25 or more              | 50% of full premium equivalent rate    |

The District will pay the specified premium amount of any plan offered to retirees by the District for health insurance coverage as noted above based on years of District service or the premium percentage paid on behalf of active employees, whichever is less. The retiree and his/her dependents (as defined in the Summary Plan Description) at the time of retirement will be responsible for paying the remainder of the premium. Benefit levels within the health insurance plan(s) are not frozen and are subject to change at any time based upon Commission authorization.

The District will not pay for supplemental health insurance upon becoming Medicare eligible; however, for those retirees/spouses who qualify for retiree health insurance and who have opted to continue in the District's pre-Medicare health insurance coverage, the District will allow the retiree/spouse to continue in a Medicare Advantage program through the District if the retiree/spouse pays 100% of the premium. For retirees who do not continue in the District's pre-Medicare program, the Medicare Advantage program will not be offered upon becoming Medicare eligible.

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- The District will not reimburse retirees/spouses for the Medicare Part B premiums.
- B. The extent of the coverage is dependent on which pension option the employee elects to take and provided the retiree pays the required premium contribution:
1. If the employee elects to take the maximum pension option as his/her retirement benefit under CMERS or WRS, the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain the age for Medicare eligibility.
  2. If the employee elects to take a survivorship option as his/her retirement benefit under CMERS or WRS, (to provide payment of benefits after death), the retiree and his/her eligible dependents at the time of retirement (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as the retiree/spouse each attain the age for Medicare eligibility.

## XVIII. Life Insurance for Retirees Hired on or after June 1, 2012

All employees hired on or after June 1, 2012, will not be eligible for retiree life insurance.

## XIX. Limitations

District Commissioners will not be eligible for any of the benefits listed. Years of service as a Commissioner of the District will not apply toward eligibility for retiree health or life insurance.

Should an employee who is eligible for post employment benefits be terminated from District employment for misconduct after January 1, 2024, aforementioned benefits are not to be distributed. Misconduct, as used in this Policy, is defined per Wis. Stat. 108.04(5), and includes, but is not limited to, behavior that shows a willful or wanton disregard of an employer's interests, including deliberate violations or disregard of standards of behavior that an employer has a right to expect of employees. Examples of misconduct include violation of a substance abuse policy, theft of an employer's property, harassment, falsification of business records, or absenteeism in violation of an employer's policy.