



# Commission Policy

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The following benefits will be Commission Policy for employees.

## I. HEALTH INSURANCE

The District will provide comprehensive health insurance coverage, either family or single plan as appropriate, including medical and prescription drug coverage.

## II. DENTAL CARE

The District will provide dental care coverage. The District will pay 80% of the premium. The employee will pay the remaining portion of the premium as appropriate. Provision of this benefit must meet participation requirements established by the insurance carrier.

## III. EYE CARE

The District will provide eye care coverage. The District will pay for safety glasses when requiring their use.

## IV. LIFE INSURANCE

- A. The District will pay for life insurance coverage upon completion of an employee's six-month qualification period. The amount of coverage will be equal to the employee's previous year's base salary (or first year base salary as appropriate), rounded to the next highest thousand.
- B. Employees may elect to increase their life insurance coverage under A above by 50% to 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.
- C. Employees may elect to provide life insurance coverage in the amount of \$5,000 for their



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spouse at their own expense. Participation under this voluntary plan must meet requirements established by the insurance carrier. Such voluntary coverage shall cease when the employee terminates employment.

## V. A. LONG-TERM DISABILITY

Employees will be offered long-term disability insurance. The District will fund the disability/income continuation program through the purchase of an appropriate insurance policy.

The long-term disability/income continuation program will provide a monthly benefit of no more than 60% of an individual's monthly earnings.

When other income is received; i.e., Social Security, pension disability benefits, or state compulsory disability plans, the benefits paid under the long-term disability ~~may~~would be reduced depending upon the terms of the applicable insurance policy. When calculating the reduction, benefits are directly offset against 70% of monthly income. The carrier will pay no more in benefits than 60% of monthly income.

If an employee does not elect to participate when the plan is first made available, future participation will require medical certification and eligibility will be determined by the insurance provider.

In the event of disability, the District will pay an amount permitted by law for continuance of membership in the Employees' Retirement System 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.

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## B. SHORT-TERM DISABILITY

Employees will be eligible to enroll in a short-term disability insurance program administered by the District at the employees expense. The short-term disability program will provide a weekly benefit of 60% of an employee's salary up to 11 weeks for qualifying employees. When other income is received; i.e., Social Security, pension disability benefits, or state compulsory disability plans, the benefits paid under the short-term disability may be reduced depending upon the terms of the applicable insurance policy. Premiums will be paid with after-tax dollars through payroll deductions.

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.

## BC. ACCRUED TIME BENEFITS

1. Sick leave accruals may be used toward income continuation during terms of illness or disability. In the event of certified disability, sick leave accruals may also be used to supplement the disability benefit up to ~~a maximum of~~ 100% of income for up to a maximum of six months.
2.
  - a. For management/~~non-represented~~ professional and administrative/support employees effective January 1, 1984, employees with accrued sick leave balances in excess of 30 days have established a retirement credit equal to one half the accrued sick leave balance times the employees' hourly salary, exclusive of overtime, as of December 31, 1983.
  - b. For employees represented by- AFSCME Local 366 as of April 30, 2016, i.e., "formerly represented employees", effective May 1, 2012, employees with accrued sick leave balances in excess of 30 days have established a retirement credit equal to one-half the accrued sick leave balance times the employees' hourly salary, exclusive of overtime, as of April 30, 2012.



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3.
    - a. For management/~~non-represented~~professional and administrative/support employees, effective December 31, 1983, the prior policy of accruing sick leave balances towards a lump sum payment at retirement of one-half the sick leave balance, is abolished.
    - b. For ~~represented~~employees represented by AFSCME Local 366 as of April 30, 2016, i.e., "formerly represented employees", effective May 1, 2012, the prior policy of accruing sick leave balances towards a lump sum payment at retirement of one-half the sick leave balance is abolished.
  4.
    - a. For ~~management/non-represented~~all employees, effective May 1, 2012, employees will accrue 3.08 hours of sick leave per pay period up to a maximum of 1920 hours. Sick leave begins to accrue beginning on an employee's date of hire.
    - b. For ~~those~~ all employees who, as of May 1, 2012, have more than 1920 hours of sick leave accrued, they can retain their current balance. Those employees will not accrue additional sick leave until such time that their accrual is below 1920 hours at which time they can begin to accrue additional sick leave up to the maximum of 1920 hours. ~~For those employees who have banked sick leave (earned prior to January 1, 1984) those hours will not be counted in the maximum accrual of 1920 hours.~~
    - b. For ~~represented employees, effective May 1, 2012, employees will accrue 3.08 hours of sick leave per pay period up to a maximum of 1920 hours. Sick leave begins to accrue beginning on an employee's date of hire.; however, it cannot be used until after completion of six months of service.~~
- ~~For those employees who, as of May 1, 2012, have more than 1920 hours of sick leave accrued, they can retain their current balance. Those employees will not accrue additional sick leave until such time that their accrual is below 1920 hours at which time they can begin to accrue additional sick leave up to the maximum of 1920 hours. For those employees who have banked sick leave hours (earned~~



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~~prior to May 1, 2012) those hours will not be counted in the maximum accrual of 1920 hours.~~

~~c. For those management/professional non-represented~~For those employees who have banked sick leave (earned prior to January 1, 1984) those hours will not be counted in the maximum accrual of 1920 hours. ~~For those employees formerly represented employees by Local 366 as of April 30, 2016,~~ who have banked sick leave hours (earned prior to May 1, 2012) those hours will not be counted in the maximum accrual of 1920 hours.

- Any earned but unused sick leave may be ~~accrued and~~ used to continue income during the eligibility period of the long-term and short-term disability programs ~~up to a maximum of six months.~~ Sick leave accruals will stop after six months of participation in the long-term disability program.

## VI. PENSION

Pursuant to 2011 Wisconsin Act 10, employees will pay all employee required contributions for funding benefits under the Employees' Retirement System (ERS). ~~This provision will take effect at the beginning of the first full pay period after adoption by the Commission for management/non-represented employees. This provision will take effect at the beginning of the first full pay period following expiration of the labor agreement (April 30, 2012) for represented employees.~~

## VII. DEFERRED COMPENSATION

The Executive Director will have the authority to establish a Deferred Compensation Program in accordance with Federal and State Laws.

## VIII. HEALTH INSURANCE FOR MANAGEMENT/~~NON-REPRESENTED~~PROFESSIONAL AND ADMINISTRATIVE/SUPPORT RETIREES (NOT INCLUDING FORMERLY REPRESENTED EMPLOYEES) HIRED PRIOR TO AUGUST 1, 2002



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## ~~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 and pay for health insurance coverage for management/~~non-represented~~professional and administrative/support employees, not including formerly represented employees,- hired prior to August 1, 2002 subject to the below requirements:
1. For regular retirement 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 the City of Milwaukee Pension Board.
  2. For early retirement prior to age 60, the District will pay 100% of the premium, provided the retiree has at least 15 years of creditable service under the City of Milwaukee Pension Board.
  3. For early retirement 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 the City of Milwaukee Pension Board.
- B. Employees who have completed the age and service credit requirements for District payment of retiree health insurance coverage and retire prior to January 1, 2011 and those employees who have completed the age and service requirements prior to January 1, 2011



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who prior to retirement elect, in writing, to be covered by this Section B. will be subject to the following definitions and conditions:

The extent of the coverage is dependent on which pension option the employee elects to take:

1. If the employee elects to take option 1 (the maximum), the retiree and his/her dependents are provided the same health insurance coverage as an active employee until such time as they reach age 65 and in a Medicare supplement program thereafter, as long as the retiree lives.
2. If the employee elects to take a survivorship option (to provide payment of benefits after his/her death), he/she and his/her beneficiaries are provided the same health insurance coverage as an active employee until such time as they reach age 65 and in a Medicare supplement program thereafter, as long as he/she or the beneficiaries shall live.
3. If the employee elects to take a deferred pension (to commence some time in the future) at such time as he/she begins to draw a pension, he/she and his/her beneficiaries will be provided the same health insurance coverage as an active employee until such time as they reach age 65 and in a Medicare supplement program thereafter. The duration of such coverage is dependent on the pension option elected under 1 or 2 above.

B.B. Employees who are eligible for retiree health insurance under Section VIII. A. above will be covered by this Section B.B. and shall be subject to the following clarifying definitions and conditions:

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 pension option 1 (the maximum) as his/her retirement benefit under the City of Milwaukee Pension Board program, the





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retiree and his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description for District management/non-represented employees) are provided the same health insurance coverage as an active employee until such time as they reach age 65 and in a Medicare supplement program thereafter, as long as the retiree lives.

2. If the employee elects to take any option other than pension option 1 as his or her retirement benefit under the City of Milwaukee Pension Board program, the retiree and his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description for District management/non-represented employees) are provided the same health insurance coverage as an active employee until such time as they reach age 65 and in a Medicare supplement program thereafter, as long as that retiree or his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents shall live, provided however, that if the spouse or domestic partner of the employee at the time of retirement will thereafter be divorced from the retiree or terminates the domestic partnership they will not be eligible for such health insurance.
3. If the employee elects to take a deferred pension (to commence some time in the future), at such time as he or she begins to draw a pension, he or she and his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents will be provided the same health insurance coverage as an active employee until such time as they reach age 65 and in a Medicare supplement program thereafter. The duration of such coverage will be the same as the duration of the pension option elected under Section VIII.A. and B.B. 1 or 2 above.
4. Provided however as to B.B. 1.-3. herein, domestic partners (as defined in the Summary Plan Description) are not eligible for health insurance until April 1, 2011.





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- C. Should an employee, who is retired from the District and who is eligible for Health Insurance coverage, obtain other employment where similar Health Insurance coverage is provided by the new employer, the employee becomes ineligible for coverage under the District plan until he/she terminates the new employment.

## IX. HEALTH INSURANCE FOR MANAGEMENT/~~NON-REPRESENTED~~PROFESSIONAL AND ADMINISTRATIVE/SUPPORT RETIREES (NOT INCLUDING FORMERLY REPRESENTED EMPLOYEES) HIRED AFTER AUGUST 1, 2002

- A. The District will provide and pay for health insurance coverage for management/~~non-represented~~professional and administrative/support employees (not including formerly represented employees) hired after August 1, 2002 subject to the below requirements:
1. The District will make health insurance coverage available and pay a portion of the premium as stated below provided the retiree has a minimum of 15 years of creditable service under the City of Milwaukee Pension Board as a Milwaukee Metropolitan Sewerage District employee. The employee must retire from active employment with the District and be drawing a pension from the Employees' Retirement System in order to be eligible for the retiree health insurance; or
  2. The District will make health insurance coverage available and pay a portion of the premium as stated below provided the retiree has a minimum of 30 years of creditable service under the City of Milwaukee Pension Board as a Milwaukee Metropolitan Sewerage District employee.



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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 MMSD</u>
15 – 19	30%
20 – 24	40%
25 or more	50%

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 spouse 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 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 to continue in a supplemental health insurance plan through the District if the retiree pays 100% of the premium. For those retirees who do not continue in the District's pre-Medicare health insurance coverage, the supplemental insurance will not be offered upon becoming Medicare eligible.

The District will not reimburse retirees 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:



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1. If the employee elects to take option 1 (the maximum), the retiree and his/her spouse at the time of retirement or domestic partner of the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach the age for Medicare eligibility as long as the retiree lives.
2. If the employee elects to take a survivorship option (to provide payment of benefits after his/her death), he/she and his/her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach the age for Medicare eligibility, provided however, that if the spouse or domestic partner of the employee at the time of retirement shall thereafter be divorced from the retiree or terminates the domestic partnership they will not be eligible for such health insurance.

C. Should an employee, who is retired from the District and who is eligible for health insurance coverage obtain other employment where comparable health insurance coverage is provided by the new employer, the employee becomes ineligible for coverage under the District plan until he/she terminates the new employment.

X. LIFE INSURANCE FOR MANAGEMENT/~~NON-REPRESENTED~~ PROFESSIONAL AND ADMINISTRATIVE/SUPPORT RETIREES (NOT INCLUDING FORMERLY REPRESENTED EMPLOYEES) HIRED PRIOR TO AUGUST 1, 2002

- A. For management/~~non-represented~~ professional and administrative/support retirees hired prior to August 1, 2002, who retired prior to January 1, 1974, when reaching age 65, coverage will be reduced to 75% of annual insurance coverage, at age 66 to 50% of annual insurance coverage, and at age 67 and thereafter, to 25% of annual insurance coverage. Such reduction in coverage will be effected on the first of the month following the month the employee reaches such age responsible for the reduction. Employees who were in active service on or after January 1, 1974, and prior to August 1, 2002, and for those retiring after December 31, 1973, upon reaching age 65 there will be a 50%



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reduction in the amount of free insurance coverage for such employees, and such coverage will remain and continue at 50% of the amount of group life insurance coverage to which such employees are entitled at the rate of the highest amount of compensation which they have earned. Such reduction in coverage will be effected on the first of the month following the month the employee reaches such age responsible for the reduction.

- B. Any employee who retires prior to age 65 and at such time he/she is drawing a pension, will be eligible for paid life insurance providing he/she meets the following requirements:
1. The retiree must have at least 10 years of creditable service under the City of Milwaukee Pension Board.
  2. The retiree must be at least age 55.

XI. LIFE INSURANCE FOR MANAGEMENT/~~PROFESSIONAL NON-REPRESENTED AND ADMINISTRATIVE/SUPPORT~~ RETIREES (NOT INCLUDING FORMERLY REPRESENTED EMPLOYEES) HIRED AFTER AUGUST 1, 2002, AND PRIOR TO JUNE 1, 2012

- A. ~~For M~~management/~~non-represented~~professional and administrative/support employees hired after August 1, 2002, and prior to June 1, 2012, who retires prior to age 65 and at such time he/she is drawing a pension, shall be eligible for paid life insurance provided he/she meets the following requirements:
1. The retiree must have at least 15 years of creditable service under the City of Milwaukee Pension Board as a Milwaukee Metropolitan Sewerage District employee. The employee must retire from active employment with the District and be drawing a pension from the Employees' Retirement System in order to be eligible for the retiree life insurance.
  2. The retiree must be at least age 55.
- B. At the time of retirement, those retirees who meet the above noted eligibility requirements will be provided District paid life insurance at 50% of the amount in effect



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immediately prior to retirement. Upon reaching age 65 there shall be a 75% reduction of the pre-retirement amount.

## XII. LIFE INSURANCE FOR MANAGEMENT/~~NON-REPRESENTED~~PROFESSIONAL AND ADMINISTRATIVE/SUPPORT RETIREES- HIRED ON OR AFTER JUNE 1, 2012

Management/~~non-represented~~professional and administrative/support-employees hired on or after June 1, 2012 will not be eligible for retiree life insurance. See also Section XX. (below) regarding formerly represented employees.

## XIII. HEALTH INSURANCE FOR ~~RETIRES WHO ARE~~ REPRESENTED EMPLOYEES ~~AND OR FORMERLY REPRESENTED EMPLOYEES~~ HIRED PRIOR TO AUGUST 1, 1995 WHO RETIRE ON OR AFTER JANUARY 1, 1996

A. The District will provide health insurance for represented employees and formerly represented employees hired prior to August 1, 1995 who retire on or after January 1, 1996 subject to the below requirements.

1. The employee must have at least ten (10) years of creditable service under the City of Milwaukee Pension Board, as a Milwaukee Metropolitan Sewerage District Employee; and
2. The employee must be at least age fifty-five (55) and in active employment at that time; or
3. The employee must have twenty (20) years of service under the City of Milwaukee Pension Board as a Milwaukee Metropolitan Sewerage District employee and be at least age fifty-five (55).
4. The employee will be responsible for paying the premium shares for retiree health insurance in the dollar amounts applicable to them on their last day of employment.



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- B. The extent of the coverage is dependent on which pension option the employee elects to take:
1. If the employee elects to take pension option one (the maximum), the retiree and his/her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach age sixty-five (65) and in a Medicare supplement program thereafter as long as the retiree lives. The District will pay an amount for such coverage equal to the amount paid for active employees.
  2. If the employee elects to take any option other than pension option one (the maximum) as his or her retirement benefit under the City of Milwaukee Pension Board program, the retiree and his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach age 65 and in a Medicare supplement program thereafter as long as that retiree or his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents shall live, provided however, that if the spouse or domestic partner of the employee at the time of retirement shall thereafter be divorced from the retiree or terminates the domestic partnership they shall not be eligible for such health insurance. The District will pay an amount for such coverage equal to the amount paid for active employees.
  3. If the employee elects to take a deferred pension (to commence some time in the future), at such time as he/she begins to draw a pension, he/she and his/her spouse at time of retirement or domestic partner at the time of retirement and eligible dependents shall be provided the same health insurance coverage as an active employee until such time as they reach age sixty-five (65) and in a Medicare supplement program thereafter. The District will pay an amount for such coverage equal to the amount paid for active employees. The duration of such



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coverage is dependent on the pension option elected under (1) or (2) above.

#### XIV. HEALTH INSURANCE FOR RETIREES WHO ARE REPRESENTED RETIREES EMPLOYEES OR FORMERLY REPRESENTED EMPLOYEES HIRED ON OR AFTER AUGUST 1, 1995 AND PRIOR TO DECEMBER 1, 2004

- A. The District will provide health insurance for represented and 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 the City of Milwaukee Pension Board as a Milwaukee Metropolitan Sewerage District employee; and
  2. The employee must be at least age fifty-five (55) and in active employment at that time.
  3. The employee will be responsible for paying the premium shares for retiree health insurance in the dollar amounts applicable to them on their last day of employment.
- B. The extent of the coverage is dependent on which pension option the employee elects to take:
1. If the employee elects to take pension option one (the maximum), the retiree and his/her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach age sixty-five (65) and in a Medicare supplement program thereafter as long as the retiree lives. The District will pay an amount for such coverage equal to the amount paid for active employees.
  2. If the employee elects to take any option other than pension option one (the





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maximum) as his or her retirement benefit under the City of Milwaukee Pension Board program, the retiree and his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach age 65 and in a Medicare supplement program thereafter as long as that retiree or his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents shall live, provided however, that if the spouse or domestic partner of the employee at the time of retirement shall thereafter be divorced from the retiree or terminates the domestic partnership they shall not be eligible for such health insurance. The District will pay an amount for such coverage equal to the amount paid for active employees.

3. If the employee elects to take a deferred pension (to commence some time in the future), at such time as he/she begins to draw a pension, he/she and his/her spouse at time of retirement or domestic partner at the time of retirement and eligible dependents shall be provided the same health insurance coverage as an active employee until such time as they reach age sixty-five (65) and in a Medicare supplement program thereafter. The District will pay an amount for such coverage equal to the amount paid for active employees. The duration of such coverage is dependent on the pension option elected under (1) or (2) above.



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XV. HEALTH INSURANCE FOR ~~REPRESENTED~~ RETIREES WHO ARE FORMERLY REPRESENTED EMPLOYEES HIRED ON OR AFTER DECEMBER 1, 2004 AND PRIOR TO MARCH 8, 2010

- A. The District will provide 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 twenty (20) years of creditable service under the City of Milwaukee Pension Board, as a Milwaukee Metropolitan Sewerage District Employee; and
  2. The employee must be at least age fifty-five (55) and in active employment at that time.
  3. The employee will be responsible for paying the premium shares for retiree health insurance in the dollar amounts applicable to them on their last day of employment.
- B. The extent of the coverage is dependent on which pension option the employee elects to take:
1. If the employee elects to take pension option one (the maximum), the retiree and his/her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach age sixty-five (65) and in a Medicare supplement program thereafter as long as the retiree lives. The District will pay an amount for such coverage equal to the amount paid for active employees.



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2. If the employee elects to take any option other than pension option one (the maximum) as his or her retirement benefit under the City of Milwaukee Pension Board program, the retiree and his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach age 65 and in a Medicare supplement program thereafter as long as that retiree or his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents shall live, provided however, that if the spouse or domestic partner of the employee at the time of retirement shall thereafter be divorced from the retiree or terminates the domestic partnership they shall not be eligible for such health insurance. The District will pay an amount for such coverage equal to the amount paid for active employees.
3. If the employee elects to take a deferred pension (to commence some time in the future), at such time as he/she begins to draw a pension, he/she and his/her spouse at time of retirement or domestic partner at the time of retirement and eligible dependents shall be provided the same health insurance coverage as an active employee until such time as they reach age sixty-five (65) and in a Medicare supplement program thereafter. The District will pay an amount for such coverage equal to the amount paid for active employees. The duration of such coverage is dependent on the pension option elected under (1) or (2) above.

## XVI. HEALTH INSURANCE FOR RETIREES WHO ARE FORMERLY REPRESENTED EMPLOYEES HIRED ON OR AFTER MARCH 8, 2010 AND PRIOR TO MAY 1, 2012

- A. The District will provide 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 twenty (20) years of creditable service under the City of Milwaukee Pension Board, as a Milwaukee Metropolitan Sewerage District Employee; and



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2. The employee must be at least age fifty-five (55) and in active employment at that time.
  3. The employee will be responsible for paying the premium shares for retiree health insurance in the dollar amounts applicable to them on their last day of employment.
- B. The extent of the coverage is dependent on which pension option the employee elects to take:
1. If the employee elects to take pension option one (the maximum), the retiree and his/her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach age sixty-five (65). The District will pay an amount for such coverage equal to the amount paid for active employees.
  2. If the employee elects to take any option other than pension option one (the maximum) as his or her retirement benefit under the City of Milwaukee Pension Board program, the retiree and his or her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach age 65. The District will pay an amount for such coverage equal to the amount paid for active employees.
  3. Employees hired on or after March 8, 2010 will not receive health insurance, including prescription drug coverage, after age 65 (Medicare supplement plan). Note: this includes no reimbursement for Medicare Part B premium.



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## XVII. HEALTH INSURANCE FOR RETIREES WHO ARE FORMERLY REPRESENTED EMPLOYEES HIRED ON OR AFTER MAY 1, 2012

- A. The District shall provide and pay for health insurance coverage for formerly represented employees hired after May 1, 2012 subject to the below requirements:
1. The District will make health insurance coverage available and pay a portion of the premium as stated below provided the retiree has a minimum of 15 years of creditable service under the City of Milwaukee Pension Board as a Milwaukee Metropolitan Sewerage District employee. The employee must retire from active employment with the District and be drawing a pension from the Employees' Retirement System in order to be eligible for the retiree health insurance; or
  2. The District will make health insurance coverage available and pay a portion of the premium as stated below provided the retiree has a minimum of 30 years of creditable service under the City of Milwaukee Pension Board as a Milwaukee Metropolitan Sewerage District employee.

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

<u>Years of Service</u>	<u>Premium Amount Paid by MMSD</u>
15 – 19	30%
20 – 24	40%
25 or more	50%

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 spouse 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



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based upon Commission authorization.

The District will not pay for supplemental health insurance upon becoming Medicare eligible. However, for those retirees 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 to continue in a supplemental health insurance plan through the District if the retiree pays 100% of the premium. For those retirees who do not continue in the District's pre-Medicare health insurance coverage, the supplemental insurance will not be offered upon becoming Medicare eligible.

The District will not reimburse retirees 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 pension option 1 (the maximum), the retiree and his/her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach the age for Medicare eligibility as long as the retiree lives.
  2. If the employee elects to take a survivorship option (to provide payment of benefits after his/her death), he/she and his/her spouse at the time of retirement or domestic partner at the time of retirement and eligible dependents (as defined in the Summary Plan Description) are provided the same health insurance coverage as an active employee until such time as they reach the age for Medicare eligibility, provided however, that if the spouse or domestic partner of the employee at the time of retirement shall thereafter be divorced from the retiree or terminates the domestic partnership they shall not be eligible for such health insurance.

## XVIII. LIFE INSURANCE FOR RETIREES WHO ARE REPRESENTED EMPLOYEES OR FORMERLY REPRESENTED EMPLOYEES HIRED PRIOR TO MAY 1, 2012



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- A. For employees who retired prior to January 1974, when reaching age sixty-five (65), coverage will be reduced to 75% of annual insurance coverage; at age sixty-six (66) to 50% of annual insurance coverage and at age sixty-seven (67) and thereafter 25% of annual insurance coverage. Such reduction in coverage will be effectuated on the first of the month following the month the employee reaches such age responsible for the reduction.

Employees who were in active service on or after January 1, 1974, and for those retiring after December 31, 1973, upon reaching age sixty-five (65), there will be a 50% reduction in the amount of free insurance coverage for such employees, and such coverage will remain and continue at 50% of the amount of group life insurance coverage to which such employees are entitled at the rate of the highest amount of compensation which they have earned. Such reduction in coverage will be effectuated on the first of the month following the month the employee reaches such age responsible for the reduction. It is not intended by the provisions of this section that any person age sixty-five (65) or over covered by group life insurance and who had not retired prior to January 1, 1974 will be deprived of any benefit which has accrued to him/her prior to this improvement.

- B. Any employee who retires prior to age sixty-five (65) and at such time he/she is drawing a pension, will be eligible for paid life insurance provided he/she meets the following eligibility requirements:
1. The retiree must have at least ten (10) years of creditable service under the City of Milwaukee Pension Board, as a Milwaukee Metropolitan Sewerage District employee.
  2. The retiree must be at least age sixty (60).
- C. 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





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life insurance at age 60.

## XIX. LIFE INSURANCE FOR RETIREES WHO ARE FORMERLY REPRESENTED EMPLOYEES HIRED ON OR AFTER MAY 1, 2012, AND PRIOR TO JUNE 1, 2012

- A. For formerly represented employees hired on or after May 1, 2012 who retire prior to age 65 and at such time he/she is drawing a pension, will be eligible for paid life insurance provided he/she meets the following requirements:
1. The retiree must have at least 15 years of creditable service under the City of Milwaukee Pension Board as a Milwaukee Metropolitan Sewerage District employee. The employee must retire from active employment with the District and be drawing a pension from the Employees' Retirement System in order to be eligible for the retiree life insurance.
  2. The retiree must be at least age 55.
- B. At the time of retirement, those retirees who meet the above noted eligibility requirements will be provided District paid life insurance at 50% of the amount in effect immediately prior to retirement. Upon reaching age 65 there shall be a 75% reduction of the pre-retirement amount.

## XX. LIFE INSURANCE FOR ~~REPRESENTED~~ RETIREES WHO ARE FORMERLY REPRESENTED EMPLOYEES HIRED ON OR AFTER JUNE 1, 2012

Formerly ~~Re~~presented employees hired on or after June 1, 2012, will not be eligible for retiree life insurance.

## XXI. LIMITATIONS

Milwaukee Metropolitan Sewerage District Commissioners will not be eligible for any of the benefits listed.



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Years of service as a Commissioner of the Milwaukee Metropolitan Sewerage District will not apply towards eligibility for retiree health or life insurance.

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Key Word/Phrase:	Insurance, Benefits
See Also	