



## **CITY OF NEWPORT BEACH HUMAN RESOURCES DEPARTMENT**

### **WHAT YOU NEED TO KNOW ABOUT THE HEALTH BENEFITS OPT-OUT PROVISION- PART TIME EMPLOYEES ASSOCIATION-NEWPORT BEACH**

This packet of information has been developed in order to facilitate employee's understanding of the benefit and to provide all the forms necessary for implementation.

#### **WHEN CAN I UTILIZE THIS BENEFIT?**

This benefit becomes available when a covered PTEANB employee obtains through their spouse's group sponsored medical coverage that meets the minimum value requirements as defined by the Affordable Care Act (ACA) regulations **OR** when a covered PTEANB employee group sponsored medical coverage outside the City's plans that also meets the minimum value requirements within the last 60 days. Opting out can also occur during the open enrollment period.

**The opt-out is not available to a covered PTEANB employee whose spouse is also a covered City employee except during open enrollment periods. This is a requirement of the health plans.**

#### **HOW DO I OBTAIN MY OPT-OUT BENEFIT?**

You must read and complete the waiver and release agreement and attach proof of active and current group sponsored medical coverage as stipulated in the waiver form. **Employees who select health care plans through the health insurance marketplace under the Affordable Care Act will not receive a cafeteria allowance.**

**Employees who became members of Part Time Employees Association of Newport Beach (PTEANB) after June 30, 2014 and do not elect City medical coverage are not eligible to receive the opt-out allowance. Employees who do not elect a medical plan with the City or provide proof of other group sponsored medical coverage will be enrolled in the lowest cost single coverage plan effective January 1, 2018. Part time employees who are not eligible for coverage under the Affordable Care Act can buy individual or exchange coverage and opt out of both City coverage and the cafeteria contribution.**

#### **WHEN WILL MY COVERAGE ACTUALLY BE CANCELED?**

Your coverage under a City health plan will cease on the last day of the month you successfully complete your paperwork to cancel your insurance.

#### **HOW SOON WILL I START TO RECEIVE MY BENEFIT?**

You will begin to receive your benefit in the second pay period of the month following the month in which your insurance was canceled.

**Please note: Benefits will begin as stated above provided you submit your waiver to Human Resources and it is approved by the 15 of the month, otherwise benefits will be delayed for an additional month.**

#### **HOW DO I GET REINSTATED IN A CITY HEALTH PLAN AFTER WAIVING COVERAGE?**

Medical plans require that reinstatement occur only during open enrollment periods, unless you experience a qualifying event.

#### **WHAT IS A QUALIFYING EVENT?**

Marriage, divorce, birth of a child, death, loss of coverage, gaining other group sponsored coverage, placement of an adopted child and gaining stepchildren through marriage are all considered qualifying events. You only have 60 days after a qualifying event to make any adjustments.

#### **WHO CAN I TALK TO FOR MORE INFORMATION?**

Please feel free to contact any member of the Human Resources Office staff about this benefit. The office phone number is (949) 644-3256.



## CITY OF NEWPORT BEACH

### WAIVER OF BENEFITS AND RELEASE AGREEMENT - PTEANB

The City of Newport Beach provides health benefits, which are defined as medical to all eligible part-time PTEANB employees who are PERS members. Employees are allowed to waive the City's health benefits, and receive opt-out money as designated in the attached cafeteria plan chart. To qualify, the employee would be required to supply evidence of other group sponsored medical coverage and sign this agreement. The opt-out amounts can be found on the following page.

I, \_\_\_\_\_  
Print Name

1. Employee has alternate group sponsored medical coverage and would like to waive his/her right to participate in the City offered medical coverage in order to receive the opt-out money.
2. Employee is not eligible for group sponsored medical coverage under the Affordable Care Act (ACA). Employee understands he/she is allowed to purchase individual coverage or coverage through the State Exchange and opt out of both City coverage and the City's cafeteria contribution.

☐ wishes to waive both the medical insurance and the City's cafeteria contribution.

3. Employee has provided the City with proof of current group sponsored medical coverage in **one of the following forms** and attached it to this waiver and incorporated by reference. **Copies of or presentation of other insurance member identification cards are not accepted as proof of coverage.**
  - A. Letter from Employee's spouse's employer or covered person's employer, or
  - B. Letter from the other insurance plan verifying that Employee is covered as a subscriber or dependent under their coverage. **Note: the proof of coverage must be in effect for the duration of the following plan year.**
4. By signing this waiver:
  - A. Employee agrees to release the City of Newport Beach from any responsibility as their employer to provide medical coverage to Employee. Employees may only waive health benefits once per plan year, unless a qualifying event occurs.
  - B. Employee agrees to indemnify and hold harmless the City of Newport Beach from any responsibility, damages, losses, causes of action or other claims as a result of Employee's request to waive City provided medical coverage and the City's cancellation of coverage in Employee's name in response to Employee's execution of this waiver.
5. This waiver and release agreement shall remain in full effect until the next Open Enrollment period at which time I acknowledge that I will be required to provide updated proof of other group or coverage, should I wish to opt-out for the following plan year.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature

#### Human Resources Department Use Only

- ☐ Proof of valid coverage attached  
☐ Approved to begin payment

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized H.R. Personnel

**Cafeteria Benefits Plan  
Part Time Employees Association of Newport Beach  
Effective January 1, 2018**

**Level I**

**PTEANB membership prior to July 1, 2014**

| <b>Hrs Work Per Week*</b> | <b>Caf/Med Benefit</b>                                | <b>Waive/Opt-Out Benefit</b>                            |
|---------------------------|---|---|
| 30 or more                | \$775.00 per month                                    | \$263.40 per month                                      |
| Less than 30              | \$4.25 per hour worked, to max of 60 hrs a pay period | \$3.25 per hour worked, to a max of 60 hrs a pay period |

**Level II**

**PTEANB membership between July 1, 2014 and July 10, 2016**

| <b>Hrs Work Per Week*</b> | <b>Caf/Med Benefit</b>                             | <b>Waive/Opt-Out Benefit</b> |
|---------------------------|--|------------------------------|
| 30 or more                | \$550.00   | NA                           |
| Less than 30              | \$4.25 per hour worked, max of 60 hrs a pay period | NA                           |

\* As determined by the City's measurement period and required under the Affordable Care Act. Employees will be notified annually whether they meet the 30 hours threshold.