



HUMAN RESOURCES DEPARTMENT

MEMORANDUM

TO: Potential Retirees of the Town of Cary

FROM: Dale Johnson, Employee Benefits Manager

SUBJECT: Benefits Available to Retirees

Note: In order to be eligible for the following benefits, an employee has to submit a valid application for retirement with the NC Retirement System (service or disability) while still considered an active employee of the Town of Cary. Persons who leave employment with the Town and apply for retirement with the NC Retirement System at a date following active employment status with the Town are not considered retirees of the Town of Cary.

MEDICAL INSURANCE - Eligible retirees who are under age 65 can continue their individual medical insurance with the group plan being currently offered to active employees. The qualified retiree, and any eligible spouse, is allowed to remain covered by the Town's group health insurance plan through the last day of the month prior to the first day of the month in which the retiree or covered spouse turns 65 or through the last day of the month prior to the first day of the month in which the retiree or covered spouse becomes eligible for Medicare, whichever comes first. Should the retiree pre-decease a covered spouse, the spouse will be allowed to remain covered by the plan to age 65 and/or Medicare eligibility (according to the criteria stated above) as long as the applicable premium is paid. At this time Medicare becomes the primary medical coverage. When a retiree turns 65 and Medicare becomes the primary medical coverage, the retiree has the option of obtaining a Medicare supplement or MediGap policy on an individual basis. Currently the town does not provide any group medical coverage for the retiree beyond age 65.

MEDICAL PREMIUM SUBSIDY - Retirees who have 15 or more years of creditable service with the Town of Cary are eligible for a monthly medical insurance premium supplement. The premium supplement applies only toward the retiree's individual medical insurance premium and the amount increases with the years of creditable service. 100% of the individual group medical premium is paid for the retiree with 25 or more years of service. Please refer to Policy Statement #110 for additional information.

DENTAL INSURANCE - Retirees can continue their individual and/or applicable dependent dental coverage into retirement with no age limit. The retiree is responsible for paying the full premium, regardless of level of coverage. Dependents may be covered if they meet the eligibility criteria of the current group dental plan.

LIFE INSURANCE - Retirees with 25+years of service with the Town of Cary are automatically provided with \$10,000 of life insurance. Retirees may also continue all or a portion of their base and supplemental life insurances in one of two ways: portability or conversion. *Portability* continues the term life insurance up to an amount equal to one times salary provided to the active employee by the Town combined with any supplemental coverage the active employee was paying for in addition to what the Town was providing. *Conversion* converts the term life insurance to a whole life policy. Whether continuing the term life or converting to whole life, this must be done within 31 days of retirement to be guaranteed continuation of coverage. Rates and procedures are subject to the provisions of the group policy provided by the current life insurance carrier.

This memo is intended to be a summary of current benefits available to retirees of the Town of Cary. These benefits are described in detail in contracts with the Town of Cary and in Town policy. The provisions of the contracts and Town policies are controlling and subject to change. None of the conditions or limitations thereof are waived or modified by reason of omission or misstatement in this memo.

Town of Cary

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