

ORDINANCE # 3941

AN ORDINANCE MODIFYING SECTION 36.02 OF THE NEW CASTLE CITY CODE

WHEREAS, the City of New Castle has enacted Section 36.02 of the New Castle City Code, which section is entitled *Retired Employee's Health and Hospitalization Insurance Plan*; and

WHEREAS, in order to meet the rising cost of health insurance and medical claims from the City's self-funded group health insurance plan, the City must make adjustments to the insurance benefits offered to current and retired employees; and

WHEREAS, Section 36.02 of the City Code should be specifically amended to be consistent with changes that are required to the health insurance benefits that will be available to retirees.

NOW THEREFORE BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF NEW CASTLE, INDIANA, AS FOLLOWS:

1. Section 36.02 of the City Code shall be amended as follows:

(A) Section (A) shall be deleted in its entirety.

(B) Section 36.02 (B) (1) (a) shall be amended by revising the first sentence to read, "*All fulltime employees, who have been employed in such a fulltime capacity for the City of New Castle for a minimum of twenty (20) years of continuous employment or ten (10) years of continuous employment at age 60 with the City are eligible to participate in the City's group health insurance plan offered to its regular employees, subject to the terms and conditions of the group health insurance plan, until such time as the retired employee becomes eligible for Medicare coverage, as prescribed by 42 U.S.C. § 1395 et. seq. All full-time employees as utilized hereinabove include all represented, non-represented, and appointed city employees who meet the definition of full-time employee who work a minimum of 40 hours each week, 52 weeks per year, subject to vacation, holiday and sick time. Said years of service must be continuous and meet the definition of credible service as that term is defined by the Public Employment Retirement Fund.*"

The following sentences in the above Section shall be stricken:

"Upon reaching the age of 65, the retiree would receive such coverage as is available under the city's medicare supplement insurance plan as currently provided by existing city ordinances. Elected officials who meet the credible service definition herein set forth (sic)."

(B) Section 36.02 (B) (1) (b) and (1) (b) (2) shall be stricken in their entirety.

(C) Section 36.02 (B) (4) shall be amended by adding the following clause, “*subject to the limitations of set forth in subsection (B) (1) (a)-(c).*”

(D) Section 36.02 (C) currently reads:

Retired employees of the city may become members of the Health and Hospitalization Insurance Plan carried by the city for its employees. Retired employees or their dependents who are less than 65 years of age will have the same benefits as city employees. Retired employees or their dependents age 65 years or more shall have a Medicare Carve-Out Plan.

This provision shall be changed to subsection (B) and amended to read:

(C) (1) *A retired employee of the City, who is not eligible for Medicare coverage, as prescribed by 42 U.S.C. § 1395, may participate in a group health insurance plan offered to the City’s full- time employees, subject to all conditions, qualifications and limitations of the applicable plan(s).*

A retired employee who is eligible for Medicare coverage, as prescribed by 42 U.S.C. § 1395, may participate in a City sponsored Medicare Advantage Plan. The City shall not be required to pay any expense for the Medicare Advantage Plan.

Any employee that retired after December 31, 2019, may continue to participate in a group health insurance plan offered to the City’s full-time employees with an annual deductible expenditure of at least \$1,500.00 and an annual out-of-pocket maximum expenditure of \$3,000.00 and may elect to participate in a health insurance plan with an annual deductible expenditure of at least \$3,000.00 and an annual out-of-pocket maximum expenditure of \$5,000.00.

Any employee that is hired after September 1, 2024, upon retirement, will be eligible to participate in a group health insurance plan offered to the City’s regular employees, subject to the terms and conditions of the group health insurance plan, and subject to the following additional conditions:

(a) *The retired employee will be the only person eligible to participate in the group health insurance plan (no spousal or family participation will be available);*

(b) *If the retired employee obtains other employment that offers health insurance, the retired employee will not be eligible to participate in the City’s group health insurance plan;*

(c) *The retired employee will be eligible only to participate in a health insurance plan with an annual deductible expenditure of at least \$3,000.00 and an annual out-of-pocket maximum expenditure of \$5,000.00.*

(D) Section 36.02 (D) shall be stricken in its entirety.

(E) Section 36.02 (E) shall be amended to read as follows:

Any regular, permanent police officer or firefighter retiring and receiving disability benefits under Indiana Code §§ 36-8-6, 36-8-7 or 36-8-8, who is not eligible for Medicare coverage, as prescribed by 42 U.S.C. § 1395 et. seq., may participate in a group health insurance plan offered to City’s police officers and firefighters, subject to all conditions, qualifications and limitations of the applicable plan(s).

2. All other provisions of the City Code, which are not expressly modified by this Ordinance, shall continue in effect.

3. A revised version of Section 36.02, which incorporates the above changes, is attached as Exhibit “A” to this Ordinance. To the extent the descriptions set forth above conflict with Exhibit “A,” Exhibit “A” shall be controlling.

REPEALER: All ordinances or parts of ordinances in conflict herewith are hereby repealed, including without limitation, Ordinances 2309, 2371, 2694, 2734, 2742, 2918, 2968, and 3882.

SEVERABILITY: Any provision herein contained which is found by a court of competent jurisdiction to be unlawful or which by operation of law shall be inapplicable, shall be deemed omitted but the rest and remainder of this ordinance, to the extent feasible, shall remain in full force and effect.

EFFECTIVE DATE: This Ordinance shall become effective upon passage and publication as required by law.

ADOPTED BY THE COMMON COUNCIL OF THE CITY OF NEW CASTLE THIS _____ DAY OF _____, 2024.

Greg York, Presiding Officer,
Common Council, City
of New Castle, Indiana

AYE

NAY

ATTEST:

Ashley Huffman, Clerk-Treasurer

APPROVED BY ME THIS ____ DAY OF _____, 2024.

Greg York, Mayor of the City
of New Castle, Indiana

EXHIBIT “A”

§ 36.02 RETIRED EMPLOYEE HEALTH INSURANCE

(A) *For the purpose of this section, “retired employee” shall mean:*

(1) (a) *All fulltime employees, who have been employed in such a fulltime capacity for the City of New Castle for a minimum of twenty (20) years of continuous employment or ten (10) years of continuous employment at age 60 with the City are eligible to participate in the City’s group health insurance plan offered to its regular employees, subject to the terms and conditions of the group health insurance plan, until such time as the retired employee becomes eligible for Medicare coverage, as prescribed by 42 U.S.C. § 1395 et. seq. All full-time employees as utilized hereinabove include all represented, non-represented, and appointed city employees who meet the definition of full-time employee who work a minimum of 40 hours each week, 52 weeks per year, subject to vacation, holiday and sick time. Said years of service must be continuous and meet the definition of credible service as that term is defined by the Public Employment Retirement Fund.*

(2) *City Council members, Court Judge, Mayor and Clerk-Treasurer (all elected officials) shall not qualify or be defined as “retirement employees” and shall not qualify for benefits as retired employees of the City. However, anyone qualified as a retired employee as of January 1, 1993, in accordance with the definition of retired employees that existed on that date, may enroll in the City’s group health and other insurance programs as available to retired represented employees as retired employees or continue on such programs as retired employees under this section, even though he or she may not qualify under this definition as amended herein.*

(3) *The surviving spouse of any eligible retired employee provided that the surviving spouse and the retired employee were married and not legally separated on the date of the retired employee’s death, since January 1, 1974, subject to the limitations in sub-section (B) (1) (a)-(c).*

(B) (1) *A retired employee of the City, who is not eligible for Medicare coverage, as prescribed by 42 U.S.C. § 1395, may participate in a group health insurance plan offered to the City’s full- time employees, subject to all conditions, qualifications and limitations of the applicable plan(s).*

A retired employee who is eligible for Medicare coverage, as prescribed by 42 U.S.C. § 1395, may participate in a City sponsored Medicare Advantage Plan. The City shall not be required to pay any expense for the Medicare Advantage Plan.

Any employee that retired after December 31, 2019, may continue to participate in a group health insurance plan offered to the City's full-time employees with an annual deductible expenditure of at least \$1,500.00 and an annual out-of-pocket maximum expenditure of \$3,000.00 and may elect to participate in a health insurance plan with an annual deductible expenditure of at least \$3,000.00 and an annual out-of-pocket maximum expenditure of \$5,000.00.

Any employee that is hired after September 1, 2024, upon retirement, will be eligible to participate in a group health insurance plan offered to the City's regular employees, subject to the terms and conditions of the group health insurance plan, and subject to the following additional conditions:

(a) The retired employee will be the only person eligible to participate in the group health insurance plan (no spousal or family participation will be available);

(b) If the retired employee obtains other employment that offers health insurance, the retired employee will not be eligible to participate in the City's group health insurance plan;

(c) The retired employee will be eligible only to participate in a health insurance plan with an annual deductible expenditure of at least \$3,000.00 and an annual out-of-pocket maximum expenditure of \$5,000.00.

(2) The retired employee must pay any portion of the premiums not paid for by the City. When a retired employee enrolls in the plan, the employee must pay one month premium payment in advance. One month's premium payment shall be due on the first day of each month thereafter. If a retired employee has a premium payment due on the first day of any month, the City Clerk-Treasurer shall notify the retired employee by letter sent by regular United States mail to the last known address of the retired employee that one month's premium payment is due and that if the premium payment is not paid by the next fifteenth day of the month, the insurance coverage shall automatically expire on the last day of the month.

(3) An enrollment period shall be open from December 1 to December 31. No retired employee shall be permitted to enroll during any other period of the year except for newly retired employees may enroll within 30 days of their retirement. The effective date of policies will be February 1, which is also the annual renewal date of all City employees covered by the master policies.

(C) Any regular, permanent police officer or firefighter retiring and receiving disability benefits under Indiana Code §§ 36-8-6, 36-8-7 or 36-8-8, who is not eligible for Medicare coverage, as prescribed by 42 U.S.C. § 1395 et. seq., may participate in a group health insurance plan offered to City's police officers and firefighters, subject to all conditions, qualifications and limitations of the applicable plan(s).

