



TOWN OF ERVING

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ADM-202

Policy

Retirement Plan Participation & Insurance Policy

Approved: _____

Jacob A. Smith

Select Board Chair, Jacob A. Smith

Date: August 29, 2022

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.01 Issue Date / Effective Date

This policy is issued and effective on August 29, 2022.

.02 Retirement Plan Participation

Subject to the rules and regulations promulgated by the Town of Erving and the Massachusetts General Laws, all employees working at least twenty (20) hours per week are required to participate in the Franklin Regional Retirement System or the Massachusetts Teacher's Retirement System, in lieu of the Social Security System. Employees hired on or after July 1, 1996, have nine percent (9%) of their regular compensation deducted from retirement. In addition, employees hired after January 1, 1979, will have two per cent (2%) withheld from regular compensation in excess of thirty thousand dollars (\$30,000) (as prorated for biweekly payroll).

.03 Initiating Retirement from the Town

Each employee must initiate the normal retirement procedure by making a written request to the appropriate Retirement Board. For additional information and procedures, contact the Franklin Regional Retirement System, the Massachusetts Teacher's Retirement System, or the Town Treasurer.

.04 Eligibility for Retiree Insurance

The retirement system and pensions, as provided under MGL, Chapter 32, shall be applicable to all benefitted Town employees. For a retiree or surviving spouse of a retiree to qualify for participation in the Town's group insurance, the following conditions must be met:

1. The employee must qualify for Franklin Regional Retirement or Massachusetts Teacher's Retirement; and
2. The employee must retire from the Town of Erving, having been eligible for Health Insurance as an employee.

.05 Retiree Insurance

The Town will be responsible for a health insurance contribution determined by the Select Board annually (currently 77% of the cost) of an individual or family health plan under the Town's group insurance coverage. MGL Chapter 32B Section 9A ½ will pertain to retiree health benefits.

When the retired employee and/or spouse reach the age of sixty-five (65), they must switch to the Retiree Plan offered under the Group Insurance Plan.

The Town will be responsible for a life insurance contribution determined by the Select Board annually (currently 50% of the cost) of a retired employee's group life insurance they are receiving at the time of their retirement, with no time lapse. Life insurance will be terminated if not collecting a pension check.

The Town will not pay for dental insurance for retirees. It will be available to the retired employee, solely at their cost, as long as the Town offers Group Dental Insurance.

The Town will notify the retired employee/spouse in writing by first class mail of any changes in benefits or premiums. The Select Board reserves the right to modify contribution levels.

The retired employee will be responsible for paying their premiums prior to the first (1st) day of the month for which they will be covered. If the retired employee's premiums are in arrears of more than thirty (30) days, the Town will notify the retired employee by certified first class mail that their insurance will be terminated for non-payment.

The Town may terminate insurance coverage for a retired employee ten (10) days from the date of notice above. Termination will be effective from the last date coverage was paid for by the retired employee.

Upon death of retiree, the survivor can continue group health insurance coverage through the Town at 50 (fifty) % their expense and 50 (fifty) % paid by the Town, subject to the terms above unless rescinded by Town Meeting vote.

If a retiring employee chooses not to participate in the health insurance program available to them at the time of retirement, they may be eligible to enroll under the Town's group carrier in the future if they can satisfactorily demonstrate that they have had continuous group coverage through another provider until the time of their request of the Town. The retired employee shall give the Town sixty (60) days' notice before their desired start date for coverage.