

ERIE COUNTY WATER AUTHORITY
 AUTHORIZATION FORM
 For Approval/Execution of Documents
 (check which apply)

Contract: _____ **Project No.:** _____
Project Description: Revised Policy No. 12.0 Termination and Severance Pay; Revised Policy No. 46.0 Medical Coverage for Retirees; Revised Policy No. 44.A Healthcare Waivers

Item Description:

Agreement Professional Service Contract Amendment Change Order
 BCD NYSDOT Agreement Contract Documents Addendum
 Recommendation for Award of Contract Recommendation to Reject Bids
 Request for Proposals
 Other Policy Revisions

Action Requested:

Board Authorization to Execute Legal Approval
 Board Authorization to Award Execution by the Chairman
 Board Authorization to Advertise for Bids Execution by the Secretary to the Authority
 Board Authorization to Solicit Request for Proposals
 Other Approval of policy revisions

Approvals Needed:

APPROVED AS TO CONTENT:

<input checked="" type="checkbox"/> HR Director	<u>/s/ Dan NeMoyer</u>	Date: <u>04/22/2020</u>
<input checked="" type="checkbox"/> Chief Operating Officer	<u><i>Russell Stott</i></u>	Date: <u>4/22/2020</u>
<input checked="" type="checkbox"/> Executive Engineer	<u><i>Leonard F. Kowalik</i></u>	Date: <u>04-22-2020</u>
<input type="checkbox"/> Director of Administration	_____	Date: _____
<input checked="" type="checkbox"/> Comptroller	<u><i>Oppe John</i></u>	Date: <u>04/22/2020</u>
<input checked="" type="checkbox"/> Chief Financial Officer	<u><i>Karen A. Prud'homme</i></u>	Date: <u>04/22/2020</u>
<input checked="" type="checkbox"/> Legal	<u><i>Margaret A. Murphy</i></u>	Date: <u>04/22/2020</u>

APPROVED FOR BOARD RESOLUTION:

<input checked="" type="checkbox"/> Secretary to the Authority	<u><i>[Signature]</i></u>	Date: <u>04/22/2020</u>
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Remarks: To be reviewed by the Governance Committee prior to Board approval

Resolution Date: _____ **Item No:** _____



**ERIE COUNTY WATER AUTHORITY
INTEROFFICE MEMORANDUM**

To: Jerome D. Schad, Chair
Mark S. Carney, Vice Chair

Cc: Daniel J. NeMoyer, Director of Human Resources
Joyce Tomaka, Comptroller
Penelope A. Porebski, Employee Benefit Specialist

From: Terrence D. McCracken, Secretary
Karen A. Prendergast, Chief Financial Officer
Margaret A. Murphy, General Counsel
Russell J. Stoll, Chief Operating Officer
Leonard F. Kowalski, Executive Engineer

Date: April 22, 2020

Subject: Revised Policy No. 12.0 Termination and Severance Pay Policy
Revised Policy No. 46.0 Medical Coverage for Retirees
Revised Policy No. 44.A Healthcare Waivers

The Executive Staff recommends to the Governance Committee the adoption of the following revised policies and procedures:

POLICY NO. 12.0 Termination and Severance Pay Policy

In 2019, the State Legislature passed an Assembly Bill introduced by Assembly Member Monica P. Wallace, which was signed by the Governor in late November. The new law limits the payment of severance to three months. The policy has been revised in conformity to the new legislation.

Due to the common law term-limit doctrine, the Board of Commissioners lacks the authority to approve employment contract beyond the term of any commissioner. The old policy contained a provision allowing an employment contract to deviate from the severance provisions within the old policy. The revised policy has removed this provision.

POLICY NO. 46.0 Medical Coverage for Retirees

As stated in the revised policy, the Authority endeavors to solicit, recruit, employ and retain highly qualified and experienced professionals to oversee all aspects of the Authority's operation. As a governmental entity, the Authority lacks the

power to negotiate or offer long-term employment agreements to prospective employees, except for employees who are subject to a collective bargaining agreement.

In the private sector, employers may attract executives, senior managers and other professionals by offering employment contracts setting forth terms and conditions of employment, short- and long-term benefits, the grounds upon which termination may be sought, and the terms and conditions under which severance compensation may be provided upon termination.

The Authority's executive, senior and professional staff are considered at-will employees, with many holding professional licenses. The Authority must compete with the private sector for highly qualified and experienced executives, senior manager and professionals.

The Authority first offered medical coverage for its retirees as an effort to recruit and retain highly qualified and experienced personnel. In this same vein, the Executive Staff offers a revised policy expanding eligibility for medical coverage upon retirement. The Executive Staff earnestly believe the changes would attract older, more experienced professionals who might otherwise be reluctant to change employers when retirement is on their horizon, but who are not currently being offered medical coverage upon retirement.

Under the revised policy, a full-time non-represented employee who is a member of the New York State and Local Retirement System (NYSLRS) or the optional TIAA-CREF program who, at the time of retirement, have met one of the following age and service requirements:

- (a) An eligible employee who is at least fifty-five (55) years of age and has a minimum of fifteen (15) years of full-time service with the Authority; or
- (b) An eligible employee with a minimum of five (5) years of full-time service with the Authority and whose age and years of services combined is at least equal to sixty-five (65).

Option (a) existed under the old policy. Option (b) has been modified by reducing the years of service from ten (10) to five (5) and reducing the combination of age and service from seventy (70) to sixty-five (65).

Karen A. Prendergast has analyzed the impact of these revisions on the Authority's current workforce. She concluded the revisions would only have a minimal effect. Her findings are summarized below:

- Two employees would immediately become eligible, if they chose to retire now using Option (b);
- Twelve people would be able to retire on average three-years earlier if they chose Option (b);
- Seventeen people would receive no benefit improvement largely because when they are eligible for retirement, they would receive such benefits under the current policy; and
- Thirteen employees already qualify under the existing rules, but do not meet the retirement eligibility.

Other revisions to the policy were made for purposes of clarification.

POLICY NO. 44.A HEALTHCARE WAIVER

Authority employees and retirees are eligible to receive cash payments in lieu of healthcare coverage if they file an annual waiver with the Authority. A cap on these waiver payments exists for employees and retirees, who are members of a collective bargaining unit. Policy No. 44.A currently offers waivers to non-represented employees and retirees, but does not impose a cap.

The Executive Staff recommends the policy be revised to cap payments made for notices of waivers filed on or after January 1, 2021. Such payments would be made by the Authority during the 2022 calendar year.

The revised policy would also deny payment waivers for part-time employees and for any employee who had already been retired from the NYSLRS and had been receiving Medicare benefits, when the employee was initially hired by the Authority. These provisions would go into effect on January 1, 2021 with final waiver payments to be made during the 2021 calendar year.

All revisions to the above-referenced policy have been reviewed, modified and approved by the Chief Financial Officer, the Comptroller, the Director of Human Resources, and the Employee Benefit Specialist. The General Counsel, the Secretary of the Authority, the Chief Operating Officer, the Chief Financial Officer and the Executive Engineer have reviewed and recommends the adoption of these revised policies.

**ERIE COUNTY WATER AUTHORITY
HR Policies/Procedures**

Re:	TERMINATION AND SEVERANCE PAY POLICY	Policy No.:	12.0
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Application:	At-Will Employees	Adopted:	12/30/03
		Amended:	04/26/12
			04/30/20

POLICY

The Erie County Water Authority (the “Authority”) has adopted this policy, ensuring fairness and uniformity in the process by which an at-will employee ceases to be a part of the Authority’s workforce. The policy sets forth events leading to the employee’s termination or separation and the circumstances under which such an at-will employee would be entitled to severance pay.

The Authority intends for its employment termination/separation process to be as clear as possible so misunderstandings and distrust between the Authority and its at-will employees can be avoided. The Authority shall handle all cases of termination or separation in a manner dictated by applicable law and with sensitivity and professionalism. The Secretary of the Authority will be responsible for properly documenting the events leading to termination and/or separation.

PROCEDURE

Section 1: Scope

- (a) This policy is not applicable to any employee holding:
 - (1) A permanent civil service position and whose termination, separation, or removal is subject to Article 75 of the Civil Service Law or subject to the terms and conditions of a collective bargaining agreement; or
 - (2) A civil service position on a temporary, probationary or provisional basis.

- (b) This policy is limited to full-time salaried employees serving at the will of the Authority. An employee serves at the will of the Authority if the employee holds a job title:
 - (1) Classified by the Erie County Personnel Department as exempt;

- (2) Classified by the Erie County Personnel Department as non-competitive and denoted by an asterisk as confidential and policymaking on Appendix B of the Rules for the Classified Civil Service of the County of Erie; or
- (3) Pending jurisdictional classification by the Erie County Personnel Department.

(c) This policy shall be subject to the termination provisions contained in Policy No. 92.0, Employment Policy and Procedures.

Section 3. Terminology

(a) The term “separation” has a broad interpretation and means any circumstance by which an individual shall cease to be employed by the Authority. Separation may be voluntary or involuntary and may apply to an individual or group of individuals.

(b) The term “termination” has a narrower meaning and applies to an individual who ceases to be employed by the Authority. Termination may be voluntary or involuntary.

Section 4. Types of Separation.

(a) *Voluntary Termination:* A voluntary termination occurs when the employee initiates the separation. The following are examples of voluntary terminations:

- (1) Written or oral resignation initiated by the employee;
- (2) Absence from work for fifteen (15) consecutive workdays without notifying the employee’s supervisor;
- (3) Failure to report for work upon recall from any paid or unpaid leave of absence on a report date designated by the Authority;
- (4) Failure to return from an approved leave of absence at the expiration of the leave;
- (5) Retirement; or
- (6) Other such objective circumstance demonstrating the employee’s intent to cease employment with the Authority.

(b) *Involuntary Separation:* Involuntary separation occurs when the employee does not initiate the separation. The following are examples of involuntary terminations:

- (1) Layoffs due to lack of work or when the Authority reduces its workforce for economic or other reasons;

- (2) Release by the Authority of an employee, through no fault on the part of the employee under circumstances when the employee is unsuitable for, or incapable of, performing assigned work and no appropriate change of assignment is available;
- (3) Termination without cause;
- (4) Written or oral resignation first initiated by the Authority's Human Resource Department;
- (5) Discharge based on cause under circumstances when the employee who is suitable for, and capable of, performing the assigned work, but is terminated for such reasons including, but not limited to, inefficiency, absenteeism, work rules violations, insubordination, habitual carelessness or recklessness; falsification of records, theft, or any other inappropriate or prohibited conduct in the workplace; or
- (6) Separation due to the disability or death of the employee.

Section 5. Severance Eligibility

- (a) The Authority will not provide severance pay:
 - (1) To a seasonal, temporary, provisional or part-time employee;
 - (2) To an employee who has less than one year of continuous service with the Authority;
 - (3) When an employee voluntarily leaves under circumstances described in section 4, paragraph (a) of this policy;
 - (4) When an employee has been terminated for cause under circumstances described in section 4, paragraph (b), subparagraph (5) of this policy; or
 - (5) Upon the disability or death of the employee.
- (b) Subject to the provisions within section 6 of this policy, the Authority's Board of Commissioners may exercise discretion to grant severance pay under the following circumstances:
 - (1) When an employee is terminated without cause, as described in section 4, paragraph (b), subparagraph (3) of this policy; or
 - (2) When an employee resigns under circumstances described in section 4, paragraph (b), subparagraph (4) of this policy.

(c) Subject to the provisions within section 6 of this policy, the Authority shall provide severance pay under the following circumstances:

- (1) When an employee has been laid off under circumstances described in section 4, paragraph (b), subparagraph (1) of this policy, or
- (2) When an employee has been released without fault under circumstances described section 4, paragraph (b), subparagraph (2) of this policy.

Section 6. Severance Payments

(a) The Authority will provide severance pay under circumstances described in paragraphs (b) and (c) of section 5 of this policy.

(b) Employees having at least one year of continuous service with the Authority will be eligible for two weeks of severance pay for every year of service, in an amount not to exceed twelve weeks.

(c) *General Release*

- (1) Before an employee is eligible for severance pay, the employee must sign a general release, releasing the Authority from any and all liability, claims (known and unknown, existing and contingent), demands, actions, causes of action, suits, grievances, debts, sums of money, controversies, agreements, promises, damages, costs, expenses, interest, attorneys' fees, and remedies of any type, by reason of any matter, cause, act or omission occurring on or before the employee's separation of employment with the Authority;
- (2) The general release must be in a form acceptable to the Authority's General Counsel and shall release the Authority of all liability permitted under law.
- (3) If an employee refuses to sign a general release, in a form approved by the General Counsel and as otherwise permitted under law, the employee shall not be entitled to any severance payment.

(d) Severance shall be based on the weekly gross income of the employee at the time of separation subject to applicable statutory deductions including, but not limited to, federal, state and FICA withholdings.

**ERIE COUNTY WATER AUTHORITY
HR Policies/Procedures**

Re:	HEALTHCARE WAIVERS	Policy No.:	44.A
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Application:	Employees and Eligible Retirees Not Subject to Collective Bargaining	Amended:	12/14/00 09/05/02 10/09/03 07/08/04 12/18/08 05/09/13 04/30/20

POLICY

As a matter of policy and practice, the Erie County Water Authority (the “Authority”) makes medical insurance coverage available to all active employees and eligible retirees. Dental coverage is available only for active employees.

Employees who are part of a collective bargaining unit have been given contractual rights to waive such coverage in return for cash payments. The Authority would like to encourage employees and retirees to waive insurance coverage when alternative coverage is otherwise available. The Authority, its employees, and its retirees financially benefit by a policy allowing such waivers. For these reasons, the Authority has adopted this policy extending health insurance waivers to employees and eligible retirees who are not covered by a collective bargaining agreement.

PURPOSE

This policy provides taxable cash payments to eligible employees and retirees in lieu of health insurance coverage through an Authority-approved healthcare plan when an employee or retiree has proof of coverage through an alternative healthcare plan.

PROCEDURE

Section 1 Eligibility

- (a) This policy is applicable to eligible employees or retirees who are not part of a collective bargaining unit.

(b) An eligible employee is an active, full-time, employee who is entitled to healthcare coverage through an Authority-approved plan and who has available coverage through an alternative healthcare plan and provider.

(c) An eligible retiree is an individual who has retired from a full-time position with the Authority and who is eligible for healthcare coverage pursuant to Policy No. 46 (Medical Coverage for Retirees).

- (1) A retiree who waives coverage to a Medicare Advantage Plan through an Authority-approved provider will not be entitled to a cash payment for the waiver of such coverage.
- (2) Upon the death of a retiree, the surviving spouse will not be eligible to apply for a waiver upon the expiration of the annual waiver period following the death of the retiree.
- (3) A surviving spouse may forfeit a waiver payment if the surviving spouse elects to have healthcare coverage through an Authority-approved plan if the request is made following the death of the retiree and before the expiration of the annual waiver period.

(d) A part-time employee who has elected to waive healthcare coverage prior to January 1, 2021 will receive cash payments for that waiver period.

(e) Effective January 1, 2021, part-time employees will no longer be eligible for cash payments in lieu of healthcare coverage through an Authority-approved plan.

(f) Effective January 1, 2021, active employees, who were already retired from the New York State and Local Retirement System and already on Medicare when they were hired by the Authority, will no longer be eligible for cash payments in lieu of healthcare coverage through an Authority-approved plan. Such employees who have filed a notice of waiver prior to January 1, 2021 will receive a last waiver payment one-year after the filing date of the notice.

Section 2 Notice of Waiver

(a) On an annual basis, an eligible employee or retiree must provide notice of waiver to the Authority.

(b) The notice of waiver shall provide:

- (1) the name and identification number of the alternative healthcare plan, along with proof of enrollment in the alternative healthcare plan; and
- (2) the name of the person insured under the alternative healthcare plan, from whom the employee or retiree has available alternative coverage, and a

description of the relationship between the insured person and the eligible employee/retiree.

(c) The notice of waiver form shall be filed with the Authority's Human Resource Department on or before the first date of the waiver period established in section 3 of this policy.

Section 3 Annual Waiver Period

(a) Active employees are eligible to elect a waiver on the first of the month following their employment or eligibility for an alternate plan, and thereafter annually.

(b) Employees who retire while already waiving health insurance will not be required to file a new notice of waiver but shall be allowed to continue their waiver period into retirement.

(c) Retirees who elect to waive health insurance subsequent to retirement shall be eligible to file a notice of waiver on the first of the month following their eligibility for an alternate medical plan and thereafter annually.

Section 4 Payments for Waiver Notices Filed before December 31, 2020

(a) If an eligible individual waives medical coverage, the individual will be entitled to receive a cash payment in an amount equal to 55% of the Authority's contribution paid toward the premium of a CORE single or a CORE family approved medical plan.

(b) If an eligible active employee waives dental coverage, the employee will be entitled to receive a cash payment in an amount equal to 55% of the Authority's contribution paid toward the premium of a single or a family approved dental plan.

(c) A retiree who waives coverage to a Medicare Advantage Plan through an Authority-approved provider will not be entitled to a cash payment for the waiver of such coverage.

(d) Waiver payments will be received one-year following the filing of the notice of waiver in the following manner:

- (1) For active employees, waiver payments will be included in their regular payroll check during the month of election;
- (2) For retirees, checks for waiver payments will be mailed to retirees during the month of election.

(e) If an eligible employee is no longer employed by the Authority, the employee forfeits the waiver payment and will not be entitled to receive a partial or a prorated payment.

(f) If an active employee requests and is granted a leave of absence without pay, the waiver payment date will be increased by the number of full or partial months necessitated by the leave of absence without pay.

Section 5 Payments for Waiver Notices Filed on or after January 1, 2021

(a) If an eligible individual waives medical coverage, the individual will be entitled to receive a cash payment in an amount, which is the lesser of the following:

- (1) 55% of the Authority's contribution paid toward the premium of a CORE single or a CORE family approved medical plan, or
- (2) \$3,000 for a single plan or \$8,000 for a family plan.

(b) If an eligible active employee waives dental coverage, the employee will be entitled to receive a cash payment in an amount, which is the lesser of the following:

- (1) 55% of the Authority's contribution paid toward the premium of a single or a family approved dental plan, or
- (2) \$100 for a single plan or \$350 for a family plan.

(c) A retiree who waives coverage to a Medicare Advantage Plan through an Authority-approved provider will not be entitled to a cash payment for the waiver of such coverage.

(d) Waiver payments will be received one-year following the filing of the notice of waiver in the following manner:

- (1) For active employees, waiver payments will be included in their regular payroll check during the month of election;
- (2) For retirees, checks for waiver payments will be mailed to retirees during the month of election.

(e) If an eligible employee is no longer employed by the Authority, the employee forfeits the waiver payment and will not be entitled to receive a partial or a prorated payment.

(f) If an active employee requests and is granted a leave of absence without pay, the waiver payment date will be increased by the number of full or partial months necessitated by the leave of absence without pay.

Section 6 Waiver Deductions

(a) Waiver payments are taxable.

(b) The Authority will issue a lump sum waiver payment to retirees without making any deductions. Retirees will be responsible for the payment of all applicable taxes.

(c) For active employees, the Authority will deduct from waiver payments applicable federal, state and FICA withholdings and other applicable statutory deductions including, but not limited to, child support or wage garnishments. The Authority will also deduct from waiver payments past due premium payments owed by the employee.

Section 7 Revocability

(a) Except as provided in paragraph (b) of this section, an eligible employee or retiree may not revoke a waiver during the waiver period after a notice of waiver has been executed.

(b) If an employee or a retiree has a change in coverage status, due to divorce or termination of the alternative plan, the employee or retiree may revoke the waiver and seek coverage under an Authority-approved plan. When such employee or retiree revokes the waiver, the employee or retiree shall forfeit, in full, any payment pursuant to this policy.

Section 8 Open Enrollment Period

Unless otherwise permitted by the Authority-approved plan under circumstances described in section 6, paragraph (b) of this policy, an active employee or retiree may be reinstated to an Authority-approved plan during an open enrollment period.

- (i) The Authority will pay 100% of the cost for an approved medical insurance plan for eligible former employees who retired prior to April 1, 2012.
 - (ii) For eligible employees who retire on or after April 1, 2012, the Authority will pay 85% of the cost for an approved medical insurance plan.
- (2) Out-of-Network Coverage.
- (i) Retirees who relocate outside of the coverage area of an Authority-approved medical plan may seek reimbursement for an out-of-network medical insurance plan by providing the Authority with payment receipts of such out-of-network coverage.
 - (ii) For retirees who retired prior to April 1, 2012, the Authority will reimburse retirees for out-of-network coverage in an amount not to exceed the premium paid by the Authority for an in-network approved medical plan providing single, double or family coverage or a Medicare Advantage Plan.
 - (iii) For retirees who retired on or after April 1, 2012, the Authority will reimburse retirees for out-of-network coverage in an amount not to exceed 85% of the premium paid by the Authority for an in-network approved medical plan providing single, double or family coverage or a Medicare Advantage Plan.

(b) Retiree Contributions

- (1) The retiree or the surviving spouse will be responsible for the payment of the retiree's share of the monthly medical insurance premium.
- (2) Sick Leave Credits
- (i) The value of the eligible employee's unused sick leave at the time of retirement may be used as credits to offset the retiree's share of monthly medical insurance premium due to the Authority.
 - (ii) Sick leave credits shall be calculated as the product of the number of unused sick leave hours multiplied by the eligible employee's hourly rate of pay at the time of retirement.
 - (iii) Upon the death of the retiree, the eligible surviving spouse may apply the unused balance of sick leave credits to pay the surviving

**ERIE COUNTY WATER AUTHORITY
HR Policies/Procedures**

Re:	MEDICAL COVERAGE FOR RETIREES	Policy No.:	46.0
Application:	Retirees Not Subject to a Collective Bargaining Agreement	Amended:	02/07/02 11/26/02 11/06/03 06/24/04 06/16/05 12/13/11 03/22/12 06/26/14 04/30/20

POLICY

The Erie County Water Authority (the “Authority”) endeavors to solicit, recruit, employ and retain highly qualified and experienced professionals to oversee all aspects of the Authority’s operation. As a governmental entity, the Authority lacks the power to negotiate or offer long-term employment agreements to prospective employees, except for employees who are subject to a collective bargaining agreement.

In the private sector, employers may attract executives, senior managers and other professionals by offering employment contracts setting forth terms and conditions of employment, short- and long-term employee benefits, the grounds upon which termination may be sought, and the terms and conditions for severance compensation upon termination.

The Authority’s executive, senior and professional staff are considered at-will employees, with many holding professional licenses. The Authority must compete with the private sector for highly qualified and experienced executives, senior manager and professionals.

The Authority continues to offer medical coverage to retirees in order to enhance its efforts to solicit, recruit, employ and retain highly qualified and experienced personnel. The Authority has extended medical coverage to any full-time employees who retired after April 1, 1991 and who, at the time of retirement, satisfy certain age and service requirement under this policy, as revised and amended over the years.

PURPOSE

The purpose of the policy is to describe the conditions and circumstances under which the Authority may extend medical insurance coverage for eligible retirees.

PROCEDURE

Section 1 Eligibility.

(a) The Authority shall provide single, double or family medical insurance coverage through an Authority-approved contract with the Labor Management Health Care Fund, Inc. (“LMHF”), or such other Authority-approved contract in effect at the time of coverage, to a retiree who meets the eligibility requirements set forth in paragraph (b) of this section.

(b) Eligibility is extended to full-time employees who retire from the Authority as a member of the New York State and Local Retirement System (NYSLRS) or the optional TIAA-CREF program and who, at the time of retirement, have met one of the following age and service requirements:

- (1) An eligible employee who is at least fifty-five (55) years of age and has a minimum of fifteen (15) years of full-time service with the Authority; or
- (2) An eligible employee with a minimum of five (5) years of full-time service with the Authority and whose age and years of services combined is at least equal to sixty-five (65).

Section 2 Medicare Coverage

(a) When a retiree or the retiree’s spouse becomes Medicare eligible, the retiree and/or spouse will be required to apply for Medicare Part B coverage.

(b) An eligible employee who is Medicare eligible must apply for Medicare Part B at the time of retirement.

(c) The retiree and the retiree’s spouse shall bear the costs for the Medicare Part B premium.

(d) For Medicare eligible retirees, the Authority will pay eighty-five percent (85%) of a Medicare supplemental insurance plan provided through LMHF or otherwise provided under a Authority-approved contract.

(e) Reimbursement for Medicare supplemental out-of-network coverage is subject to the provision set forth in section 3, paragraph (a), subparagraph (2) of this policy.

Section 3 Contributions

(a) Authority Contributions

- (1) The Authority shall provide an eligible retiree with a single, double or family medical insurance plan with a provider under an Authority-approved contract.

- (i) The Authority will pay 100% of the cost for an approved medical insurance plan for eligible former employees who retired prior to April 1, 2012.
 - (ii) For eligible employees who retire on or after April 1, 2012, the Authority will pay 85% of the cost for an approved medical insurance plan.
- (2) Out-of-Network Coverage.
- (i) Retirees who relocate outside of the coverage area of an Authority-approved medical plan may seek reimbursement for an out-of-network medical insurance plan by providing the Authority with payment receipts of such out-of-network coverage.
 - (ii) For retirees who retired prior to April 1, 2012, the Authority will reimburse retirees for out-of-network coverage in an amount not to exceed the premium paid by the Authority for an in-network approved medical plan providing single, double or family coverage or a Medicare Advantage Plan.
 - (iii) For retirees who retired on or after April 1, 2012, the Authority will reimburse retirees for out-of-network coverage in an amount not to exceed 85% of the premium paid by the Authority for an in-network approved medical plan providing single, double or family coverage or a Medicare Advantage Plan.

(b) Retiree Contributions

- (1) The retiree or the surviving spouse will be responsible for the payment of the retiree's share of the monthly medical insurance premium.
- (2) Sick Leave Credits
- (i) The value of the eligible employee's unused sick leave at the time of retirement may be used as credits to offset the retiree's share of monthly medical insurance premium due to the Authority.
 - (ii) Sick leave credits shall be calculated as the product of the number of unused sick leave hours multiplied by the eligible employee's hourly rate of pay at the time of retirement.
 - (iii) Upon the death of the retiree, the eligible surviving spouse may apply the unused balance of sick leave credits to pay the surviving

spouse's share of monthly medical insurance premium due to the Authority.

- (iv) The use of sick leave credits to pay insurance premiums will not impact the number of unused sick leave days reported to the NYSLRS in accordance with Retirement and Social Security Law § 41(j).

Section 4 Surviving Spouse Benefits

Upon the death of the retiree, the surviving spouse shall be entitled to medical insurance coverage under the same terms and conditions as set forth in this policy until the spouse remarries or dies.

Section 5 Waiver

(a) Retirees who are covered under an alternate medical insurance plan may elect cash payments in lieu of medical insurance coverage provided through the Authority, subject to the provisions set forth in Policy No. 44 A.

- (b) A retiree may choose to waive medical coverage.

Section 6 Open Enrollment

A retiree or surviving spouse will have the opportunity to change medical insurance coverage during the annual open enrollment period.

Section 7 Policy Changes

(a) Any changes in the Authority's medical insurance program affecting active employees will also apply equally to retirees or their surviving spouses.

(b) Changes may include, but are not limited to, summary plan descriptions (SPDs), types or numbers of insurance carrier(s), amount of the Authority's contributions, and plan deductibles or prescription co-pays.

(c) The Authority may, at any time, amend or discontinue this policy of providing medical insurance coverage to current and/or future retirees.