

Town of Southborough

Health Insurance Opt-Out Program Policy FY26-28

What is an “Opt-Out” program?

If you are a fulltime employee with The Town of Southborough, you may be able to take advantage of an incentive program being offered by the Town if you can demonstrate you have access to health care through another plan. The Town is providing this incentive for employees **currently covered** under the Town's health plan to “opt out” of their election (either individual or family coverage provided by Harvard Pilgrim Health Care) providing they can prove they have other coverage.

ELIGIBILITY

Any Town active employee is eligible who has participated in a sponsored health insurance program (dental and life are not included in this program) continuously for 24 months in either an individual or family plan. Any employee wishing to be eligible for payment must have insurance coverage via another source, such as spouse coverage, a private plan, etc. and provide proof of this.

All **eligible** employees may participate in this program. If you have a spouse who is also a Town employee you may not switch to their plan and be eligible. A switch from a Family plan to an Individual plan is also not eligible.

PAYMENT AMOUNT

The annual fiscal year payment is:

\$2,100 Individual Plan

\$4,200 Family Plan

Payment to be made via payroll on a bi-weekly basis. Payments cease if the program non-renews, an employee re-enrolls, or the Select Board initiate other limitations in any new program year. Payments will be pro-rated for any new opt in if it begins during the year.

RE-ENROLLMENT BACK INTO TOWN HEALTH COVERAGE

An employee may re-enroll for Town health coverage only if the employee has a qualifying event. A qualifying event as recognized by the health plan's underwriting rules are:

- A. Marriage or Divorce
- B. Birth or adoption of a child
- C. Death of a family member
- D. Lack of other coverage through no fault of the employee or subscriber
- E. Change in hours, which results in change of employment hours

In order to re-enroll in the Town Health Insurance program, the employee must notify the Payroll Benefits Coordinator in the Finance Department within thirty (30) days of the qualifying event and provide written documentation of same. If the employee has a qualifying event and needs to re-enroll in the Town's sponsored insurance, the employee's “opt-out” benefit shall be stopped for the time the employee re-subscribes into Town health benefits. Any employee who voluntarily terminates their employment after the “opt-out” incentive has been paid will be required to reimburse the Town the applicable, pro-rated amount for the period after termination. Also, employees are restricted to one “opt-out” per program period, meaning an employee cannot opt-out, re-enroll, and then opt back out again within the same three year program period before 6/30/28.

HOW TO PARTICIPATE

Complete the “Southborough Health Insurance Opt-Out Employee Form” and return to the Benefits Office in Town Hall. You will be required to provide a copy of the evidence of new health coverage. For any questions, please call us or e-mail the Benefits Coordinator at the Treasurer/Collectors Office in Town Hall. The form must be completed during the annual open enrollment for coverage that begins on July 1 or when evidence is presented the employee is covered through other insurance means. Any opt out request outside open enrollment must be received in the Treasurer's Office **within 30 days of the change in coverage** (otherwise the opt out will not be approved until the next July 1st of the new fiscal year).

Important notes: This program will sunset on 6/30/28 (three years) but may be extended by the Selectboard. Employees who are planning to retire will still be required to have Town Health Plan coverage at date of retirement in order to be eligible for retiree health care benefits so please plan accordingly.

Town of Southborough
Health Insurance Opt-Out Employee Form

Employee Name:

Department:

Address (Street, City, St, ZIP):

Health Plan: _____ FAM/IND: _____

Please provide the following:

- Health Form to cancel Insurance
- Proof of new insurance (ID Card, etc)

Payment: The Town will make the appropriate payment via payroll check over 21 pays or 26 pays. The total annual payment will either be \$2,100 for an individual plan or \$4,200 for a family plan. If there is a qualifying event in which an employee chooses to opt out of the Town's health insurance, the Town will cease payments so that the year is properly pro-rated.

EMPLOYEE SIGNATURE

DATE

**I have read the Opt-Out Policy and understand these terms to the best of my knowledge.*

Please submit to:

Treasurer/Collector
Payroll-Benefits Coordinator
17 Common Street
Southborough, MA 01772

DATE RECEIVED by OFFICE: _____

APPROVED (Y/N) _____ INITIAL: _____