

ORDINANCE NO. _____

An ordinance amending Section 34-32, "Health Benefits Plans," of Chapter 34, "Personnel Rules," of the Dallas City Code by amending retiree health benefit plans eligibility; providing a saving clause; providing a severability clause; and providing an effective date.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That Subsection (c), "Notice of Retirees' Rights to Purchase Continued Health Benefits," of Section 34-32, "Health Benefits Plans," of Article IV, "Benefits," of Chapter 34, "Personnel Rules," of the Dallas City Code is amended to read as follows:

“(c) Notice of retirees’ rights to purchase continued health benefits.

(1) Under Chapter 175 of the Texas Local Government Code, as amended, a person who retires from the city and is entitled to receive city retirement benefits is entitled to purchase retiree health benefits coverage from the city for the retiree and any eligible dependents at the retiree’s own cost.

(2) The city may make retiree health benefits available to retirees and their eligible dependents under one or more separate plans, the terms and conditions of which may vary as the city specifies. Health benefits for employees who have separated from employment with the city will be made available through a plan available for retirees who are under the age of 65 (the “pre-65 plan”) and through a separate plan available for retirees aged 65 or older (the “post-65 plan”). Eligibility to participate in any such plans, the coverage options available, the costs of enrollment and participation, and other terms, conditions, and limitations will be set forth from time to time in written documents that are consistent with this chapter. [To receive continued health benefits coverage, the retiree must inform the city, within thirty days of the day on which the person retires, of the election to continue coverage.]

(3) To enroll in the city’s retiree health benefits upon separation from employment, an employee who is not 65 years of age or older must be enrolled in the city’s health benefit plan for active employees and must be eligible to receive an immediately-distributable pension benefit under the Employees’ Retirement Fund or Dallas Police and Fire Pension System, in each case on the employee’s separation date. An employee is not required to have commenced receipt of pension benefits in order to enroll in the city’s pre-65 plan. An enrollment election for the city’s pre-65 plan must be submitted to the city within 30 days of the separation date to be effective. An otherwise-eligible employee who fails to timely enroll in the city’s retiree health benefits or who subsequently terminates coverage will not be eligible to reenroll thereafter except through the “come-back option” available under the city’s post-65 plan. [If the retiree elects to

~~continue health coverage for the retiree and/or any dependents and any subsequent date elects to discontinue that coverage, then the retiree is no longer eligible for coverage from the city.]~~

(A) In accordance with Chapter 615 of the Texas Government Code, as amended, the surviving spouse of a sworn employee of the police or fire department, who is killed in the line of duty, is entitled to purchase or continue to purchase health insurance benefits from the city and enroll in the pre-65 plan until the date the surviving spouse becomes eligible for federal Medicare benefits. The surviving spouse is entitled to obtain the coverage at the rate paid by current employees of the city.

(B) A city employee whose employment ends as a result of disability that entitles the employee to a disability retirement under the applicable city pension plan may enroll in the pre-65 plan regardless of the employee's age.

(4) To enroll in the city's retiree health benefits upon separation from employment, an employee who is aged 65 or older must be enrolled in the city's health benefit plans for active employees or the pre-65 plan on the employee's separation date and must timely enroll in Parts A and B of the Medicare program when initially eligible. To be effective, an enrollment election for the city's post-65 plan must be submitted to the city within 30 days of the date on which the employee initially satisfies the foregoing eligibility requirements. An otherwise-eligible employee who fails to timely enroll in the city's retiree health benefits or who subsequently terminates coverage will not be eligible to reenroll thereafter. [If a person is not participating in the city's active employee health benefit plans at the time the person retires from the city, the retiree is not eligible for continued health benefits coverage under the city's retiree health benefits plans.]

(5) A retiree who is age 65 or older may enroll in the city's post-65 plan after separating from employment under the "come-back option" if, within 30 days of timely enrolling in the Medicare program, the retiree submits an enrollment request to the city, is eligible to receive an immediately-distributable pension benefit under the Employees' Retirement Fund or Dallas Police and Fire Pension System, and provides satisfactory evidence of continuous comprehensive health plan coverage for the 36-month period immediately preceding the enrollment request. An employee is not required to have commenced receipt of pension benefits in order to enroll in the city's retiree health benefit plan. A retiree who enrolls in the city's post-65 plan under the come-back option and subsequently terminates coverage will not be eligible to reenroll thereafter. The come-back option is available beginning with the 2022 calendar year benefits enrollment period to retirees who meet the eligibility criteria on or after the enrollment period begins. [A person hired as a city employee on or after January 1, 2010 who retires from the city may participate in the retiree health benefit plans but the cost of the continued health benefits coverage must be paid entirely by the person.]

(A) A retiree's legally-recognized spouse may be enrolled in the post-65 plan under the come-back option at the same time as the retiree's enrollment, but no spousal enrollment independent of the retiree is permitted.

(B) Only the spouse to whom the retiree was legally married at the time of separation of employment will be eligible for enrollment under the come-back option.

(6) All costs of participation in the city's retiree health benefits will be paid solely by individual enrollees based on the coverage elected except that the city will subsidize 50 percent of the costs of coverage for a retiree (but not coverage for a spouse or any dependents) enrolled in the pre-65 plan who was first hired by the city prior to January 1, 2010 until the earlier of:

(A) the date on which the retiree voluntarily terminates coverage under the pre-65 plan;

(B) the date on which the retiree enrolls in the city's post-65 plan; or

(C) the date in which the retiree's eligibility to participate in the city's pre-65 plan otherwise ends.

(D) No city-paid premium subsidy will be provided for any spousal or dependent coverage elected under the city's retiree health benefit plans. The employee's most recent date of hire or rehire with the city will be used for purposes of determining eligibility for the foregoing city subsidy.

(7) The city will not subsidize any premium or cost associated with enrollment or participation in the Medicare program (including any premiums for Medicare Advantage coverage) by current or retired city employees or their dependents except that the city will pay the monthly premiums for coverage under Part A of the Medicare program for city employees:

(A) whose original date of hire with the city was prior to April 1, 1986;

(B) who are continuously enrolled in the Medicare program from their initial eligibility date;

(C) for whom insufficient Medicare taxes were withheld during city employment to qualify for cost-free Part A coverage; and

(D) who have been continuously enrolled in the city's health benefits plan for active employees, the pre-65 plan, or the post-65 plan, as applicable during city employment and following separation from employment.

(8) The city will not subsidize any premium or cost under the city's retiree health benefit plans for:

(A) any employee who is hired or rehired on or after January 1, 2010;

(B) any dental or vision coverage;

(C) any spousal or dependent coverage;

- (D) the come-back option;
- (E) enrollment in Part B of the Medicare program; or
- (F) any retiree aged 65 or older enrolled in a pre-65 plan.”

SECTION 2. That Chapter 34 of the Dallas City Code shall remain in full force and effect, save, and except as amended by this ordinance.

SECTION 3. That any act done or right vested or accrued, or any proceeding, suit, or prosecution had or commenced in any action before the amendment or repeal of any ordinance, or part thereof, shall not be affected or impaired by amendment or repeal of any ordinance, or part thereof, and shall be treated as still remaining in full force and effect for all intents and purposes as if the amended or repealed ordinance, or part thereof, had remained in force.

SECTION 4. That the terms and provisions of this ordinance are severable and are governed by Section 1-4 of Chapter 1 of the Dallas City Code, as amended.

SECTION 5. That this ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

CHRISTOPHER J. CASO, City Attorney

By _____
Assistant City Attorney

Passed _____