



**CITY OF SOMERVILLE, MASSACHUSETTS**  
**JOSEPH A. CURTATONE**  
**MAYOR**

**Questions & Answers**

**On the**

**Health Insurance Opt-Out Program - Retiree**

Below are some of the Frequently-Asked-Questions regarding the Health Insurance Opt-Out program

**Q 1. Who will qualify for the opt-out payment?** A. To be eligible to participate in the voluntary program a retiree must be eligible for health insurance benefits and was receiving or had elected health insurance benefits from the City on or before January 1, 2016 and is currently receiving health insurance from the City.

**Q2. What if I don't currently participate in the City's insurance, will I be eligible to receive an opt-out payment?** A. No, for those retirees who do not currently participate in the City's insurance will not be eligible for the opt-out payment.

**Q3. How much will I receive for the Health Insurance Opt-out payment?** A. The City will pay a retiree covered by this program based on twelve (12) months participation: Single Plan \$2,000 and Family Plan \$4,000.

**Q4. How will I receive my Health Insurance Opt-Out payment?** A. You will receive your Health Insurance Opt-out payment in your regular monthly pension check unless you are paid by the Mass Teachers Retirement System in which case your payment will be paid by the City

**Q5. When will this Health Insurance Opt-out program be available?** The initial rollout of the program will occur during the FY2014 Open Enrollment period from April 10<sup>th</sup> to May 8<sup>th</sup> for an effective date of July 1, 2016. This program will be available each Open Enrollment and if a retiree has a qualifying event during the year and meets the eligibility criteria in Q1. The effective date of the Qualifying Event will be set by the GIC (Group Insurance Commission).



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**Q6. How do I sign up?** A. Those that are eligible to qualify for the Health Insurance Opt-Out Program, the retiree be required to sign off on a Voluntary Waiver form. All documents will need to be forwarded to the Personnel Department, City Hall, 93 Highland Avenue, Somerville MA 02143.

**Q7. Are the Health Insurance Opt-Out payments taxable?** Yes, the health insurance opt-out payments are taxable.

**Q8. Will the program be available each fiscal year?** A. Yes, the program will be available each Open Enrollment and will be subject to review. The City does reserve the right to modify or discontinue the program with 60(sixty) days notice in advance of the next open enrollment with the discontinuance effective on the subsequent plan renewal date.

**Q9. What if my spouse works for the City of Somerville, will I be eligible to participate in the Health Insurance Opt Out Program as retiree?** A. No, if your spouse is employed by the City of Somerville or School Department, you will not be eligible to enroll in the program.

**Q10. I get married on July 15<sup>th</sup>, 2016 which is a qualifying event and decide to opt-out of the City's health insurance, when will I receive my first health insurance opt-out payment?** A. You have 30 days from the date of the qualifying event to make a change to your insurance. You are eligible for the Opt Out payment as long as you had health insurance as of January 1, 2016. If you decide that you would like to cancel your insurance as of July 31, 2016 and move to your spouse's plan, you will need to submit appropriate documentation from your spouse's employer to qualifying for the Opt-Out payment and the Voluntary Waiver of Health Insurance Form. Once it has been determined that you qualify,



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you will receive your first Opt Out payment in your monthly pension check dated August 2016. The GIC will set the effective date on the withdrawal of the insurance.

**Q11. I get married on July 15<sup>th</sup>, 2016, which is a qualifying event and decide to withdraw from the Opt Program and enroll on the City's Health Insurance, when will I receive my last Health Insurance opt-out payment?** A. You have 30 days from the date of the qualifying event to make a change to your insurance. If you decide that you would like enroll onto the City's insurance as of August 1, 2016, you will be required to complete GIC forms and provide additional documentation on your dependents if enrolling in a family plan. Once the GIC sets the effective date of the insurance (i.e. August 1, 2016), you will receive last Opt Out Payment in your July 2016 monthly pension check.

**Q12. If I opt-out and I find that I don't like my alternative coverage, can I withdraw my enrollment in the Opt-Out program and reenroll in a GIC Plan?** A. No. This is not a qualifying event. During the year, you can terminate your enrollment in the Opt-Out Program and reenroll in the GIC benefits only if you experience a qualifying event (according to federal Internal Revenue Service (IRS) rules), such as a change in family status or loss of other coverage. If you would like additional information on qualifying events, please contact the Benefits Team for further details.



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