

**THE CITY OF ALPHARETTA RETIREE HEALTH PLAN**  
**SUMMARY PLAN DESCRIPTION**

The City of Alpharetta (the “City”) provides eligible retired employees, their spouses, and their eligible dependents with medical, vision, dental, and health reimbursement benefits through the City of Alpharetta Retiree Health Plan (the “Plan”). This Summary Plan Description (“SPD”) summarizes these benefits. The terms of the Plan are described in more detail in the Plan document, as amended. To the extent this SPD and the Plan document conflict, the Plan document will control. To receive a copy of the Plan document, please contact the Finance Department/Benefits Manager.

The City has reserved the right to modify, suspend, or terminate any of the benefits referenced in this SPD at any time. The benefits described in this SPD are provided at the discretion of the City, and do not create a contract of employment or benefits.

The City provides two types of retiree health benefits: a Retiree Health Benefit and a Retiree Reimbursement Benefit. This SPD provides a summary of each benefit. Please see the Plan document for additional information.

**RETIREE HEALTH BENEFIT**

The Plan provides eligible retirees, their spouses, and their eligible dependents with access to medical, vision, and dental benefits (the “Retiree Health Benefit”).

**Who is eligible to participate under the Retiree Health Benefit?**

Full-time employees who retire on or after age 55 with 10 years of service are eligible to continue the medical, vision, and dental insurance coverage in which they were enrolled at the time of their termination. This benefit is only available if the election to participate is made within 30 days after termination. Former employees who do not elect to retire immediately upon their termination of employment with the City are not eligible to participate in the Retiree Health Benefit.

**What benefits are provided under the Retiree Health Benefit?**

Retirees may elect to continue the same benefits as they were enrolled in through the plans or programs sponsored by the City, as amended from time to time, which provide medical, vision, dental and/or other related benefits to eligible active employees of the City (the “City’s Health Plan”) at the time of such retiree’s termination of employment; provided, however, that dependents of a retiree shall be eligible for benefits under the Retiree Health Benefit only if they qualify as “dependents” under the City’s Health Plan, and: (1) were covered under the City’s Health Plan as dependents for at least 10 years prior to the retiree’s termination of employment, or (2) gained coverage under the City’s Health Plan due to a qualifying event under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”).

**How does an eligible retiree elect to participate in the Retiree Health Benefit?**

Within 30 days of becoming a retiree, or such other time as prescribed by the Plan Administrator (defined below), each eligible retiree may elect for him or herself and his or her eligible dependents to participate in the Retiree Health Benefit by providing an election form to the Plan Administrator and providing for the payment of the required contributions for benefits, in the time, manner and form specified by the Plan Administrator. A retiree must choose whether to elect coverage under the Retiree Health Benefit, or to elect coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended

("COBRA"). A retiree electing coverage under the Plan shall not be eligible to elect COBRA at a later date.

### **When does participation end under the Retiree Health Benefit?**

Coverage under the Retiree Health Benefit will end upon the earliest of the following events:

- the first day as of which an individual no longer qualifies as a dependent of the participant under the Plan;
- the first day of coverage for which any participant contribution has not been paid and received by the City;
- the day as of which a retiree elects, in writing, to discontinue his or her benefits under the Plan;
- the day the City discontinues the Retiree Health Benefit or otherwise terminates the Plan; or
- the date the retiree attains age 65.

A participant who is covered under the Plan for at least one month and whose coverage terminates or will terminate, as described above, may have the right to elect to purchase an individual health coverage policy under the terms of the City's Health Plan. This right may be exercised at the time coverage ceases or after coverage has ceased.

### **How much does it cost to participate in the Retiree Health Benefit?**

The City reserves the right to modify the participant contributions paid by the retiree. The current participant cost is 100% of the active employee premium cost for the City's Health Plan.

### **How does the Plan coordinate payments with other health insurance under the Retiree Health Benefit?**

If a participant has other health plan coverage, including Medicare, the Plan will coordinate payments so that in no event will the combined benefits payable by the Plan and any other group health plan exceed 100% of the eligible expenses incurred by the individual. The Plan document provides a detailed description of how the Plan coordinates with other health plan coverages. Please consult the Plan document for additional information.

## **RETIREE REIMBURSEMENT BENEFIT**

The Plan also provides a retiree reimbursement benefit, which reimburses certain eligible retirees' health insurance premiums and medical expenses pursuant to a health reimbursement arrangement (the "Reimbursement Benefit"). The Reimbursement Benefit became effective for employees employed on or hired after May 7, 2018. Eligible retirees can begin receiving reimbursement benefits starting in July 2020.

### **Who is eligible to participate in the Reimbursement Benefit?**

Employees are eligible to participate in the Reimbursement Benefit as follows:

Non-Elected Members. Full-time employees (other than Elected Members, defined below) are eligible for the Reimbursement Benefit on or after the first month following the date the employee:

- has terminated from City employment;
- has attained age 55;
- was an regular full-time employee on or after May 7, 2018;
- has at least 15 years of vesting service under the City of Alpharetta Enhanced Defined Benefit Pension Plan or the City of Alpharetta Defined Benefit Pension Plan (which plans were merged to become the City of Alpharetta Combined Pension Plan effective July 1, 2011), as the same may be amended from time to time (the “Pension Plan”), or if the employee is not a participant in the City’s Pension Plan, then at least 15 years of vesting service under the City of Alpharetta Retirement Savings Plan, as amended from time to time (the “Savings Plan”); and
- has submitted an application for benefits on the form provided by the City.

Elected Members. An individual who is (or ever was) an elected member of the Governing Authority (as defined in the Pension Plan) (an “Elected Member”), then such individual shall become a participant under the Reimbursement Benefit on or after the first month following the date the individual:

- has terminated from City employment;
- has attained age 55;
- was an regular full-time employee or an Elected Member on or after May 7, 2018;
- has at least 8 years of vesting service under the City’s Pension Plan, or if the Elected Member is not a participant in the City’s Pension Plan, then at least 8 years of vesting service under the City’s Savings Plan (only service as an Elected Member shall count towards service for this purpose); and
- has submitted an application for benefits on the form provided by the City.

In any event, however, for both Non-Elected Members or Elected Members, in no event shall the vesting service for the period prior to May 7, 2018 exceed 15 years.

Dependents. A participant may also receive reimbursements under the Reimbursement Benefit for eligible expenses incurred by a spouse or dependent. For this benefit, “dependent” means a dependent as defined in Code Section 105(b).

A retiree must choose whether to elect coverage under the Reimbursement Benefit, or to elect coverage under COBRA. A retiree electing coverage under the Plan shall not be eligible to elect COBRA at a later date.

**What is the maximum amount of reimbursement under the Reimbursement Benefit?**

The monthly benefit available for reimbursement will be determined periodically by the Plan Administrator and communicated to participants.

The Plan Administrator intends to use an actuarial report to calculate the benefit that can be made available for reimbursement to eligible retirees based on the City’s annual contributions, reasonable expected returns, and other parameters. The full benefit amount will be for those eligible retirees with 25 years of service.

Those eligible retirees with less than 25 years but greater than 15 will receive a pro-rata benefit of full benefit based on years of service to the maximum of 25.

The Plan document describes in more detail how the maximum monthly amount available for reimbursement is determined. As a brief overview, the maximum monthly amount available for reimbursement for a participant shall be equal to: (1) the participant's years of service not to exceed 25 (determined in accordance with the Plan document) divided by 25, multiplied by the maximum amount available for the applicable month (determined by the Plan Administrator in accordance with the Plan document) plus (2) any unused amounts from prior months. If the participant is an Elected Member, then the maximum monthly amount available for reimbursement for a participant shall be equal to: (1) 75% of the maximum amount available for the applicable month (determined by the Plan Administrator in accordance with the Plan document) if the participant has at least 12 years of service, or 50% of such maximum amount available for the applicable month if the participant has at least 8 years of service, plus (2) any unused amounts from prior months.

### **What expenses can be reimbursed under the Reimbursement Benefit?**

Only eligible expenses may be reimbursed under the Reimbursement Benefit. An "eligible expense" is an expense for the payment of medical expenses set forth under Section 213(d) of the Code, as allowed by law, incurred by the participant or a spouse or dependent of the participant.

### **How do I submit eligible expenses for reimbursement under the Reimbursement Benefit?**

Participants must submit claims for reimbursement to the claims administrator via paper or web claim form provided to you within 1 year of the date such claim was incurred. The claim form will typically require:

- the amount, date and nature of the expense,
- the name of the person or entity to which the expense was paid,
- a statement that the expense has not been reimbursed or is not reimbursable through any other source, and
- such other information as the claims administrator may require.

Participants shall also be required to submit copies of bills or receipts from the provider(s) to support all claims. Claim forms are available from Sharon Griffiths or <https://adminamerica.com/city-of-alpharetta/>.

### **When and how will reimbursements be paid under the Reimbursement Benefit?**

The claims administrator will reimburse claims from the Plan within a reasonable period of time, and in any event within 45 days, after its receipt of a participant's timely, properly completed, and reimbursable (pursuant to the terms of the Plan) claim. Incomplete claims or claims not submitted on the supplied claim form will not be processed.

All payments will be sent to the applicable participant's last known address unless and until the participant provides written notice of a change of address to the City. If any payment is returned to the Plan as a result of the failure of the participant to provide a change of address, no further payments will be made unless and until the participant provides written notice of the change of address to the City.

### **When does participation end under the Reimbursement Benefit?**

A participant will no longer be eligible for the Reimbursement Benefit for expenses incurred after the first of the following to occur:

- with respect to expenses incurred by a spouse or dependent of a participant, the date such spouse or dependent, as applicable, dies, or if sooner, the date such individual ceases to be a spouse or a dependent;
- the date the participant dies; and
- the day the City discontinues the Reimbursement Benefit or terminates the Plan.

### **GENERAL PLAN PROVISIONS**

The following is a summary of certain key provisions that apply to both the Retiree Health Benefit and the Reimbursement Benefit. Please consult the Plan document for additional terms and provisions.

#### **Plan Administrator**

The Alpharetta Advisory Committee (the “Committee”) is the Plan Administrator. The Committee shall have the sole discretion and authority to control and manage the operation and administration of the Plan, interpret Plan provisions, make findings of fact, correct errors, and supply omissions, delegate responsibilities for the operation and administration of the Plan, designate fiduciaries other than those named in the Plan, and allocate or reallocate fiduciary responsibilities under the Plan. In addition, the Committee shall have the powers and authorities desirable to administer the Plan, as set forth in more detail in the Plan document.

All decisions and interpretations of the Plan Administrator made in good faith pursuant to the Plan shall be final, conclusive and binding on all persons, subject only to the claims procedure under the Plan, and may not be overturned unless found by a court to be arbitrary and capricious.

#### **Funding of Benefits**

All contributions or other payments by the City intended to fund the long-term obligations to pay retiree healthcare costs or other obligations or benefits under the Plan shall be paid over to and held by the City’s OPEB Trust. The OPEB Trust is governed by a Trust Agreement, which has been incorporated into the Plan.

#### **Claim Procedures**

The Plan provides for detailed claims procedures. The Plan document contains all applicable claims procedures regarding the Plan. Please consult the Plan document for more information.

#### **Subrogation and Right of Recovery**

Notwithstanding anything to the contrary, the Plan is not obligated to pay any amounts otherwise payable or paid under the Plan as a result of medical expenses incurred by a participant, dependent or beneficiary when the participant, dependent or beneficiary recovers or has a claim to recover any funds from a third party (person or entity) potentially associated with such medical expenses (including proceeds from any insurance coverage payable with respect to the participant, dependent or beneficiary), unless the participant, dependent or beneficiary or his or her legal representative complies with the Plan’s subrogation provisions. Please consult the Plan document for more information.

## **HIPAA Compliance**

The Plan is operated and administered in accordance with the terms and conditions of HIPAA, including the HIPAA privacy and security rules. The Plan will not use or disclose your protected health information without your authorization, except for purposes of treatment, payment, health care operations, plan administration, or as required or permitted by law. A description of how the Plan uses and discloses your protected health information, and your rights and protections under HIPAA's privacy rules, is set forth in the Plan's Notice of Privacy Practices, which is furnished to all Plan participants and can also be accessed at <https://adminamerica.com/city-of-alpharetta/>. The Plan also will comply with applicable requirements under the Health Information Technology for Economic and Clinical Health (HITECH) Act, which include providing notice to affected individuals if the Plan or its business associates discover a breach involving unsecured protected health information. Please consult the Plan document for more information.

## **Amendment and Termination**

The City has reserved the right to amend, discontinue, or terminate the Plan at any time, in whole or in part.

## **No Guaranty of Employment or Benefits**

The adoption and maintenance of the Plan shall not be deemed to be a contract of employment or benefits between the City and any employee or beneficiary. Nothing contained in the Plan or this SPD shall give any employee the right to be retained in the employ of the City or to interfere with the right of the City to discharge any employee at any time, nor shall it give the City the right to require any employee to remain in its employ or to interfere with the employee's right to terminate his employment, or to amend, discontinue or terminate this Plan, in whole or in part, at any time.

## **Non-Alienation of Benefits**

No benefit, right, or interest of any participant or dependent under the Plan shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, seizure, attachment or legal, equitable or other process, or be liable for, or subject to, the debts, liabilities or other obligations of such person, except as otherwise required by law or, in the case of assignments, as permitted under the terms of City's Health Plan.

## **COBRA**

A retiree electing coverage under the Plan shall not be eligible to elect COBRA at a later date. Notwithstanding the foregoing, COBRA will be provided as required by law. If a participant and his or her spouse divorce or if a dependent otherwise loses eligibility under the Plan, such former spouse or dependent may have the right to elect COBRA coverage. The Plan Administrator will notify each such former spouse and dependent, if applicable, that continuation coverage under COBRA is available, and provide a more detailed explanation of COBRA rights and an application form. A copy of this information is also available upon request from the Plan Administrator.

In general, former spouses and dependents will have 60 days to elect continued coverage from the later of the date they are notified of their COBRA eligibility or the date their eligibility to participate in the Plan ends. Such former spouses and dependents will then have 45 days from the date they submit their application to make their first payment. Note that Plan participation and any required payments will be retroactive to the date participation under the Plan was terminated.

**General Plan Information**

**Plan Name:** The City of Alpharetta Retiree Health Plan

**City Identification Number:** 58-6011454

**Plan Year:** January 1 – December 31

**Type of Plan:** Welfare benefit plan providing retiree-only health benefits.

**Funding of Plan:** City and employee contributions in amounts to be determined under the provisions of Plan

**Name and Address of City:** City of Alpharetta  
2 Park Plaza  
Alpharetta, GA 30009

**Plan Sponsor:** City of Alpharetta  
2 Park Plaza  
Alpharetta, GA 30009

**Plan Administrator:** Alpharetta Advisory Committee  
2 Park Plaza  
Alpharetta, GA 30009

**Claims Administrators:** Benefits are administered by the City and Admin America.

**Type of Administration:** Self-administered with certain duties, including claims and appeals, determination of benefits, and payment of benefits, contracted to third party administrators.

**Agent for Service of Legal Process:** City of Alpharetta  
2 Park Plaza  
Alpharetta, GA 30009