



Board of Trustees
15 Estabrooke Drive
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February 14, 2020

TO: Members of the Human Resources & Labor Relations Committee

FR: Ellen N. Doughty, Clerk of the Board *Ellen N. Doughty*

RE: **February 24, 2020 – Human Resources & Labor Relations Committee Meeting**

The University of Maine

University of Maine
at Augusta

University of Maine
at Farmington

University of Maine
at Fort Kent

University of Maine
at Machias

University of Maine
at Presque isle

University of
Southern Maine

The Human Resources & Labor Relations Committee will meet directly following the Academic and Student Affairs Committee meeting from approximately **2:00 pm to 2:30 pm on February 24, 2020**. The meeting will be held at the University of Maine System Executive Offices in the Rudman Conference Room, 253 Estabrooke Hall, 15 Estabrooke Drive in Orono. The following Polycom sites will also be available:

- UMA – Room 125, Robinson Hall
- UMF – Executive Conference Room 103, Merrill Hall
- UMFK – Alumni Conference Room, Nadeau Hall
- UMM – Room 203, Powers Hall
- UMPI – Executive Conference Room, Preble Hall
- USM – Room 423/424, Glickman Library

Phone – 1-800-605-5167 Passcode 743544#

The meeting materials will be posted to the Diligent Board Portal as well as the Board of Trustees website (<http://www.maine.edu/about-the-system/board-of-trustees/meeting-agendas/human-resources-labor-relations/>).

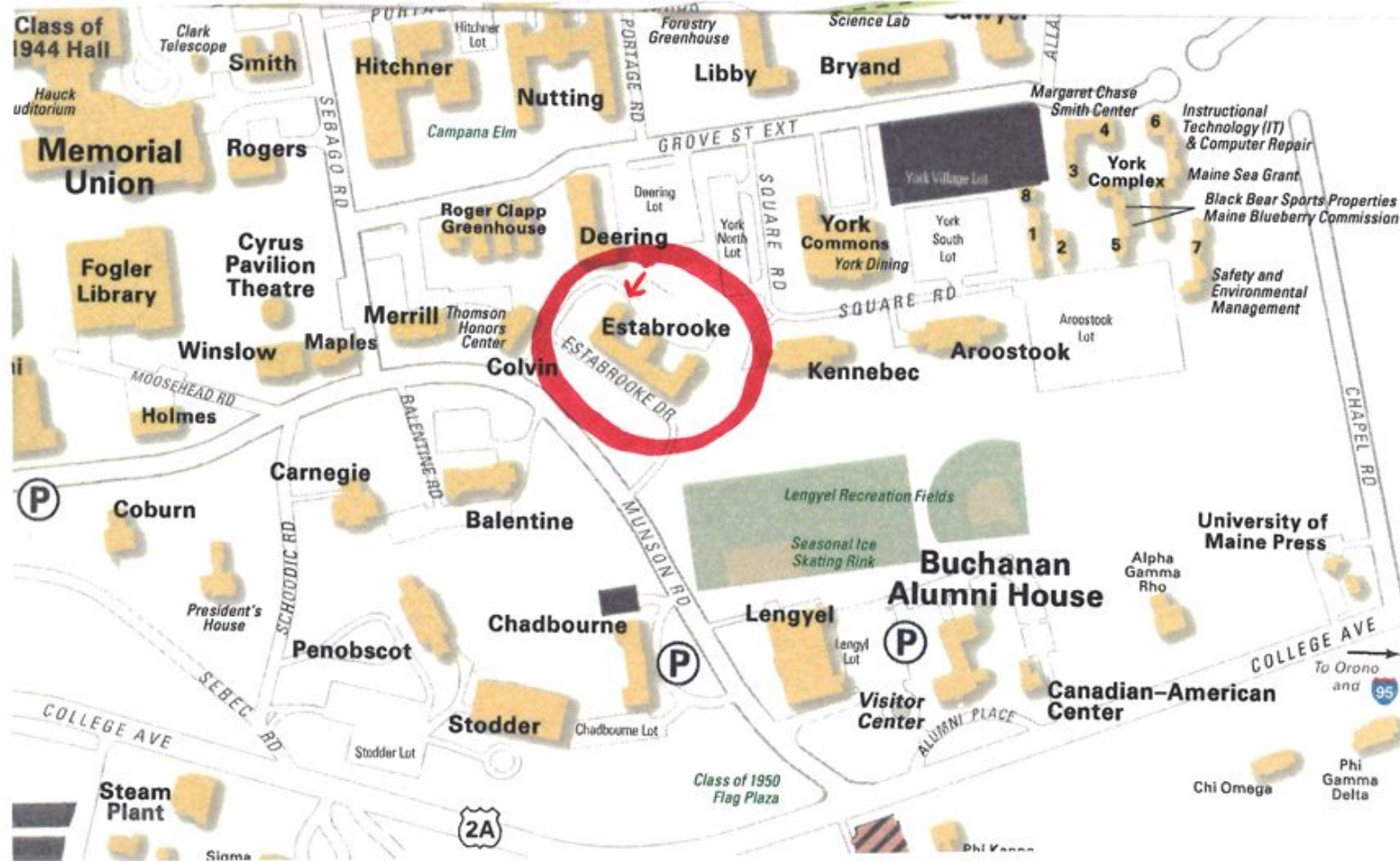
If you have questions about the meeting arrangements or accessing the meeting materials, please call me at 581-5840. If you have any questions or desire additional information about the agenda items, please call Chris Lindstrom at 581-1640.

cc: Chancellor, Dannel Malloy
Board of Trustees
University Presidents
System Staff

University of Maine System

15 Estabrooke Drive, Orono

Rudman Conference Room
253 Estabrooke Hall, 2nd Floor
15 Estabrooke Drive, Orono



Directions to the UMS located on the UMaine Campus

From the South on I-95: take exit 191 to Kelly Road and turn right. Continue on Kelly Road for 1 mile until you reach the traffic light, then turn left onto Route 2 and go through downtown Orono. Cross the river. Turn left at the lights onto College Avenue. Buchanan Alumni House will be the first campus-related building on your right. Right after the Buchanan Alumni House, take a right onto Muson Road. Estabrooke Hall is the building on the right after Lengyel.

From the North on I-95: take exit 191 to Kelly Road and turn left. Continue on Kelly Road for 1 mile until you reach the traffic light, then turn left onto Route 2 and go through downtown Orono. Cross the river. Turn left at the lights onto College Avenue. Buchanan Alumni House will be the first campus-related building on your right. Right after the Buchanan Alumni House, take a right onto Muson Road. Estabrooke Hall is the building on the right after Lengyel.

The UMS is located on the 2nd floor of Estabrooke Hall. Enter Estabrooke Hall from the back of the building, the entrance closes to Deering Hall.



Board of Trustees

Human Resources & Labor Relations Committee

February 24, 2020

2:00 – 2:30 PM

Rudman Conference Room, 253 Estabrooke Hall, Orono, Maine

AGENDA

TAB 1 Board of Trustees POLICY 411 Health Insurance for Retirees and Former Employees on Long Term Disability

EXECUTIVE SESSION

Action items are noted in red.

Note: Times are estimated based upon the anticipated length for presentation or discussion of a particular topic. An item may be brought up earlier or the order of items changed for effective deliberation of matters before the Committee.



AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Board of Trustees Policy 411 Health Insurance for Retirees and Former Employees on Long Term Disability
2. **INITIATED BY:** James R. Erwin, Chair Pro tem
3. **BOARD INFORMATION:** **BOARD ACTION: X**
4. **OUTCOME:** **BOARD POLICY: 411**
5. **BACKGROUND:**
Chris Lindstrom, Interim Chief Human Resources Officer, will provide information about the proposed repeal of the current Board of Trustees Policy 411- *Health Insurance for Retirees and Former Employees on Long Term Disability*, in favor of establishing an Administrative Practice Letter (APL) for the same purpose.

This item was previously presented as an information item at the January 27-28, 2020 Board of Trustees meeting.
6. **TEXT OF PROPOSED RESOLUTION:**
That the Human Resources & Labor Relations Committee forwards the following resolution to the Consent Agenda for approval at the March 15 -16, 2020 Board Meeting:

That the Board of Trustees accepts the recommendation of the Human Resources & Labor Relations Committee to repeal Board of Trustees Policy 411 - *Health Insurance for Retirees and Former Employees on Long Term Disability*, in favor of establishing an Administrative Practice Letter (APL) for the same purpose.

02/14/2020

UNIVERSITY OF MAINE SYSTEM

Policy Manual

HUMAN RESOURCES AND LABOR RELATIONS

Section 411 Health Insurance for Retirees and Former Employees on Long Term

Disability

Effective: 1/26/81

Last Revised: 11/16/98; 1/13/08

Responsible Office: Human Resources

Applies to: All Employees

Policy Statement:

Retirement is separation from University of Maine System service at the normal retirement age of 65 or older, or at age 55 or older with at least ten (10) years of continuous regular, full-time equivalent service or with vesting in the University of Maine System Basic Retirement Plan for Classified Employees. Effective July 1, 2010 a separation from service shall be considered retirement only at age 55 or older with at least ten (10) years of continuous regular, full-time equivalent service or with vesting in the University of Maine System Basic Retirement Plan for Classified Employees.

Employees who retire from University service may retain Group Health Plan coverage. Retirees shall pay the full health plan premium unless they are eligible for the premium contribution described below.

University of Maine System retirees at or above the normal retirement age of 65 who have at least ten years of continuous full-time regular University service after age 45 immediately prior to retirement and who have remained in the System health plan will be provided group health coverage with the following premium contributions. This coverage is also extended to those former employees in the plan receiving benefits under the System's long term disability insurance.

a. For retirees who retire on or after July 1, 2010, the retiree will pay a share of the premium for personal coverage based on years of completed continuous, full-time equivalent regular service prior to retirement:

10 and less than 20	15% of premium
20 and less than 30	10% of premium
30 or more	7% of premium

b. The retiree shall pay one-half of the cost for coverage of any eligible dependents.

For retirees at or above the age of 65 who have at least ten years of continuous full-time regular service immediately prior to retirement and who retire before July 1, 2010, the retiree's cost and one-half of the cost for eligible dependents will be paid by the University:-

Surviving spouses of University employees and retirees may continue coverage in the group health plan. Surviving spouses shall pay 50% of the full premium if the employee/retiree had completed ten or more years of service and shall pay 100% of the premium if the employee/retiree completed less than ten years of service.

Eligibility and premium contribution levels shall also apply to eligible part-time employees in "Benefits Regular," "Shared Appointment," or "Partial/ Phased Retirement" status who completed ten or more years of continuous, full-time equivalent, regular service immediately prior to retirement. An employee who has completed ten or more years of full-time service who then reduces to part-time regular status also meets the criteria for retiree medical coverage. Part-time faculty are eligible at age 65 if they completed ten or more years of full-time equivalent service immediately prior to retirement.

Eligibility to continue health insurance and premium contributions shall also apply to retirees who make a one-time election to cease coverage under the UMS Group Health Plan and then later elect to receive coverage again, provided that the election of coverage occurs no later than ninety (90) days after the retiree becomes eligible for Medicare and that the retiree documents continuous coverage for self and dependents during the period for which they were not covered in the UMS Group Health Plan.

Section
Page(s) 1 of 2
Effective 12/12/06

University of Maine System

ADMINISTRATIVE PRACTICE LETTER

SUBJECT: HEALTH INSURANCE FOR RETIREES AND FORMER EMPLOYEES ON LONG TERM DISABILITY

Retirement is separation from University of Maine System service at the normal retirement age of 65 or older, or at age 55 or older with at least ten (10) years of continuous regular, full-time equivalent service or with vesting in the University of Maine System Basic Retirement Plan for Classified Employees. Effective July 1, 2010 a separation from service shall be considered retirement only at age 55 or older with at least ten (10) years of continuous regular, full-time equivalent service or with vesting in the University of Maine System Basic Retirement Plan for Classified Employees.

Employees who retire from University service may retain Group Health Plan coverage. **This coverage is also extended to those former employees in the plan receiving benefits under the System's long term disability insurance, in accordance with the applicable collective bargaining agreement at the time of termination.**

Retirees shall pay the full health plan premium unless they are eligible for the premium contribution described below.

University of Maine System retirees at or above the normal retirement age of 65 who have at least ten years of continuous full-time regular University service after age 45 immediately prior to retirement and who have remained in the System health plan will be provided group health coverage with the following premium contributions. This coverage is also extended to those former employees in the plan receiving benefits under the System's long term disability insurance.

- a. **For retirees who retire on or after 1/1/17 (9/1/17 for faculty), Medicare eligible retirees will pay a flat 20% of their individual premium. The individual premium will be based only on the minimum service required to retire – which is at least 10 years of full-time regular equivalent continuous service immediately preceding retirement.**

In addition to the above, LTD recipients with dates of disability on or after 1/1/16 may continue their health coverage for a maximum of 24 months.

For retirees who retire on or after July 1, 2010 **and before January 1, 2017 (or before September 1, 2017 for AFUM members only)**, the retiree will pay a share of the premium for personal coverage based on years of completed continuous, full-time equivalent regular service prior to retirement:

10 and less than 20

15% of premium

20 and less than 30	10% of premium
30 or more	7% of premium

b. The retiree shall pay one-half of the cost for coverage of any eligible dependents.

For retirees at or above the age of 65 who have at least ten years of continuous full-time regular service immediately prior to retirement and who retire before July 1, 2010, the retiree's cost and one-half of the cost for eligible dependents will be paid by the University. Surviving spouses of University employees and retirees may continue coverage in the group health plan.

Surviving spouses shall pay 50% of the full premium if the employee/retiree had completed ten or more years of service and shall pay 100% of the premium if the employee/retiree completed less than ten years of service.

Eligibility and premium contribution levels shall also apply to eligible part-time employees in "Benefits Regular," "Shared Appointment," or "Partial/Phased Retirement" status who completed ten or more years of continuous, full-time equivalent, regular service immediately prior to retirement. An employee who has completed ten or more years of full-time service who then reduces to part-time regular status also meets the criteria for retiree medical coverage. Part-time faculty are eligible at age 65 if they completed ten or more years of full-time equivalent service immediately prior to retirement.

Eligibility to continue health insurance and premium contributions shall also apply to retirees who make a one-time election to cease coverage under the UMS Group Health Plan and then later elect to receive coverage again, provided that the election of coverage occurs no later than ninety (90) days after the retiree becomes eligible for Medicare and that the retiree documents continuous coverage for self and dependents during the period for which they were not covered in the UMS Group Health Plan.