



Audit Report

***Human Resources ~
Employee Health Benefits
Administration***

May 2013

AU13-04

City Manager
Scott C. Barber

Internal Audit Manager
Cheryl L. Johannes

Office of the City Manager
Internal Audit Division
Riverside, California

REPORT SUMMARY

In accordance with the Internal Audit Work Plan for Fiscal Year 2012/2013, a performance audit was conducted to assess Human Resources administration of Employee Health Benefits.¹

Qualifying Events For an employee's dependents to be added to the City's health insurance plan(s), the proper proof of dependency must be provided by the employee to the Human Resources Department within 30 days from time of the "qualifying event." However, under the existing process some employees were allowed to add their dependents to the health insurance plan(s), without adequate proof of eligibility.

The City of Riverside has a contract with each of the health benefit providers; the terms and conditions specify the City is responsible for verifying dependent eligibility information. The benefit providers also have the right to inspect the City's records at any time to verify the eligibility of employees and their dependents. If the employee and/or dependent eligibility information turns out to be non-verifiable, the City is at risk of non-compliance with the terms and conditions of the agreements, which could result in cancellation of the agreement.

Unresolved Discrepancies In FY2011-12, the City had a write-off of over \$10K for the last three fiscal years, for unresolved discrepancies between enrollment and premium information provided by the various health plan providers with information in the City's payroll system. From an overall perspective, the amount of the write-off is not significant when compared to the total premium expenditure. Every effort should be made to address and resolve all issues that impact the health/dental benefit reconciliations in a timely manner to ensure the City receives all premium credits entitled to by the providers, and remits any additional amounts owed to the providers. Sufficient attention should be given to investigate and resolve discrepancies identified in the monthly reconciliation within the 90 day timeframe to reduce the amount of loss to the City funds.

We believe the recommendations in our report provide the opportunity for the City to ensure compliance with the agreements established with the health benefit providers.

We would like to thank the staff of the Human Resources Department and Accounting Division for their assistance and time during the course of this review.

¹ Employee Health Benefits, for the purpose of this report, includes medical and dental insurance coverage (vision is included in medical plans).

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

Our audit objective was to determine whether HRD has adequate controls over health benefits² administration to ensure that health premiums are calculated and paid accurately for eligible active employees in accordance with policies/procedures and applicable bargaining unit agreements, and that the City is in compliance with healthcare provider agreements.

Scope and Methodology

The review was conducted during the period from February to April 2013. To address the audit objective and as part of our assessment of risk, we:

- Obtained an understanding of the City of Riverside's policies, procedures, and other applicable documents related to health and dental benefits;
- Interviewed selected Human Resources, Accounting, and Information Technology staff to obtain an understanding of the employee health benefit administration processes;
- Verified Human Resources maintained the required supporting documentation for dependent eligibility;
- Verified Human Resources maintained supporting documentation for employee's enrolled in the *Health Opt Out* program;
- Reviewed the process for billing and collection of health benefit premiums for inactive employees;
- Reviewed the process for terminated employees; and
- Reviewed the related health benefit monthly reconciliations performed by Accounting staff.

Our review was conducted in accordance with *Generally Accepted Government Auditing Standards* and according to the *Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors. Those standards require that the audit is planned and performed to afford a reasonable basis for judgments and conclusions regarding the department, division, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe our audit provides a reasonable basis for our conclusions.

² Health benefits for the purpose of this audit refer to employee medical and dental benefit insurance plans (vision is included in the medical plans).

BACKGROUND

The Human Resources Department (HRD) is responsible for the overall administration of the City employee's health insurance plans. The HRD currently has 26 full time employees; two employees are responsible for the administration of employee health benefits (one employee oversees the health benefits function, while the other employee performs the day-to-day processing, review, and approval of all health benefit requests and changes).

For benefitted employees, the City offers seven (7) medical plans consisting of six (6) Medical Health Maintenance Organizations (HMO's), one (1) Preferred Provider Organization (PPO) plan.

- **Anthem Blue Cross PPO** – a preferred provider organization that allows its members to select doctors and hospitals from a broad network of medical providers (in-network or out-of-network).
- **Anthem Blue Cross HMO** (*Preferred, Standard, Value*) – a health maintenance organization that provides access to a wide range of services through in-network provider.
- **Kaiser Permanente HMO** (*Preferred, Standard, Value*) – a health maintenance organization that provides all medical services through anyone of their medical offices and hospitals.

Employees who are covered by one of the above medical plans are automatically covered for **the Vision Service Plan (VSP)**.

In addition, the City provides benefitted employees a choice of three (3) dental plans:

- **Delta Dental HMO** – a health maintenance organization that allows its members to select a dentist and receive all dental services from the selected in-network dental provider.
- **Delta Dental PPO** – a preferred provider organization that provides members the opportunity to select any licensed dentist for dental services and has access to a large network of providers.
- **Local Advantage** – a self-directed plan that allows for its members to obtain dental services at any dental office within the network.

The City provides medical, vision, and dental plans to COBRA participants through Anthem Blue Cross, Kaiser Permanente, Vision Service Plan (VSP), Delta Dental, and Local Dental Advantage. HRD contracts with PayPro Administrators to manage the health benefits administration for retirees/COBRA participants.

The City of Riverside pays a significant portion of the monthly health premiums to the healthcare providers based on the various bargaining unit agreements. The employee is also responsible for a portion of their healthcare premium cost. During the annual Open Enrollment period, employees can change enrollment in a healthcare plan or remain with their current plan. Premium fees are deducted from the employee's pay each pay period.

The various healthcare providers have received over \$14 million annually in health and dental premiums from the City and its employees. (Refer to *Appendix A* for an overview of maximum City contributions toward medical and dental benefits per bargaining unit.)

	FY 2010 – 2011	FY 2011 - 2012
Health Insurance	14,135,046	13,737,442
Dental Insurance	747,463	722,956
	\$14,882,509	\$14,470,398

Source: City's Financial System (IFAS)

The City currently has 2,496 active employees. As the table below indicates, not all active employees are enrolled in the City's health and dental plans.

Health & Dental Benefit Enrollment
As of March 29, 2013

	Health	Dental
Number of Active Members	1,917	1,949
Number of Member Dependents ³		
Spouses/Domestic Partner	1,541	1,568
Children	2,799	2,794
Other	15	15

Source: City's Financial System (IFAS) and Information Technology

Health and Dental Benefits Enrollment

Prior to the implementation in 2008 of Employee Online⁴, HRD utilized a paper-based enrollment form. Processing benefits on paper forms led to errors and duplication of efforts; was very time consuming. Employee Online automatically updates the IFAS HR module and the IFAS Payroll module. Employee Online has streamlined and simplified the enrollment process for the employee and for HRD, especially during the busy annual Open Enrollment period (usually the first three weeks of November).

Some adjustments to an employee's health and dental plan coverage can be made outside of the Open Enrollment period ~ new hires; add/delete dependents.

³ A dependent is defined as a spouse, domestic partner, children, step-children, adopted children and grandchildren or step-grandchildren for whom the employee has legal guardianship.

⁴ Employee Online is a web-based application program allowing active employees to review the various health and dental plans, select and enroll in a plan, and add/delete qualified dependents.

Bi-weekly the HRD Benefits Administrator runs a report in the IFAS/HR module that lists all employees who have submitted requests for changes to their health benefits. Each request is reviewed and processed. Employees are notified by email if the health benefit change request has been approved or denied, and if any supporting documentation is required. Changes that impact premium costs are usually deducted starting with the next pay period.

Electronic files with the health benefits information are encrypted and transmitted electronically by IT on a weekly basis for health and bi-weekly basis for dental to the benefit providers.

New Hires/Change in Benefit Status

According to the HRD Policy and Procedure Manual (Health Insurance and Dental Insurance, Number V-9 and V-10), new hire employees must enroll in their choice of health and /or dental care provider during the first 30 days of employment or wait until the next Open Enrollment period. For employees hired between the 1st through the 3rd of the month, the health and/or dental benefits become effective the first of the following month. Employees hired from the 4th through the end of the month must wait 30 days from the hire date and the benefits become effective the first of the following month. Employees that have a status change such as a promotion from non-benefited to benefited position, coverage is effective the first of the following month. Benefit coverage becomes effective the following month for employees whose work status changes from ½ to ¾ work hours.

Qualifying Event

An employee may change their health and dental coverage during the year if they experience a “qualifying event” - marriage, divorce or legal separation, birth of child, adoption, promotion to a benefited position, loss of coverage from the spouse’s plan, etc. When adding an eligible dependent in Employee Online, employees are required to input the dependent’s information and check a box for Eligibility Certification stating:

“I hereby certify that the dependents listed on my plan are eligible in accordance with City policies V-9 (Health Insurance) and V-10 (Dental Insurance), and that any deliberate misrepresentation of dependent eligibility may constitute a violation of City policy which may result in disciplinary action, up to and including termination. I understand that such action may constitute criminal fraud and may result in a referral to a law enforcement office. Further, I understand that all misrepresentations shall be reported to the appropriate health care provider for investigation and possible sanctions, and that I may be held liable for reimbursement of prior premiums, services received and or claims incurred as a result of ineligible dependents”.

In Employee Online, on the Benefits Message Page, there are links to applicable documents created by HRD that defines the acceptable documents to enroll an eligible dependent and they must be provided within 30 days from date of event – copy of a marriage certificate, birth certificate, adoption certificate, etc.

Terminations

Employees that separate from the City receive 30 days of benefit coverage from the date of separation; coverage will expire on the 15th or last day of the month, whichever comes first.

Health Benefit Premiums ~ Inactive Employees

The IFAS/HR module notes each employee’s status as active⁵ or inactive⁶. Employees with an active status pay their portion of the benefit premiums through their bi-weekly payroll deductions. However, for an employee with an inactive status who owes benefit premiums, HRD prepares and forwards a “task” in SharePoint to direct Accounting invoice the employee. Accounting creates and sends the employee an invoice and records the amount in IFAS/Accounts Receivable. Inactive employees are to remit payment to the City while out on leave or pay the premiums owed upon return to work through additional deductions from their paychecks. This activity must be a coordinated process between the employee, HRD and Accounting. Accounting has recently started sending HRD an *Aging Report* listing all employees with outstanding invoices due to the City to assist in the collection of health benefit premiums owed by employees.

Health Opt Out Program

Per the City of Riverside’s *Fringe Benefit and Salary Resolution* (Section 16 - Health Insurance), employees who can show proof of insurance with a healthcare provider elsewhere and waive their rights to the City’s provided healthcare insurance, are eligible to receive a stipend in the amount of \$2,000 or \$2,100 (depending on bargaining unit agreements) during the last pay period in November for each calendar year. The stipend amount is pro-rated for new hires, employee’s part-time status (1/2 or 3/4), and depending on when the employee becomes eligible to participate in the program. Employees who participate in the *Health Opt Out* program can still elect to receive dental insurance through the City’s benefit plan.

See the table below for a breakdown by bargaining unit of the number of employees and amount paid out for calendar year 2012.

Health Opt Out Program Cost

Bargaining Unit	Bargaining Unit	No. of Employees	Amount (\$)
1	Executive, City Attorney, City Manager, Fire/Police Executive	3	6,000
5	Elected Officials	1	2,000
10	Management I/II	40	74,834
20	General	92	159,083
25	Confidential	3	5,333
35	Public Utilities Field	15	31,325
45	PU Field Management I/II	1	2,100
70	Fire Prevention/Suppression	3	6,000
72	Fire Management Prevention/Suppression	1	2,000
Total		159	\$288,675

Source: City’s Financial System (IFAS) and Human Resources

⁵ “Active” Employee – has sufficient balances to maintain their status and cover their benefits, and maybe be able to supplement their wages through the State Disability Insurance Program (SDI) and/or Leave Donations.

⁶ “Inactive” Employee – out on leave, exhausted their leave balances, and does not have any other means to supplement their wages such as SDI program and/or Leave Donations.

New hires or current employees can enroll in *The Health Opt Out* program via Employee Online during Open Enrollment. Employees who experience a qualifying event can enroll in the program using a paper-based form, since the timing of the “qualifying event” can be outside of the Open Enrollment period.

For employees who received the *Health Opt Out* stipend in calendar year 2012, we judgmentally selected 28 employees from the 159 enrolled in the program, for review of supporting documentation, proof of insurance elsewhere and accuracy of the amount received. Types of supporting documentation reviewed included:

- a copy of the employee’s health card; and/or
- letter, form, or some other type of documentation showing evidence of coverage.

At the time of our review, one employee did not have any supporting documentation on file with HRD to show they had received health insurance elsewhere; the employee received the November 2012 stipend. In addition, we noted that several employees provided HRD with only a copy of their health card. *These health cards do not have an expiry date; active or expired health coverage with another provider is not verifiable. We suggest HRD request proof of coverage that includes coverage dates; this could be in the form of a copy of the employee’s current monthly statement from the provider or a coverage card that shows dates of coverage (from-to).*

Health & Dental Benefits Reconciliation

Since 2005, reconciliations are performed on a monthly basis by the Finance Department/Accounting Division to ensure the employer/employee premium costs as recorded on the City’s financial system (IFAS) agree to the monthly premium invoices approved by HRD for the following plans⁷:

- Anthem Blue Cross PPO
- Anthem Blue Cross HMO – Preferred, Standard, and Value
- Kaiser Permanente – Preferred, Standard, and Value
- Delta Dental HMO
- Surviving Spouses⁸

Accounting accesses the healthcare provider’s website to securely download data which is then transferred to SharePoint, an access-restricted, web-based application platform that allows for the management and electronic retention of information, and allows assignment of “tasks” between Accounting and HRD. The data includes employee’s names, social security numbers, and premium amounts. Accounting downloads the employer/employee’s contribution from IFAS and compares (reconciles) the two sources of data per employee.

All discrepancies are noted, researched and forwarded for review to HRD via SharePoint. HRD is responsible for reviewing each discrepancy and coordinating a resolution with the healthcare provider(s).

⁷ For Self-Insured plans -*Delta Dental DPO, Local Advantage, and Vision* - no reconciliation is performed.

⁸ City of Riverside pays the benefits for surviving families of Police Officers who have been lost in the line of duty.

Common reasons for discrepancies that impact the reconciliation:

- Timing (i.e. notification by new hires of benefits elections, qualifying events, terminations, etc.);
- Change in Coverage Type (i.e. employee + 1 to family or employee + 1 to employee only, etc.);
- Benefit providers system errors; and
- Over/under collection of employee's portion of benefit contributions (i.e. employee's on inactive status).

According to the healthcare provider agreements, all discrepancies must be resolved within a 90 day period of time, for any amounts owed or credits to be received. If the issue is not resolved within that timeframe, the amount owed/entitlement of credits is null and void; the City will no longer receive adjustments/credits and amounts owed to the benefit provider are no longer applicable after the 90 day period.

The HRD strives to address and resolve all issues identified by the health benefits reconciliation in a timely manner (within the 90 days from the date of discrepancy). With limited resources and narrow timeframe, some discrepancies may not be resolved and remain on the City's financial records. The Accounting Division, with the approval of HRD, recorded a write-off in IFAS in May 2012 (FY 2011-12) in the amount of \$10,099 for discrepancies with no resolution from three previous fiscal years. The amount written-off is immaterial (less than 1%) when compared to the total premium expenditure for the same time period. The majority of these write-offs were to unresolved DeltaCare (Delta Dental HMO) premium discrepancies. Accounting is currently preparing this fiscal year-end write-off and was not able to provide an amount prior to finalization of this audit.

Conclusion

Our review provides an independent assessment of activities and practices that would benefit from improved internal controls that will lead to a more efficient, effective Employee Health Benefits program administration. We have two findings that we believe require the attention of HRD management to ensure compliance with the healthcare provider agreement(s).

During our review we met with HRD management to discuss concerns. A draft audit report was provided to the HRD Director and Deputy Director. A meeting to discuss our assessment of the administration of the health/dental benefit program and content of the draft report was conducted in May 2013. The Department's comments and concerns during this discussion were evaluated prior to finalizing the report. Management's responses are included with the following finding/recommendations.

FINDINGS & RECOMMENDATIONS

Finding 1: Required documentation to verify eligibility of dependents enrolled in health/dental plans was not always obtained.

An employee may change their health and vision coverage during the year if they experience a “qualifying event” - marriage, divorce or legal separation, birth of child, adoption, promotion to a benefited position, loss of coverage from the spouse’s plan, etc. When adding an eligible dependent, documentation must be provided within 30 days from date of event – copy of a marriage certificate, birth certificate, adoption certificate, etc.

HRD has specified on Employee Online and in other applicable documents (Refer to Appendix B) the:

- definition of an eligible dependent;
- types of documentation that shows proper proof of dependency; and
- 30 day deadline to submit supporting documentation.

HRD staff maintains a log/list of all “qualifying events”. The list includes date, employee ID and name, dependent verification, qualifying event date and reason, and verification status (complete/pending). Using this list for the audit period of January 1, 2012 through December 31, 2012, we judgmentally selected a sample of 32 employees out of 54 with a status of “pending”, to verify if HRD had followed up with the employee for the required supporting documentation.

Types of Missing Documents by Days Outstanding

Sample selected for review

January 1, 2012, through December 31, 2012

Days Outstanding*	Birth Certificate Only	Marriage Certificate Only	Marriage and Birth Certificate	Total
90 days or less	2	2	2	6
180 days – 91 days	5	2	1	8
365 days – 181 days	9	3	3	15
366 days and over	1	-	-	1
Total	17	7	6	30

*Days Outstanding aging calculated using the Qualifying Event Date to February 1, 2013.

Types of Missing Documents by “Qualifying Events”

Sample selected for review

January 1, 2012 through December 31, 2012

Qualifying Event	Birth Certificate Only	Marriage Certificate Only	Marriage and Birth Certificate	Total
Birth	12	-	-	12
Loss of Coverage	-	-	2	2
Marriage	-	4	-	4
New Hire	5	2	4	11
Promotion	-	-	1	1
Total	17	6	7	30

Based upon the results of testing, HRD was not consistent in the collection of the appropriate supporting documentation to support the addition of dependents to the health and dental plans.

Even though HRD has a log that tracks the required supporting documentation outstanding from employees; they did not consistently follow up and monitor to ensure that only those dependents meeting eligibility criteria are enrolled in the City's health/dental benefit plans. The healthcare provider agreement(s) notes that the City is responsible for supplying up-to-date eligibility information; the provider maintains the right to verify any eligibility information. In 2008, HRD began tracking of dependent documentation. HRD has conducted two "grandchildren eligibility" audits, in 2009 and in 2010. At the conclusion of the 2009 audit, 2 grandchildren were dis-enrolled from coverage. As of 2010, the health contracts were modified where grandchildren could only be covered if the employee had legal guardianship; this change resulted in 6 grandchildren dis-enrolled from coverage. No further eligibility audits have been conducted. The City is at risk of paying premiums for ineligible dependents.

Recommendation(s):

- **Update/revise *Human Resources Policy and Procedure Manual, V-9 (Health Insurance) and V-10 (Dental Insurance)* to specify the type of documentation required to add eligible dependents to health/dental plans;**
- **Improve the eligibility verification process; ensure proper/adequate qualifying documentation is provided by the employee and retained in HRD prior to enrollment or within 30 days from date of qualifying event; and**
- **Conduct an eligibility audit of currently enrolled dependents for health/dental plans; dis-enroll ineligible dependents if employees do not provide documentation proving their dependents' eligibility.**

Management's Response

In accordance with the Human Resource Policies V-9 and V-10, benefitted employees are allowed to add eligible dependents to their health/vision and dental plans. As a requirement to enrollment, employees must provide proof of dependency, such as a marriage/birth certificate or court orders. The existing policy states that proper documentation must be provided in order to maintain coverage, however, it does not specify the timeframe as to when the documentation must be submitted. The 30-day deadline specified in the policy refers to the submission of the enrollment request to add a dependent and this same enrollment period has been used as a guideline to allow the employee to submit the required documentation. The Human Resources Department understands that legal documents such as marriage certificates or birth certificates may take longer than 30 days to be issued by the County and therefore provides employees with additional time to submit the documentation. In the meantime, due to the premium adjustments that are needed and coverage effective dates, enrollment requests are approved even though the documentation may not have been submitted. Employees that are adding a new born child are allowed to provide a copy of the hospital issued certificate, with the understanding that they will provide the official birth certificate upon receipt. HR benefits staff currently tracks all enrollment requests that require documentation in a spreadsheet and follows up with the employee to request the documentation. However, it has not been a practice of the HR department to drop dependent coverage if the employee does not provide the required documentation. As noted in the audit, employees are required to certify via the Employee Online system that they are only enrolling eligible dependents as specified in the policy.

HR is currently in the process of revising Policy V-9 to include specific language that requires employees to submit the documentation no later than 60 days from the qualifying event date and failure to do so will result in the dependent being dropped from coverage. In addition, the language has been revised to specify the types of acceptable documentation employees must provide. So far, during 2013, 32 enrollment requests have been submitted and 9 employees have not submitted documentation. During 2012, 129 enrollment requests were submitted and 28 employees have not submitted documentation. Out of the total 37 requests for which documentation is pending, 26 requests were related to new births and 16 employees provided the hospital certificate, however, they continue to be pending for the official birth certificate. All of the employees pending to submit documentation were contacted recently and provided with a deadline to provide the documentation. Employees who have failed to submit the required documentation have been sent additional communication to inform them that coverage for the affected dependent(s) will be terminated as of June 1, 2013 due to failure to submit the required documentation.

Regarding the recommendation of conducting an eligibility audit of currently enrolled dependents, this is a project that has been considered by HR but due to the magnitude of the project it has not been initiated. As noted in the report, there are currently 1,917 employees with active health coverage and 1,949 with dental coverage. Reviewing each employee benefit file to determine if supporting documentation is missing would require significant staff time and resources. HR recognizes the importance of a comprehensive audit to minimize the risk of paying premiums for ineligible dependents and will determine a plan to conduct and complete a comprehensive audit.

Appendix A

CITY OF RIVERSIDE CHART OF BENEFITS EFFECTIVE 7/1/2012

	Mayor & Council ¹³	SEIU-General ¹	Executive ³	Management		Confidential	SEIU-Refuse
				Level I	Level II		
PERS ⁴ (Employer)	18.277%	18.277%	18.277%	18.277%	18.277%	18.277%	18.277%
Health & Vision (Max City Contribution)	\$1,006/month	\$935/month	\$1,006/month	\$1,006/month	\$1,006/month	\$1,006/month	\$980/month
Dental (Max City Contribution)	\$45/month	\$45/month	\$45/month	\$45/month	\$45/month	\$45/month	\$80/month
Medicare ⁵	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
Life ⁶	2x annual + AD&D ⁷	\$11,000	2x annual + AD&D ⁷	2x annual + AD&D ⁷	2x annual + AD&D ⁷	1 x ann. salary	\$10,000
SDI	N/A	\$136/yr.	N/A	N/A	N/A	\$136/yr.	\$136/yr.
LTD	Available ⁸	N/A	Available ⁸	Available ⁸	Available ⁸	N/A	N/A
Def. Comp. ⁹	May participate	May participate	May Participate (Varies)	May participate	May participate	May participate	May participate
401(a) Plan	N/A	N/A	May Participate ¹²	N/A	N/A	N/A	N/A
125 FSA Plan	May participate	May participate	May participate	May participate	May participate	May participate	May participate
Workers Comp.	80%/year	80%/year	80%/year	80%/year	80%/year	80%/year	80%/yr.
Holidays	11	11	11	11	11	11	12
Vacation Accrual	N/A	0-5 yrs. = 80 hrs. 6-10 yrs. = 120 hrs. 11+ yrs. = 160 hrs.	Varies ²	0-9 yrs. = 128 hrs. 10+ yrs. = 168 hrs.	0-9 yrs. = 144 hrs. 10+ yrs. = 184 hrs.	0-4 yrs. = 88 hrs. 5-9 yrs. = 128 hrs. 10+ yrs. = 168 hrs.	0-4 yrs. = 80 hrs. 5-9 yrs. = 120 hrs. 10+ yrs. = 160 hrs.
Sick Leave ¹⁰	N/A	12 days/year ¹¹	12 days/year	12 days/year	12 days/year	12 days/year	12 days/year

CITY OF RIVERSIDE CHART OF BENEFITS EFFECTIVE 7/1/2012

	Public Utilities (IBEW) Field	Public Utilities Field (IBEW)Supervisory	Police -RPOA	Police-RPOA Supervisors (Sergeants)	Police Management - RPA (Lieutenants & Captains)	Fire -RCFA	Fire Management-RFMG
PERS ¹ (Employer)	18.277%	18.277%	25.091%	25.091%	25.091%	25.091%	25.091%
Health & Vision (Max City Contribution)	\$990/month	\$990/month	\$1,122/month	\$1,122/month	\$1,122/month	\$855/month	\$875/month
Dental (Max City Contribution)	\$55/month	\$55/month	Part of Health	Part of Health	Part of Health	\$35/month	\$20/month
Medicare ²	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
Life ³	\$75K + AD&D	2x annual + AD&D ⁴	\$6,000	2x annual + AD&D ⁴	2x annual + AD&D ⁴	\$10,000	2x annual + AD&D ⁴
SDI	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LTD	\$26.95	Available ⁵	\$10 (RPOA)	\$15 ⁶	\$15 ⁶	Provided through association	\$10 ⁶
Def. Comp. ⁷	May participate	\$250/month	May participate	\$200 or \$215 ¹¹	\$200 or \$215 ¹¹	May participate	\$200 or \$210 ¹¹
401 (a) Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A
125 FSA Plan	May participate	May participate	May participate	May participate	May participate	May participate	May participate
Workrs Comp	80%/year	80%/year	100%/yr.	100%/yr.	100%/yr.	100%/yr.	100%/yr.
Holidays	12	12	11	12	12	11	11
Vacation Accrual	0-4 yrs. = 80 hrs. 5-9 yrs. = 120 hrs. 10+ yrs. = 160 hrs.	0-9 yrs. = 128 hrs. 10+ yrs. = 168 hrs.	0-4 yrs. = 80 hrs. 5-9 yrs. = 120 hrs. 10-14 yrs. = 160 hrs. 15+ yrs. = 200 hrs. ⁸	0-4 yrs. = 80 hrs. 5-9 yrs. = 120 hrs. 10-14 yrs. = 160 hrs. 15+ yrs. = 200 hrs. ⁸	0+ yrs. = 200 hrs.	<u>Suppression</u> 0-4 yrs. = 123.2 hrs. ⁹ 5-7 yrs. = 156.8 hrs. 8-14 yrs. = 201.6 hrs. 15+ yrs. = 246.4 hrs.	<u>Suppression</u> 0-4 yrs. = 123.2 hrs. ⁹ 5-7 yrs. = 156.8 hrs. 8-14 yrs. = 201.6 hrs. 15+ yrs. = 246.4 hrs.
Sick Leave ¹⁰	12 days/year	12 days/year	12 days/year	12 days/year	12 days/year	12 days/year	12 days/year

Appendix B

Benefits Message Page



Welcome to Benefits Enrollment Online

Benefits Enrollment Online allows you to enroll in benefit plans that are not solely restricted to Open Enrollment. These benefits are **ELIGIBLE** for enrollment, modification, or cancellation at anytime during the year provided there is a **Qualifying Event**.

Steps to Enroll/Change Your Benefit Selections:

1. Dependent Information – Add/Update your dependent information.
2. Benefit Information – Enroll in a medical and/or dental plan or add/delete dependents to/from existing plans.
3. Other Benefits - Enroll in a Flexible Spending Account and/or Long Term Disability Plan (as applicable).
4. Benefits Summary – Review summary of your benefit selections.

NEW BENEFIT ENROLLMENT

- Employees, who are benefit eligible, **MUST** complete their selections within 30 days of their date of hire and/or promotion date (non-benefitted to benefitted).
- If an employee is hired on 1st, 2nd, or 3rd of a month, then benefits are effective the first of the following month. Employees hired on the 4th through the end of the month must wait 30 days from hire date. Coverage is effective the first of the following month.
- Documentation (ex. Marriage certificate, birth certificate) must be provided to HR for all eligible dependents added to your medical and/or dental plan.

CHANGING YOUR BENEFITS SELECTIONS

The City of Riverside allows existing employees to change (add/remove dependents) their medical, dental, and flexible spending account plan selections during the calendar year provided they experience a **Qualifying Event**. Please note that employees are not allowed to switch plans mid-year (i.e. Kaiser Value to Kaiser Preferred); plan changes are only allowed during Open Enrollment. Examples of qualifying events include: birth or adoption of a new child, marriage, registered domestic partnership, or loss of coverage under a spouses' plan.

- **Adding a dependent during a Qualifying Event – Employees have 30 days from the Qualifying Event to add a dependent. The dependent's coverage effective date will be the first of the following month of the Qualifying Event. Please see note below regarding the 30 day window of time.**

- Documentation must be provided if you experience a **Qualifying Event** and need to change your current benefit selections. Furthermore, please review the Dependent Eligibility flier on adding a eligible dependent to your benefit plans

- **Cancelling coverage for an existing dependent – Employees may cancel coverage for an existing dependent provided they experience a Qualifying Event (i.e. Divorce Loss of Student Status). The dependent's coverage end date will be the first of the following month. To remove a dependent from your medical and/or dental plan you will need to go to the "Benefit Information" screen, select your coverage type and uncheck the dependent's name you wish to cancel coverage for.**

PLEASE NOTE:

You must notify the Human Resources Department of a **Qualifying Event** within 30 days of the event to change your benefit coverage. If you do not notify the Human Resources Department within the time specified, you will not be able to add a dependent or make any other coverage changes until the next open enrollment period, with benefits coverage effective the following January 1.

Dependent Eligibility

The City recognizes that families are important to its employees. To assist in educating you on Eligible Dependent eligibility, please review this flier for valuable information.

Who Is An Eligible Dependent?

Dependent Spouse: Husband, wife, or registered domestic partner.

Dependent Child: Biological or adopted child, stepchild, or child for whom the employee has legal guardianship.

Dependent Grandchild: Biological, adopted grandchild or step-grandchild for whom the employee has legal guardianship.

What Are Acceptable Documents?

The following are **Acceptable Documents** (Proof) necessary to enroll an eligible dependent in your Medical/Vision and/or Dental Plan (Photocopies are Accepted):

- 1. Proof for Dependent Spouse or Registered Domestic Partner**
 - Official Registered Marriage Certificate OR
 - Official Domestic Partnership Registration Certificate issued by the Office of the Secretary of State
- 2. Proof for Dependent Child**
 - Official State Birth Certificate AND if applicable, Legal Court Adoption documents/Legal Court Guardianship documents
- 3. Proof for Dependent Grandchild or other Child**
 - Official State Birth Certificate AND Legal Court Guardianship documents

Important Note:

For ALL required eligibility documentation, please write your 5-digit Employee ID on each applicable document that is submitted.

Frequently Asked Questions

What is the Maximum Age Dependent Children Are Eligible for Coverage?

Eligible dependent children can be covered up to age 26 regardless of student or marital status under all insurance plans.

Are Children of a Registered Domestic Partnership Eligible for Coverage?

Children of a Registered Domestic Partnership are eligible to be covered under the City's medical/vision, or dental plans:

- ⇒ A copy of the Official State Birth Certificate AND Official Domestic Partnership Registration Certificate is required

Are "Disabled" Dependents Eligible for Coverage?

"Disabled" dependents are eligible to be covered under the City's medical/vision, or dental plans without an age restriction:

- ⇒ Proof of disability is required by the medical provider

Are "Married" Dependent Children Eligible for Coverage?

Yes, dependent children who become "Married" are eligible to be covered under your medical/vision, or dental plans as long as they meet the maximum age requirement.

Are "Grandchildren" Eligible for Coverage?

A grandchild may be covered under the City's medical/vision, or dental plan provided employee has legal guardianship of the grandchild.

- ⇒ A copy of the Court documentation must be submitted to HR.

Are "Foster" Children Eligible for Coverage?

Per the City's policy, foster children are NOT eligible for coverage under the City's medical/vision or dental plans.

For detailed information on dependent eligibility to your medical/vision and/or dental plans, you may review the City's [Personnel Policy & Procedures Manual](#) (policies [V-9](#) & [V-10](#)) online at <http://www.riversideca.gov/human/labor/>



Qualifying Events

The City of Riverside allows employees to change their medical, vision, dental or flexible spending account plans (FSAs) during Open Enrollment or when a "Qualifying Event" is experienced. All employees experiencing a qualifying event have **30 calendar days** from the qualifying event date to make a benefit election change (add/drop dependents or enroll/cancel coverage).

Qualifying Event Definitions

- ⇒ **Marital Status Change:** Marriage, registered domestic partnership, death of spouse, dissolution of registered domestic partnership, divorce or legal separation.
- ⇒ **Eligible Dependent Change:** Birth or death of child, legal guardianship, adoption, disabled child or placement for foster care*.
 - * Foster children are **ONLY** eligible to be covered under the **City's Dental plans**.
- ⇒ **Gain or Loss of Dependent's Eligibility:** An event that causes an employee's eligible dependent to satisfy or cease to satisfy coverage requirements under the City's plan due to: attainment of the maximum plan age or change in spouse's employment status.
- ⇒ **Employee's Benefit Status Change:** A change in employment status that affects the individual's eligibility under the City's plan; such as a promotion from a non-benefitted to a benefitted position.
- ⇒ **Court Order:** If a Court judgment, decree, or order from a divorce, legal separation, change in legal guardianship, or order of child support requires that you provide health and/or dental insurance coverage for your dependent, you may change your election to provide insurance coverage for a dependent child/former spouse consistent with terms of the order.
- ⇒ **Open Enrollment Under a Spouse's Employer Plan:** You can make a benefit election change when your spouse makes an Open Enrollment change such as selecting or declining coverage under their Employer's Plan.
- ⇒ **Other:** An example of a qualifying event not defined above includes an employee's loss of coverage through their spouse's plan. For further assistance in defining acceptable qualifying event criteria, please contact the Human Resources, Benefits Division at 951-826-5639 or email us directly at Citybenefits@riversideca.gov.

Commonly Asked Questions

<p><u>Can I "drop" my eligible dependent (s) any time during the year?</u></p> <ul style="list-style-type: none"> • No, you may not drop eligible dependents from your medical, vision or dental plan unless you experience a qualifying event (i.e. divorce, max age). If you don't experience a qualifying event you will need to wait until the City's next Open Enrollment period to remove them from your plan(s). <p><u>If I "drop" or "add" a dependent due to a "Qualifying Event", when does the coverage end or become effective?</u></p> <ul style="list-style-type: none"> • If you drop or add an eligible dependent to a medical, vision or dental plan, the coverage will end/begin the FIRST of the month following the Qualifying Event Date. <p><u>If I "add" or "drop" an eligible dependent, can I also switch my medical and/or dental plan?</u></p> <ul style="list-style-type: none"> • No, if you add or drop an eligible dependent, you CANNOT switch your medical and/or dental plan. Switching to a new plan may only be done during the Open Enrollment period. 	<p><u>If I waived the City's medical, vision, or dental coverage and I lost other group coverage, can I enroll in a City insurance plan mid-year?</u></p> <ul style="list-style-type: none"> • Yes, you can enroll in the City's medical, vision, and dental plan if you have lost other group insurance coverage*. Supporting documentation of the loss of coverage is required and must be submitted to the HR Benefits Division within 30 days of the loss of coverage date. <p><u>What happens if I DO NOT add an eligible Dependent to a Medical, Vision or Dental Plan within 30 days of the Qualifying Event?</u></p> <ul style="list-style-type: none"> • If you do not add an eligible dependent within 30 days of the Qualifying Event Date, you must wait until the City's next Open Enrollment period to add your eligible dependent.
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*If you had elected to waive City medical, vision or dental insurance, please contact HR before submitting a request to enroll in City Benefits.

Please Note - All Qualifying Event changes require supporting documentation (i.e. marriage certificate, birth certificate, etc.) to be submitted to the Human Resources, Benefits Division by the 30 calendar day deadline.



**CITY OF RIVERSIDE
HUMAN RESOURCES DEPARTMENT
QUALIFYING EVENT/BENEFITS CHECKLIST**

Employees may enroll/change their **Health/Vision, Dental, and Flexible Spending Account (FSA)** plans when experiencing a Qualifying Event. Examples of qualifying events include: marriage, registered domestic partnership, new births, adoptions, and divorce. Enrollment/change requests to a Health/Vision, Dental or FSA plan **MUST** be submitted within **30 days** of the Qualifying Event date via the **Employee Online (EO)** system. As a reminder, EO may be accessed at www.riversideca.gov under E-services.

Below is a checklist to assist you in making benefits enrollment/changes. Please visit our **benefits website** at www.riversideca.gov/human/benefits to locate detailed information on each benefit.

Special Note: When requesting to enroll or delete dependents in a Health/Vision, or Dental plan, proper proof (i.e. *marriage certificate, birth certificate, divorce decree*) of dependency must be submitted to the HR Benefits Division by the **30 day** deadline and before insurance coverage begins or terminates.

Name: _____ Qualifying Event Date: _____ Benefits Deadline (30 days from qualifying event date): _____

REQUIRES ENROLLMENT/CHANGE WITHIN 30 DAYS OF THE QUALIFYING EVENT			
	Benefit Plan	Where To Find Information	How to Enroll/Change
<input type="checkbox"/>	Health/Vision Insurance	Benefits website; click on the Health Plans, Vision Plan or Dental Plans links (Vision coverage is provided with all health plans)	Submit request via EO system to enroll or delete an eligible dependent
<input type="checkbox"/>	Dental Insurance		
<input type="checkbox"/>	Flexible Spending Accounts (FSA)	Benefits website; click on the Flexible Spending Account (FSA) link	Submit request via EO system to modify the FSA annual amount
BENEFICIARY & OTHER ENROLLMENT CHANGE(S) ¹			
<input type="checkbox"/>	Retirement (CalPERS)	Benefits website; click on the Retirement (CalPERS) link	Complete the CalPERS Beneficiary Designation Form*
<input type="checkbox"/>	Life Insurance	Benefits website; click on the Life Insurance link	Complete the Life Insurance Enrollment Form* (Beneficiary Change ONLY)
<input type="checkbox"/>	Great-West or ICMA-RC 457 Deferred Comp.	Benefits website; click on the Deferred Compensation link	Complete the Great-West Beneficiary Designation Form* or ICMA-RC Beneficiary Designation Form*
<input type="checkbox"/>	ICMA-RC 401(a) Deferred Comp.	Benefits website; click on the Deferred Compensation link	Complete the ICMA-RC 401(a) Plan Change Form* (Beneficiary Change ONLY)
<input type="checkbox"/>	Additional Life Insurance	Benefits website; click on the Life Insurance link	Complete the Life Insurance Enrollment/Change Form* (Enroll or Delete a Dependent) & Standard Medical History Statement* (If Applicable)

¹*Beneficiary/Additional Life Insurance enrollment/changes can be made at **ANY** time during the year.*

* Note: If a benefit requires that you complete a paper form, forms can be found under the "Benefit Forms" link.

Please submit all benefit forms and/or supporting documentation for eligible dependent coverage to Human Resources, Benefits Division 3900 Main St. Riverside, CA 92522 or fax to 951-826-2421. You may also contact us at (951) 826-5639 or via email at citybenefits@riversideca.gov with any questions.