



Village of Bloomingdale Health Insurance 2025 Opt-Out Program Questions and Answers

1. What is the health insurance opt-out program benefit?

- a. Eligible full-time employees can receive \$100 of bi-weekly compensation (up to \$2,600 annually) in exchange for dropping or declining Village Health Plan coverage. (Village dental and/or vision plan coverage does not need to be dropped to participate.) The Opt-Out benefit is available through a bi-weekly paycheck distribution (subject to all applicable payroll taxes).
- b. The opt-out benefit is the same for all eligible employees regardless of current Village Health Plan participation status, and regardless of whether an employee carries single or family coverage.

2. How will I be compensated via payroll distribution?

A \$100 Opt-Out Benefit will be added to your bi-weekly paycheck for up to 26 pay periods. Your net bi-weekly benefit would be approximately \$70, after accounting for all applicable payroll tax deductions, including Federal, State, FICA, Medicare, and IMRF.

3. What are the eligibility requirements to participate in the Health Insurance Opt-Out Program?

- a. An eligible employee must be an active regular full-time Village employee.
- b. All eligible opt-out plan participants will be required to sign and submit the attached opt-out plan participation agreement, along with documented evidence from the administrator of their family member's group health plan demonstrating that they have health insurance coverage outside of the Village. Publicly offered or run plans (i.e., State or Federal government subsidized or run plans), as opposed to privately offered or run plans, will not satisfy the requirement.

- c. An employee participating and receiving compensation from the opt-out plan cannot also be a covered dependent on a Village Health plan.

4. When can I sign up?

- a. During the annual open enrollment period.
- b. Within thirty (30) days from the initial date of employment or other qualifying event.

5. What happens if I want the Village's health insurance back after I opt-out?

Access to Village health plan coverage is limited to the Village's annual open enrollment period, or to a Special Enrollment (in accordance with the Health Insurance Portability and Accountability Act – HIPAA)

Based on HIPAA guidelines and regulations, a health plan must permit employees and their eligible dependents to enroll during a special enrollment period. An employee is eligible for a special enrollment if they either (a) have previously declined coverage and then lose coverage under another plan, or (b) become or gain a dependent through marriage, birth, or adoption.

6. How do I qualify for a special enrollment?

In order to qualify for a special enrollment due to the loss of coverage, the affected individual must satisfy all of the following requirements:

- Must be otherwise eligible for coverage under the terms of the Village's plan.
- Must have been covered under another group health plan or must have had other health insurance coverage, when coverage was denied.
- Special enrollment must be requested within 30 days after losing eligibility for the other coverage or after cessation of employer contributions for the other coverage.
- An employee/dependent does not have to elect COBRA continuation coverage or exercise similar continuation rights in order to preserve his/her right to make a special enrollment.

NOTE: Loss of coverage is at no fault of the coverage holder (e.g. job termination, reduction of hours, death, divorce, Medicare eligibility, etc.). Loss of coverage does not include a loss resulting from the coverage holder's "dropping coverage" by choice unless it is a result of a significant policy or premium change to the

coverage holder's group health insurance plan. In such an event, it's strongly recommended to confirm coverage with the Village prior to making a voluntary termination of coverage.

7. What would I need to provide as evidence of a special enrollment qualification?

- a. Documentation from the former health insurance provider, which serves as evidence that an employee or an employee and his/her dependents lost health insurance coverage, along with the cause of said loss; and
- b. Certificate of prior health insurance coverage from the administrator of the prior health plan.

8. What happens if I terminate employment with the Village?

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), employers with group health plans are required to offer continuation of coverage to "covered" employees and dependents. If you do not have Village Health insurance coverage on the date of your termination, you and your dependents would not be eligible for COBRA health insurance continuation coverage under the Village's plan.

9. Does this opt-out plan cover bargaining unit employees in Local 150 of the International Union of Operating Engineers?

There is a separate opt-out form that covers employees in the Local 150 bargaining unit. More information about the opt-out benefit is found in the collective bargaining agreement.

**Village of Bloomingdale
Health Insurance Opt-Out Form 2025
Application and Agreement**

By submission and signature of this application I hereby decline health plan coverage with the Village of Bloomingdale. In exchange for declining coverage, during the plan year (July 1, 2025 to June 30, 2026), I will be compensated \$100 per pay period (up to a maximum of \$2,600 per year) via payroll distribution.

I understand that I must retain health coverage in a family members outside group health plan to remain eligible to participate and receive Village opt-out contributions. I have attached documentation from the administrator of my family members outside group health insurance coverage verifying said coverage.

I further understand that the ability to regain entry into a Village Health Plan is limited to the annual health insurance open enrollment period, or a special enrollment as provided for the Health Insurance Portability & Accountability Act.

Employee Name (Please Print)

Employee Signature

Date

Approved by – Village of Bloomingdale

Date