

HEALTH INSURANCE OPT-OUT INCENTIVE
PROGRAM Plan Year 7/1/2020 – 6/30/2021

The Health Insurance Opt-out Incentive Program offers a cash incentive to eligible City of Manchester employees who waive their right to enroll in the City's health insurance plan. Employees are encouraged to consider this program only when they have sufficient coverage elsewhere.

Effective July 1, 2018 the City agrees to provide a \$4,000.00 cash incentive to eligible employees who do not enroll in the City's health insurance plan under the following conditions:

- 1) The eligible employee must show proof of health coverage from another **employer sponsored health plan** that is NOT provided by another City employee or an employee of the Manchester School District.
- 2) New eligible employees may apply for this program when hired and current eligible employees can apply during the open enrollment period or during the plan year if health insurance coverage with the City of Manchester is cancelled.
- 3) Incentives are paid out mid-plan year and plan year end. If the employee participates in the Opt-out Incentive Program for less than a full year, the payment will be prorated for each month of participation.

Additionally:

- 1) Employees participating in the Opt-out Incentive Program who wish to re-enroll in health insurance may do so during the open enrollment period with no waiting period.
- 2) Employees participating in the Opt-out Incentive Program who involuntarily lose their other coverage due to a qualifying event may re-enroll in the City's health insurance plan with no waiting period.

To apply for the Health Insurance Opt-out Incentive Program, the following form must be filed with the Human Resources Department upon hire, at open enrollment, or at the time health insurance coverage is cancelled with the City of Manchester.

Health Insurance Opt-out Incentive Form

City of Manchester
NEW HAMPSHIRE

HEALTH INSURANCE OPT-OUT INCENTIVE FORM
Plan Year 7/1/2020 – 6/30/2021

I, _____, hereby elect to decline participation in the City sponsored health insurance plan. In exchange for this election, the City shall pay me four thousand (\$4,000.00) dollars. I understand that if non-coverage is less than one year, the payment shall be based on a prorated amount of one twelfth of the annual allocation for each month of non-coverage within the plan year.

This opt-out shall be effective only upon submission of valid proof of alternative health insurance coverage and eligibility status to the satisfaction of the Human Resources Department.

Said alternative coverage must be from another employer sponsored health plan and cannot be health insurance provided by another City employee or an employee of the Manchester School District.

It is understood that payment of the Health Insurance Opt-out Incentive shall be broken down into two pro-rated payments; one at mid plan year and one at the end of the plan year.

It is understood that I must reapply for the health insurance Opt-out Incentive Program each plan year, and the payment of future Opt-out incentives shall only be made after valid proof of alternative health insurance and eligibility status.

It is understood that the Opt-out incentive is considered ordinary income and therefore subject to Federal, State, Social Security, and Medicare taxes.

Please provide the name of the person (spouse or parent) who you have health insurance coverage under, and also provide the name of their employer.

(proof of coverage is required):

Spouse//Parent Name _____
If your other insurance is the VA, put your name here)

Spouse/Parent/Employer Name _____
If your other insurance is the VA, put VA here)

Employee Signature

Date