Frequently Asked Questions
about the
Kane County Employee FY 2009-2010 Voluntary Retirement Plans

1) Who qualifies for the Plans?
   - Employees who are vested in IMRF (i.e., at least 55 YOA and have 8 years of IMRF service credit);
   - Sheriff's Law Enforcement Personnel who are vested in IMRF/SLEP (i.e., at least 50YOA and have 20 years of IMRF-SLEP service credit)

2) Can you participate in the voluntary retirement plan if you are employed in the office of an elected official?
   - Each elected official can determine if the employees in their office can participate in the voluntary retirement plan. Therefore, you must first inform your elected official of your desire to participate in the voluntary retirement plan and receive permission. Each elected official who agrees to allow the employees of their office to participate in the voluntary plan will be required to give written consent of their approval.

3) What are the insurance options available under the Plans?
   - If you are retiring with a regular IMRF pension <u>and</u> you are currently enrolled in County's health insurance:
     - Option #1: Continue your county health insurance for up to 5 years and receive a County subsidy of a portion of the cost of your health insurance based upon your length of completed years of County service
     - Option #2: Waive your COBRA rights and receive a pre-tax payment of $4,000

   - If you are retiring with an IMRF-SLEP pension <u>and</u> you are currently enrolled in the County's health insurance:
     - Option #1: Continue your county health insurance for up to 5 years and receive a County subsidy of a portion of the cost of your health insurance
     - Option #2: Waive your COBRA rights and receive a pre-tax payment of $7,500

4) Can I change from one plan to another when I retire (e.g., from PPO to HMO or vice versa)?
   - Changes in plan enrollments are only permitted during the County's annual open enrollment period unless you are changing from the PPO/HMO to the County's Medicare supplement plan.

5) Can past military service <u>purchased while employed with Kane County</u> be used to increase your length of creditable IMRF service and maximum subsidy percentage?
   - Yes, military service that was <u>previously purchased</u> can be used to increase your IMRF creditable service and may be used to increase your maximum subsidy to the next higher tier.

6) How much is the health insurance subsidy?
   - If you are retiring with a regular IMRF pension, the amount of the subsidy will range from 10% to 50% of the PPO "employee plus one" rate.
   - If you are retiring with an IMRF-SLEP pension, the amount of the subsidy is 50% of the PPO "employee plus one" rate.
   - For illustrative purposes, the PPO "employee plus one" premium for 2009 is $1,157.48 per month.

7) What if you need family coverage?
   - Where family coverage costs more than the PPO "employee plus one" rate, you must pay the full amount of the difference for family coverage.

8) What happens if the PPO "employee plus one" rate increases in 2010 and subsequent years?
   - Both the amount the County pays and the amount you pay will increase when this occurs. While the actual dollar amount of the subsidy will change over the next five years to reflect increases/decreases in premium prices, the percentages of the total costs that the County pays and that you pay will remain the same for the 5 year period of this coverage.

9) How will you receive the health insurance subsidy?
   - The County will deduct the amount of your qualifying subsidy from the total premium due and payable by you each month. You WILL NOT receive the subsidy in cash.

10) What happens to your health insurance at the end of 5 years?
   - At the end of 5 years, you must obtain other health insurance as you cannot remain on the County's health plan. No additional coverage under COBRA will be available at that time, as the COBRA period will be the first 18 months in which the County's subsidy is paid.

11) When will you receive the payout of the additional incentive payment?
   - If you choose Option #2 (waive COBRA), you will not receive the payout until after the expiration of the 60-days COBRA election period. The COBRA election period begins upon delivery of formal notice to you the day after your qualifying event (i.e., termination of status as active employee and corresponding loss of insurance).

12) Will you pay tax on the additional lump sum incentive payment?
   - Yes, the additional payment of either $4,000 (IMRF) or $7,500 (SLEP) will be taxed at your current federal tax rate. As an employer, Kane County is required to withhold standard payroll deductions from any payments that we give to our retired employees.

13) What are your health insurance options, if you choose not to participate in the voluntary retirement plan?
   - You may enroll in Kane County's regular retiree health plan under the established conditions for that plan. You are required to pay the entire amount of the health insurance premium for the coverage that you have, unless you are an employee who has been employed by Kane County for 15 or more consecutive years. If you meet that qualification, you are eligible to receive a 10% premium reduction.

14) After I retire, can I come back and work for the County in a different department/office?
   - If you retire under one of the options of the voluntary retirement plan, you may not apply for or secure employment with any branch of Kane County government as a regular (FT or PT) status employee for five (5) years following your retirement date. Thereafter, the IMRF rules governing retiree employment shall apply.