

Memo

To: Board of Trustees, Village President
From: Colleen Konicek, Personnel Committee Chairman
cc: Chief of Police
Date: August 22, 2014
Re: Voluntary Separation Plan (VSP)

Pursuant to a Personnel Committee Meeting held on August 13, 2014, the Voluntary Separation Plan offers eligible employees continuation of health benefits for a term to be determined of no less than eighteen months upon separation of employment. The Voluntary Separation Plan (VSP) is being recommended for consideration by the Board of Trustees with the following issues to be addressed prior to adoption of the VSP:

- Whether to change period of health insurance coverage from eighteen (18) months to twenty-four (24) months;
- Savings forecast (scenarios provided by Police Department) attached showing to the positive to the Village;
- Plan application procedures;
- Revocation period (timeframe)
- Health insurance premium clarification (attached).

This has been reviewed and revised by attorneys at Clark Baird Smith. Also attached is the Resolution for adoption of the VSP.

**RESOLUTION ADOPTING A VOLUNTARY
SEPARATION PLAN FOR
VILLAGE EMPLOYEES**

WHEREAS, the Village of Barrington Hills, Illinois (“Village“) desires to adopt a plan allowing for certain employees to retire and/or resign from the Village and obtain certain benefits inconnection with voluntary separation.

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Barrington Hills, Cook, Kane, Lake and McHenry Counties, as a home rule municipality the following:

Section One. The Village hereby adopts the Voluntary Separation Plan for Employees attached to this Resolution as Exhibit A.

Section Two. If any part of provision of this Resolution shall be held or deemed to be invalid, such invalidity shall not have the affect of rendering another part or provision of this Resolution invalid.

Section Three. This Resolution shall be in full force and effect from and after its passage and approval as provided by law.

APPROVED THIS ____ day of August, 2014.

AYES: _____; NAYS: _____; ABSENT: _____.

Attest:

Village Clerk

Village President

VILLAGE OF BARRINGTON HILLS
VOLUNTARY SEPARATION PLAN FOR
VILLAGE EMPLOYEES

PLAN DESCRIPTION

(Effective _____)

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VILLAGE OF BARRINGTON HILLS
VOLUNTARY SEPARATION PLAN FOR
VILLAGE EMPLOYEES

INTRODUCTION

In response to a review of the VILLAGE OF BARRINGTON HILLS (hereinafter "Village") operations and organizational structure, the Village has adopted the VILLAGE OF BARRINGTON HILLS VOLUNTARY SEPARATION PLAN FOR VILLAGE EMPLOYEES (hereinafter the "Plan"), effective August 11, 2014, for the benefit of eligible employees of the Village as described herein. The purpose of the Plan is to save money and realize efficiencies in overall Village operations by reducing the size of the Village workforce for an indeterminate period of time.

This document provides information so that you can make an informed decision about whether or not you want to participate. No employee, officer, director, trustee or elected official of the Village has the authority to alter, vary or modify the terms of the Plan, except by means of written amendment approved by the Village Board. No verbal or written representations contrary to the terms of the Plan shall be binding on any person or entity.

THE PLAN IS VOLUNTARY

Participation in the Plan will be on a strictly voluntary basis. The choice is entirely in your hands. No one at the Village is requiring that you accept or reject participation in the Plan.

The existence of the Plan does not in any way change your relationship with the Village. You are free to choose to participate or not to participate. You should understand that if you are eligible and decline to participate, you would not be treated any differently with respect to future terms and conditions of employment than any other employee. You should also understand that the Plan does not provide any right to future employment or otherwise affect the status or terms and conditions of your employment, except that your employment relationship with the Village will cease after you become a Participant in the Plan.

ELIGIBLE EMPLOYEES

The employees eligible to apply to participate in the Plan are those regular full-time VILLAGE EMPLOYEES who (i) have twenty (20) or more continuous years of service with the Village as of December 31, 2014 and are at least age 50; and (ii) are listed on the List of Eligible Employees attached hereto as Attachment I.

You are not eligible to participate if you are in the process of being involuntarily terminated or have already provided a signed letter of resignation or retirement, applied for a disability pension or otherwise have announced your intention to leave employment with the Village.

PLAN APPLICATION PROCEDURE

The Plan Administrator will provide each eligible employee with a Plan application form. The Plan application form is attached hereto as Attachment II. An eligible employee who voluntarily elects to participate in the Plan must sign and submit the application form to the Plan Administrator, which indicates that the eligible employee irrevocably elects to voluntarily separate from employment with the Village and obtain the Plan Benefits. Additional application forms are available, if needed, in the Plan Administrator's office.

The Plan Administrator must receive the signed application form on or before November _____, 2014 [INSERT DATE THAT IS AT LEAST 45 DAYS AFTER THE DATE THE PLAN IS DISTRIBUTED TO ELIGIBLE EMPLOYEES].

The Plan Administrator will acknowledge in writing the acceptance of the application forms that meet the conditions of the Plan. An eligible employee whose application form is accepted will be considered an "Applicant" under the Plan. An Applicant's employment with the Village will terminate at a agreed-upon date prior to or on December 31, 2014 when meeting all eligibility criteria.

An eligible employee who timely submits and does not revoke the application form and Voluntary Separation and Release Agreement will be considered a "Participant" in the Plan and will be eligible to receive Plan Benefits as provided below.

PLAN BENEFITS TO PARTICIPANTS

The Plan benefits as follows are in addition to those benefits to which employees are entitled upon separation from employment according to applicable law and/or Village policy. If you become a Participant in the Plan, you will receive the following Plan Benefits:

Plan Benefit:

An eligible employee who signs and does not revoke the Voluntary Separation and release agreement within the prescribed time limits is eligible to receive the Health Insurance

Benefit for (18) months from date of separation. This benefit will be based on the employee's respective health plan enrolled in as of December 31, 2014 and include Health Reimbursement Account (HRA) funding equal to current employees. The Health Insurance Plan benefit may change each plan year, but will not differ from coverage provided to current employees.

An Applicant may revoke his/her signed Voluntary Separation and Release Agreement within seven (7) days of signing the agreement. Any such revocation must be made in writing and must be received by the Plan Administrator within such seven (7) day period. An Applicant who timely revokes his/her Waiver and Release Agreement will not be eligible to receive the Plan Benefit.

The consideration for the voluntary signing of the Separation and Release Agreement is the Plan Benefit, which the eligible employee would otherwise not be eligible to receive. Applicants voluntarily signing a Separation and Release Agreement should also complete the Plan Benefit Election Form (Attachment III).

Plan Benefit Terms

The following provisions will apply to separation payments:

- *Year of Service.* A "year of service" for purposes of the Plan shall include only complete years of service and shall be determined from the Participant's consecutive years of service since his/her most recent date of hire in accordance with the Village's personnel records through December 31, 2014.
- *Health Insurance Benefit.* A "Health Insurance Benefit" for purposes of the Plan will consist of the eligible employee's continuation in the same group health insurance plan that the employee was enrolled in effective as of December 31, 2014. The insurance benefit will equal eighteen (18) months of health insurance from the date of separation. The Village will pay for 100% of the insurance premium and provide Health Reimbursement Account (HRA) funding equal to current employees. The Health Insurance Plan benefit may change each plan year.

Any benefit continuation or conversion rights which a Participant has as of his/her voluntary separation date will be made available to him/her according to the established policies, plans and procedures of the Village.

PLAN

ADMINISTRATION

The Village Treasurer will serve as the "Plan Administrator" of the Plan. The Plan Administrator will have the discretionary authority to determine eligibility for Plan Benefits and to construe the terms of the Plan, including the making of factual determinations. The decisions of the Plan

Administrator will be final and conclusive with respect to all questions concerning the administration of the Plan. An employee who has questions or disputes regarding the plan should submit the question or dispute to the Plan Administrator in writing. Any dispute regarding application of the Plan must be hand delivered or post marked to the Village Treasurer at Village Hall no later than 30 days after occurrence of the matter giving rise to the dispute or within 30 days after you, through the use of reasonable diligence, could have learned of the matter giving rise to the dispute.

The Plan Administrator may delegate to other persons responsibilities for performing certain of the duties of the Plan Administrator under the terms of the Plan and may seek such expert advice as the Plan Administrator deems reasonably necessary with respect to the Plan. The Plan Administrator will be entitled to rely upon the information and advice furnished by such delegates and experts, unless actually knowing such information and advice to be inaccurate or unlawful.

TERMINATION OF THE PLAN

The Village reserves the right to amend or to terminate the Plan at any time at its sole discretion. This Plan does not create vested rights and is not to be construed as a contract of any kind between the Village and any person.

This Plan is hereby authorized by the Village effective _____, 2014.

VILLAGE OF BARRINGTON HILLS
VOLUNTARY SEPARATION PLAN FOR
VILLAGE EMPLOYEES

LIST OF ELIGIBLE EMPLOYEES

Robert Kosin
Gary Hammelmann
Michael Murphy
Dominic Caputo
Richard Semelsberger
Kim Roel
Tami Huls

VILLAGE OF BARRINGTON HILLS
VOLUNTARY SEPARATION PLAN FOR
VILLAGE EMPLOYEES

APPLICATION FORM

I wish to make application for the Voluntary Separation Plan to terminate employment with the Village of BARRINGTON HILLS ("Village") on _____. By making this application, I am seeking to voluntarily and irrevocably resign from my employment with the Village before December 31, 2014.

I acknowledge and agree that I understand the terms and conditions of the Voluntary Separation Plan and that my decision to make application is voluntary.

I further acknowledge that in order to receive the plan benefit, I am required to sign and not revoke the attached Voluntary Separation and Release Agreement on my Separation Date. I recognize that I have been given at least 45 days to consider the Agreement.

(Name of Eligible Employee - Please Print)

(Signature of Eligible Employee)

(Date)

ACCEPTED:

Plan Administrator

Date

PLEASE SUBMIT TO:
Rosemary Ryba
Village Treasurer

Village of BARRINGTON HILLS
112 Algonquin Road
BARRINGTON HILLS, IL 60010

VILLAGE OF BARRINGTON HILLS
VOLUNTARY SEPARATION PLAN FOR
VILLAGE EMPLOYEES

VOLUNTARY SEPARATION AND RELEASE AGREEMENT

This Voluntary Separation and Release Agreement ("Agreement") is entered into by and between the VILLAGE OF BARRINGTON HILLS, its related entities, agencies, authorities, boards, commissions and affiliates, including its and their respective trustees, directors, officers, associates, employees, and agents, past, present and future), and each of its and their respective successors and assigns (hereinafter collectively referred to as "the Village") and _____, on behalf of yourself, your spouse, your agents, representatives, heirs, executors, administrators, attorneys and assigns.

In consideration of the benefits and mutual promises herein contained and other good and valuable consideration, the sufficiency of which is acknowledged, the parties hereby agree as follows:

(1) Voluntary Separation and Health Insurance Benefit. If you sign this Agreement within forty-five (45) days of receipt, you do not revoke this Agreement, and you voluntarily and irrevocably separate from Village employment on or before December 31, 2014, the Village agrees to provide you the payments under the Village's Voluntary Separation Plan ("Plan"), provided that you are eligible for benefits under the terms of the Plan. By signing this agreement, you are voluntarily and irrevocably resigning from your employment with the Village and the date you sign this agreement shall be your Separation Date.

(2) Return Of Village Property. On or before your Separation Date, you must return to the Village all Village property in your possession or control, including but not limited to credit/calling cards, cell phone, laptop computer, information technology equipment, pagers, mobile phones, documents and records. You further agree that you will not keep, transfer or use any copies or excerpts of the above items.

(3) General Waiver and Release. By signing this Agreement and receiving the valuable consideration described above, you hereby fully release and forever discharge the Village from any and all known or unknown actions, causes of action, claims or liabilities of any kind which have or could be asserted against the Village arising out of or related to my employment with and/or separation from employment with the Village and/or any of the other Releasees and/or any other occurrence up to and including the date of this Waiver and Release Agreement, including but not limited to:

- (a) claims, actions, causes of action or liabilities arising under Title VII of the Civil Rights Act, as amended, the Age Discrimination in Employment Act, as amended, the Rehabilitation Act, as amended, the Americans with Disabilities Act, as amended, the Family and Medical Leave Act, as amended, the Illinois Human Rights Act, as amended, the Illinois Wage Payment and Collection Act, all claims under 42 U.S.C. §§ 1983, 1985, 1988; all claims under the Village of Barrington Hills Municipal Code and/or personnel policies; and/or
- (b) claims, actions, causes of action or liabilities arising under any other federal state, municipal, or local statute, law, ordinance or regulation; and/or
- (c) any other claim whatsoever including, but not limited to, claims for severance pay, claims based upon breach of contract, wrongful termination, defamation, intentional infliction of emotional

distress, tort, personal injury, invasion of privacy, violation of public policy, negligence and/or any other common law, statutory or other claim whatsoever arising out of or relating to my employment with and/or separation from employment with the Village and/or any of the other Releasees, but excluding the filing of an administrative charge (you are, however, specifically waiving your right to recover any money in connection with such a charge), any claims which I may make under state workers' compensation or unemployment laws, and/or any claims which by law I cannot waive.

It is the intention of you and the Village that in executing this Agreement, you are providing a general release and that it shall be an effective bar to each and every claim, grievance, demand, and cause of action, either known or unknown, for all acts or omissions of the Village and its agents, jointly and separately, individually and in their representative capacities, for any injuries suffered by you occurring on or prior to the date this Agreement and Release is executed.

(4) Non-Admission Of Liability. The parties agree and acknowledge that this Agreement and the consideration described herein does not constitute and shall not be interpreted as an admission of liability on the part of the Village.

(5) Covenant Not to Sue. I also agree never to sue any of the Releasees or participate in a lawsuit on the basis of any claim of any type whatsoever arising out of or related to my employment with and/or separation from employment with the Village. Notwithstanding this Covenant Not to Sue, you may bring a claim against the Village to enforce this Agreement or to challenge the validity of this Agreement under the Age Discrimination in Employment Act.

I further acknowledge and agree in the event that I breach this Covenant Not to Sue (a) the Village shall be entitled to apply for and receive an injunction to restrain any violation of paragraph (2) above, (b) the Village shall not be obligated to pay any further Benefit under the Plan to me, (c) I shall be obligated to pay to the Village its costs and expenses in enforcing this Voluntary Separation and Release Agreement and defending against such lawsuit (including court costs, expenses and reasonable legal fees), and (d) I shall be obligated upon demand to repay to the Village all but \$500 of the Plan Benefit value received under the Plan, and the foregoing shall not affect the validity of this Voluntary Separation and Release Agreement.

(6) Employee Acknowledgements. You acknowledge that:

- (a) you are entering into this Agreement knowingly and voluntarily and the Agreement is written in language that you understand;
- (b) this Agreement includes a waiver and release of claims under the Age Discrimination in Employment Act (ADEA) as described in paragraph 4 above;
- (c) the Village is hereby advising you to consult with an attorney before signing this Agreement;
- (d) this Agreement waives and releases only those claims and rights arising prior to the date you sign this Agreement;
- (e) you understand that you may take up to forty-five (45) days to consider this Agreement before signing it;
- (f) you have received, along with this Agreement: (i) the ages and job titles of all employees eligible for the Village's Voluntary Separation Plan, (ii) the ages and job titles of employees not eligible for the Village's Voluntary Separation Plan, and (iii) the eligibility factors and time limits applicable to this Voluntary Separation Plan; and
- (g) you are not otherwise entitled to the payment and benefits described in paragraph 2 of this Agreement.

(7) Revocation Rights. After you sign this Agreement, you will have seven (7) days to revoke it if you change your mind. If you want to revoke the Agreement, you should hand deliver or mail a written revocation to Rosemary Ryba, Village Treasurer, Village of Barrington Hills, 112 Algonquin Road Barrington Hills, IL 60010, within seven (7) days after you sign the Agreement. If you timely revoke the Agreement pursuant to this paragraph, you will not receive the benefits described in paragraph 2 of this Agreement. This Agreement shall not become effective and enforceable until the seven (7) day revocation period described in this paragraph has expired with no revocation by you.

(8) Entire Agreement. This Agreement constitutes the complete Agreement between you and the Village. No other promises or agreements, either express or implied, shall be binding upon such parties unless hereinafter reduced to writing and signed by you and the Village.

(9) Severability. To the extent that any portion of this Agreement may be held to be invalid or legally unenforceable by a court of competent jurisdiction, you and the Village agree that the remaining portions of this Agreement shall not be affected and shall be given full force and effect.

(10) Binding Nature Of The Agreement. This Agreement shall be binding upon the parties, as well as their respective agents, representatives, heirs, successors and assigns.

(11) Governing Law. The laws of the State of Illinois shall govern the validity, performance, enforcement, interpretation and any other aspect of this Agreement, notwithstanding any state's choice of law provisions.

YOU HAVE READ THIS AGREEMENT, INCLUDING THE WAIVER AND RELEASE CONTAINED HERIN, AND UNDERSTAND ALL OF ITS TERMS. YOU ARE EXECUTING THIS AGREEMENT VOLUNTARILY AND WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE.

AGREED:
VILLAGE OF BARRINGTON HILLS

EMPLOYEE NAME:

By: _____

(Date)

(Signature)

(Date)

VILLAGE OF BARRINGTON HILLS
VOLUNTARY SEPARATION PLAN FOR
VILLAGE EMPLOYEES

PLAN BENEFIT ELECTION FORM

The voluntary execution of the Separation and Release Agreement that I do not revoke in writing within seven (7) days under the terms of the VILLAGE OF BARRINGTON HILLS VOLUNTARY SEPARATION PLAN FOR VILLAGE EMPLOYEES (the "Plan") makes me eligible according to the terms of the Plan for a Plan Benefit.

I understand that the Plan Benefit provided under the Plan is coverage for eighteen months from date of separation of Village health insurance under my current plan participation, as of December 31, 2014. I understand that the Health Insurance Plan benefit may change each plan year.

I acknowledge and agree that I understand this election and that it is subject to all other terms and conditions of the Plan and that my decision to make this election is voluntary.

(Name of Eligible Employee – Please Print)

(Signature of Eligible Employee)

(Date)

VOLUNTARY SEPARATION PLAN
FORECAST

	2014 Base	2014 Longevity	Total Salary	IMRF*	Police Pension**	Social Security	Workmans Comp***	Life Ins.	Medical Insurance	Disability	Dental Insurance	Medicare	Benefit Total	2014 Total Comp
RK	\$133,800.00	\$2,000.00	\$135,800.00	\$7,827.46		\$8,183.52	\$4,100.00	\$66.00	\$16,924.32	\$980.76	\$1,264.32	\$1,914.00	\$41,260.38	\$177,060.38
GH	\$87,761.34	\$2,000.00	\$89,761.34			\$5,441.28	\$7,380.00	\$66.00	\$19,082.88	\$643.20	\$1,264.32	\$1,272.48	\$35,150.16	\$124,911.50
MM	\$133,800.00	\$2,000.00	\$135,800.00			\$8,129.76	\$7,380.00	\$66.00	\$25,462.92	\$980.76	\$2,399.04	\$1,901.28	\$46,319.76	\$182,119.76
DC	\$87,761.34	\$2,000.00	\$89,761.34			\$5,286.24	\$7,380.00	\$66.00	\$13,732.68	\$643.20	\$1,737.12	\$1,236.24	\$30,081.48	\$119,842.82
RS	\$114,500.00	\$2,000.00	\$116,500.00			\$7,039.92	\$7,380.00	\$66.00	\$19,080.24	\$839.28	\$2,399.04	\$1,646.40	\$38,450.88	\$154,950.88
KR	\$66,400.00	\$1,500.00	\$67,900.00	\$3,819.04		\$4,064.88	\$4,100.00	\$66.00	\$15,901.44	\$486.72	\$1,264.32	\$962.80	\$30,665.20	\$98,565.20
TH	\$66,400.00	\$1,500.00	\$67,900.00	\$3,819.04		\$4,064.88	\$4,100.00	\$66.00	\$16,049.52	\$486.72	\$1,264.32	\$962.80	\$30,813.28	\$98,713.28
NO	\$58,459.22	0	\$58,459.22			\$3,624.47	\$7,380.00	\$66.00	\$4,032.12	\$426.75	\$600.48	\$847.66	\$16,977.48	\$75,436.70

* Employer contribution for IMRF is provided to the Village Annually and is not based per person, rather the level of funding of the entire plan.

** Not quantifiable by person as the PPF contribution is as a whole based on what the Village Board votes to contribute in any given fiscal year

*** Workmans Comp is estimated, as the premiums are not billed by person, rather by job description (police officers vs. clerical)

NO = New officer based on unmarried without dependents

SCENARIO 1

2015

2016

2017

	Total	VSP Medical	Savings		Savings		Savings
Officer	\$127,409.73	\$19,464.54	\$107,945.19	Officer	\$110,104.10	Officer	\$132,557.08
Admin	\$185,762.16	\$25,972.18	\$159,789.98	Admin	\$162,985.78	Admin	\$193,266.95
			\$267,735.17		\$273,089.87		\$325,824.03

SCENARIO 2

2015

2016

2017

	Total	VSP Medical	Savings		Savings		Savings
Patrol	\$127,409.73	\$19,464.54	\$107,945.19	Patrol	\$110,104.10	Patrol	\$132,557.08
Admin	\$185,762.16	\$25,972.18	\$159,789.98	Admin	\$162,985.78	Admin	\$193,266.95
Dispatch	\$100,536.50	\$16,219.47	\$84,317.04	Dispatch	\$86,003.38	Dispatch	\$104,598.18
			\$352,052.20		\$359,093.25		\$430,422.21

VOLUNTARY SEPARATION PLAN
FORECAST

SCENARIO 3

2015				2016		2017	
	Total	VSP Medical	Savings		Savings		Savings
Officer	\$127,409.73	\$19,082.88	\$108,326.85	Officer	\$110,493.39	Officer	\$132,557.08
Admin	\$185,762.16	\$25,462.92	\$160,299.24	Admin	\$163,505.22	Admin	\$193,266.95
New Ofc.	\$76,945.44	N/A	-\$76,945.44	New Ofc.	-\$78,484.35	New Ofc.	-\$80,054.03
			\$191,680.65		\$195,514.26		\$245,770.00

SCENARIO 4

2015				2016		2017	
	Total	VSP Medical	Savings		Savings		Savings
Officer	\$127,409.73	\$19,082.88	\$108,326.85	Officer	\$110,493.39	Patrol	\$132,557.08
Admin	\$185,762.16	\$25,462.92	\$160,299.24	Admin	\$163,505.22	Admin	\$193,266.95
Dispatch	\$105,464.76	\$15,901.44	\$89,563.32	Dispatch	\$91,354.59	Dispatch	\$109,725.54
New Ofc.	\$76,945.44	N/A	-\$76,945.44	New Ofc.	-\$78,484.35	New Ofc.	-\$80,054.03
			\$281,243.97		\$286,868.85		\$355,495.54



Rosemary Ryba <treasurer@barringtonhills-il.gov>

VBH Employee Health Insurance

3 messages

Robert Kosin <rkosin@barringtonhills-il.gov>

Thu, Aug 14, 2014 at 1:30 PM

To: "Michael E. Harrington" <mharrington@barringtonhills-il.gov>

Cc: bwhipple@lundstrominsurance.com, "Rosemary N. Ryba" <treasurer@barringtonhills-il.gov>

During the recent meeting of the Trustee Personnel Committee certain questions were posed for the Insurance Committee. Answers are expected to be included a report to the Board of Trustees for their meeting of Tues 8/26.

Whether the amount of the annual premium for employee health insurance would be changed if during the coverage year there is a change in the number of persons in the coverage period?

Whether during a coverage period and employee becomes eligible for Medicaid does the Village provided health insurance become the secondary policy for that employee?

Also pending with the onset of the next fiscal year (Jan 1st) is the availability of information of a wellness programs.

By copy the Village Treasurer and Insurance Broker were included in the request for information and are expected to assist in the response.

Robert Kosin
Village of Barrington Hills
112 Algonquin Rd, Barrington Hills, IL 60010-5199
847.551.3000 | BarringtonHills-il.gov

To ensure compliance with the Open Meetings Act, elected or appointed members of the public body may reply to this message, but they should not forward it or send a copy of the reply to other members of the public body.

B Whipple <bwhipple@lundstrominsurance.com>

Fri, Aug 15, 2014 at 3:44 PM

To: Michael Harrington <mharrington@barringtonhills-il.gov>

Cc: Rosemary Ryba <treasurer@barringtonhills-il.gov>, K Schwab <kschwab@lundstrominsurance.com>

Hi Mike:

Based on the email from Bob, the answers to the two questions posed are as follows:

1. Yes – if an employee either adds or takes off a dependent during the coverage year, the premium amount billed would change.
2. I believe they mean “Medicare” as opposed to “Medicaid” – and the answer is No. When an employee becomes Medicare eligible, the Village plan is primary and Medicare is secondary. This statute is based

on the size of the employer – the threshold is 20 employees. For employers with more than 20 employees, the employer sponsored health plan is primary and Medicare is secondary. For employers with less than 20 employees, Medicare would be primary and the employer sponsored plan would be secondary.

Because VBH employs more than 20 employees, the VBH plan would be primary and Medicare would be secondary for Medicare eligible employees.

As has been discussed previously, information on wellness programs will be available at any time – whether that be via an outside wellness vendor like Interactive Health or through the BCBS of IL wellness initiatives that are available to members.

I hope that helps – please give me a call if you would like to discuss in more detail, have a great weekend!

Sincerely,

Boomer Whipple, CEBS

Partner - Senior Vice President

Lundstrom Insurance

Direct Line: 847-289-7544

This email, including attachments, may include protected health information (PHI), confidential and/or proprietary information, and may be used only by the person or entity to which it is addressed or the individuals designated to view such information per federal HIPAA regulations. If the reader of this email is not the intended recipient or his or her authorized agent, the reader is hereby notified that any dissemination, distribution or copying of this email is prohibited. If you have received this email in error, please notify the sender by replying to this message and delete this email immediately.

From: Robert Kosin [mailto:rkosin@barringtonhills-il.gov]
Sent: Thursday, August 14, 2014 1:30 PM
To: Michael E. Harrington
Cc: B Whipple; Rosemary N. Ryba
Subject: VBH Employee Health Insurance

[Quoted text hidden]



Rosemary Ryba <treasurer@barringtonhills-il.gov>

VBH Employee Health Insurance

2 messages

Robert Kosin <rkosin@barringtonhills-il.gov>

Tue, Aug 19, 2014 at 1:31 PM

To: bwhipple@lundstrominsurance.com, "Michael E. Harrington" <mharrington@barringtonhills-il.gov>, "Rosemary N. Ryba" <treasurer@barringtonhills-il.gov>

A clarification is required, please.

[Q] Whether the amount of the annual premium for employee health insurance would be changed if during the coverage year there is a change in the number of persons in the coverage period?

[A] Yes – if an employee either adds or takes off a dependent during the coverage year, the premium amount billed would change.

The question pertained to the employer's cost of health insurance and what if any change in the amount would occur if there is a change in the number of employees during the coverage period.

Also please share your response with all on this email.

--

Robert Kosin
Village of Barrington Hills
112 Algonquin Rd, Barrington Hills, IL 60010-5199
847.551.3000 | BarringtonHills-il.gov

To ensure compliance with the Open Meetings Act, elected or appointed members of the public body may reply to this message, but they should not forward it or send a copy of the reply to other members of the public body.

B Whipple <bwhipple@lundstrominsurance.com>

Tue, Aug 19, 2014 at 2:00 PM

To: Robert Kosin <rkosin@barringtonhills-il.gov>, "Michael E. Harrington" <mharrington@barringtonhills-il.gov>, "Rosemary N. Ryba" <treasurer@barringtonhills-il.gov>

Oh, I see:

[A] Yes – if there is a change in the number of employees covered on the plan during the coverage period, the employer's cost of health insurance would change. Each month, VBH receives a bill showing the employees on the plan and the premium charge for each employee. The rate for each employee is based on the age of the employee. If there is a reduction in the number of employees on the plan from one month to the next, the employer cost would go down. Vice versa, if VBH adds employees to the plan – the employer cost would increase.

Thanks Bob, let me know if there are any other questions!

Sincerely,

Boomer Whipple, CEBS

Partner - Senior Vice President

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From: Robert Kosin [mailto:rkosin@barringtonhills-il.gov]

Sent: Tuesday, August 19, 2014 1:32 PM

To: B Whipple; Michael E. Harrington; Rosemary N. Ryba

Subject: VBH Employee Health Insurance

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