



VILLAGE OF HOFFMAN ESTATES
Health Insurance Opt-Out Program
Eligible Fire Union Employees

PLAN YEAR: JANUARY 1, 2025 – DECEMBER 31, 2025

Purpose

The Village of Hoffman Estates, as with many employers, must deal with the continuing increase in the cost of health insurance. The Village is aware that some employees may not need the health insurance benefits offered through the Village because alternative coverage is available under a spouse's insurance plan. A health insurance opt-out program is being offered to employees who have alternative coverage. Current employees who for the plan year discontinue participation in an existing Village health insurance plan or reduce coverage from a family to a single plan will receive a bi-weekly payment in recognition of the Village's insurance cost savings. Newly hired employees are also eligible for the program.

Program

A full-time employee who has an alternative source of health insurance coverage and wants to either discontinue or reduce the current level of coverage under a Village health insurance plan may do so during the Open Enrollment period for the benefit year January 1 – December 31, 2025. In return, the employee is eligible for a twelve (12) month monetary waiver payment. Because having health insurance is vitally important, no employee will be allowed to waive/reduce existing coverage unless they can offer proof of coverage under an alternate health insurance plan.

Employees desiring to participate in the opt-out program must complete a waiver form (*copy attached*) and submit it to the Human Resources Management (HRM) Department during the Open Enrollment period in October. Following the submission of the waiver application and verification of alternate insurance coverage, the current Village health insurance coverage will terminate on December 31, 2024. An employee may qualify as a participant in the opt-out program during the twelve (12) month program if within thirty (30) days of a qualifying life-changing event (i.e., marriage) that provides them with alternative coverage they apply at HRM for the program.

Participants in the program will, in addition to the waiver payment, no longer have a bi-weekly deduction of the employee premium co-payments. The waiver payment is made over twenty-four (24) pay periods during the plan year January 1 through December 31, 2025. All payments are considered income and are subject to normal withholdings. Offering this program does not obligate the Village to continue the program from year-to-year if it is not economically feasible or if in conflict with Federal or State law. (Contact HRM for the current calendar year's waiver rates).



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Health insurance opt-out payments can be received for six (6) changes in health coverage:

1. The discontinuation of participation in a Village single health insurance plan.
2. The discontinuation of participation in a Village single plus one insurance plan.
3. The discontinuation of participation in a Village family health insurance plan.
4. The reduction of Village health insurance coverage from a family plan to a single plan.
5. The reduction of Village health insurance coverage from a family plan to a single plus one plan.
6. The reduction of Village health insurance coverage from a single plus one plan to a single plan.

The reduction options are **not** available to employees who naturally or under plan terms lose family status (e.g., divorce, death, age of dependent child, etc.). Additionally, employees selecting a reduction option must provide evidence of alternative health insurance coverage.

An employee whose spouse is also a Village employee and both individuals have insurance, will be eligible to participate in the program.

New Employees

New full-time employees starting with the Village after the beginning of a plan year may be eligible to participate in the opt-out program by declining health insurance coverage during the initial enrollment period. Such employees will only be able to decline coverage equal to the type of coverage they had upon employment with the Village. The waiver payment received will be prorated for the balance of the plan year (January 1 – December 31) based on the number of waiver payment pay periods remaining in the plan year. Also, new employees must also offer proof of coverage under another health insurance plan.

If the employee was eligible for family coverage from their previous employer, however, elects single coverage, the employee will be eligible for the reduction from family to single coverage waiver payment.

Duration

A waiver of health insurance is in effect for twelve months (January 1 – December 31). If economically viable and not in conflict with Federal or State law, the Village may authorize the program for the next benefit year (January 1 - December). Employees who prefer to continue in the opt-out program for the next benefit year must complete a new waiver



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form (with proof of alternative insurance coverage) during the designated open enrollment period. Employees desiring not to continue in the opt-out program **must** complete all required enrollment forms for Village health insurance coverage at the next open enrollment period with coverage effective the start of the plan year.

Separation

If an employee participating in the opt-out program separates employment with the Village during a plan year, waiver payments will only continue through the last payroll period employed. **NOTE: An employee participating in the program who retires during the plan year does NOT have health insurance rights to participate in a Village health insurance plan after retirement.**

Re-Enrollment

Re-enrollment to a Village health insurance plan can only occur during the annual open enrollment period or within thirty (30) days of a life-changing event (e.g., spouse losing insurance coverage). Under a qualifying re-enrollment during the plan year, the waiver payment will cease in the payroll period that Village health insurance coverage becomes effective. Employees, opting-out and re-enrolling in a Village health insurance plan, must continue Village coverage for three (3) plan years to again be eligible for the opt-out program.



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Health Insurance Opt-Out Waiver Payments
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The opt-out payments are approximately 33% of the average of the types of coverages in effect for the plan year (e.g., average of the annual HMO single premium and the annual PPO single premiums).

For the 2025 twelve (12) month program (January 1 – December 31, 2025), the annual waiver payments (paid over 24 pay periods) for **FULL-TIME** employees discontinuing or reducing existing coverage, or as a **NEW FULL-TIME** employee declining participation in a Village Health Insurance plan, are as follows:

	12 Months Opt-Out Amount⁽¹⁾
Discontinue/Decline Single Coverage	\$3,566.09
Discontinue/Decline Single Plus One Coverage	\$5,203.17
Discontinue/Decline Family Coverage	\$8,924.65
Reduction from Family to Single Plus One Coverage	\$3,505.84
Reduction from Family to Single Coverage	\$5,203.17
Reduction from Single Plus One to Single Coverage	\$3,505.84

⁽¹⁾These rates will only apply if eight (8) or more Fire contract employees opt-out.

