

**VILLAGE OF DOWNERS GROVE**  
**REPORT FOR THE VILLAGE COUNCIL WORKSHOP**  
**APRIL 13, 2010 AGENDA**

| SUBJECT:   | TYPE:  | SUBMITTED BY:                                      |
|--|--|--|
| Amendment for Group Health Insurance Plan; Amendment for Long Term Disability Insurance Plan and Amendment for Group Life Insurance Plan | ✓ Resolution<br>Ordinance<br>Motion<br>Discussion Only | Wesley Morgan, SPHR<br>Director of Human Resources |

**SYNOPSIS**

Resolutions have been prepared for the following items:

- Authorize an Amendment related to the Village's Group Health Insurance Plan
- Authorize an Amendment to the Village's Agreement for the Long Term Disability Plan
- Authorize an Amendment to the Village's Agreement for the Group Life Insurance Plan

**STRATEGIC PLAN ALIGNMENT**

The Five Year Plan and Goals identified *Exceptional Services and Communication*.

**FISCAL IMPACT**

The proposed amendments are administrative in nature and would have no impact on the cost of administering the Village's group health insurance, long term disability or group life insurance plans.

**RECOMMENDATION**

Approval on the April 20, 2010 consent agenda.

**BACKGROUND**

Periodically, administrative amendments to the Village's group health insurance plan are necessary for clarification purposes and to comply with recent State and Federal legislation. Staff proposes an administrative amendment to the Village's group health insurance plan for Village Council consideration. This administrative amendment would have no cost impact on the previously approved health insurance contracts. The proposed amendment would bring the Village into compliance with a recent revision in Illinois law. The proposed amendment would change the requirements for a plan participant's child to be eligible for coverage under the Village's group health insurance plan. The following changes to eligibility requirements for children of Village health insurance plan participants would occur as a result of the proposed amendment:

- Children of Village health insurance plan participants would be eligible for coverage under the Village's health insurance plan until the age of 26 (or until the age of 30 for honorably discharged military veterans)
- Children of Village health insurance plan participants would be eligible for coverage under the Village's health insurance plan even if they are not financially dependent on their parents
- Health insurance plan participants whose children are eligible for coverage under the plan, but do not meet the Federal tax definition of a dependent, would be required to pay all taxes imposed on the value of the plan.

In addition to the proposed amendment to the Village's group health insurance plan, staff is proposing two amendments to the Village's long term disability (LTD) and group life insurance plans. Both amendments are administrative in nature. The first proposed amendment adjusts the dates in which the Village's LTD

and group life insurance plans become effective. This amendment will ensure the Village's LTD and group life insurance plans become effective for new employees at the same time as all other benefits.

The second plan amendment is to clarify the description of employees eligible for LTD benefits. The initial LTD policy was written when the Village had only two collective bargaining agreements and the language states that the LTD benefit was available to all full-time employees with the exception of collective bargaining unit members in police and fire. Since the initial policy went into effect, there is now an additional collective bargaining unit in the Public Works Department who are covered under the LTD benefit. As a result, the proposed LTD plan amendment would clarify that the exclusion only applies to members of the police and fire collective bargaining units.

**ATTACHMENTS**

Group Health Insurance Plan Amendment #6

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION AUTHORIZING EXECUTION OF PLAN AMENDMENT #6 TO THE  
VILLAGE OF DOWNERS GROVE GROUP HEALTH PLAN**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois,  
as follows:

1. That the form and substance of certain Plan Amendment #6 (the "Amendment"), between the Village of Downers Grove (the "Village") and Advocate Health Partners for and on behalf of Advocate Good Samaritan hospital, a hospital operating division of Advocate Health and Hospitals Corporation (hereinafter referred to as "Hospital") and Village of Downers Grove (hereinafter referred to as "Employer"), providing for 2010 policy revisions to the Village's health insurance plan, as set forth in the form of the Amendment submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Amendment, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Amendment.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

\_\_\_\_\_  
Mayor

Passed:

Attest: \_\_\_\_\_

Village Clerk

**PLAN AMENDMENT  
FORA  
VILLAGE OF DOWNERS GROVE  
GROUP HEALTH PLAN  
GOOD SAMARITAN AND LOW DEDUCTIBLE PLANS  
AND  
HIGH DEDUCTIBLE PLAN**

**Amendment No.** 6  
**Effective Date:** January 1, 2010

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This Plan is **AMENDED** as follows:

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**Section: Definitions – Restate the following:**

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**Dependent**

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“Dependent” means any of the following individuals who are eligible for, and have been enrolled for Dependent Coverage under this Plan:

1. The Participant’s legal spouse, of the opposite sex, who is a resident of the same country as the Participant. Such spouse must have met all requirements of a valid marriage contract of the state in which they were married. This does not include common law marriage or any other such arrangements which may be recognized by the state in which they reside.
2. The Participant’s child who meets **all** of the following conditions:
  - a. Is a resident of the same country as the Participant.
  - b. Is unmarried.
  - c. Is a natural child, step-child living with the Participant, legally adopted child, or a child who has been placed under Legal Guardianship of the Participant.
  - d. Is under age 26; or,
  - e. Is a military veteran who is under age 30 and meets the following requirements:
    - (1) Is a resident of the State of Illinois;
    - (2) Served as a member of the active or reserve components of any of the branches of the Armed Forces of the United States including the National Guard; and,
    - (3) Has received a release or discharge other than a dishonorable discharge.

The Dependent must submit proof of active service using a DD Form 214 (Member 4 or 6) form (otherwise known as a “Certificate of Release or Discharge from Active Duty”) stating the date on which the Dependent was released from service.

The age requirement referenced in 2,e. will be waived if the child is mentally or physically handicapped and incapable of self-sustaining employment. The child need not be covered under the Plan on the date the incapacitating handicap occurred. However, such Condition must have begun prior to the child’s attainment of age 26 and must be of such severity as to incapacitate the child for an extended period of time. Proof of incapacity acceptable to the Plan Administrator must be furnished upon request and as may be required thereafter.

If your child qualifies for coverage under this Plan but does not meet the Federal tax definition of a “dependent”, you will be responsible for paying any taxes imposed for the value of this coverage. An “Affidavit of Dependent Status” must be completed and submitted with your enrollment and on an annual basis thereafter.

3. Any children who are in the Participant's custody under an interim court order prior to finalization of adoption will be covered.
4. Any children as required by a Qualified Medical Child Support Order (QMCSO).

Those situations specifically excluded from the definitions of a "Dependent" are:

1. A spouse who is legally separated by a court order from the Participant;
2. A former spouse who is legally divorced from the Participant;
3. Any person on active military duty;
4. Any person covered under this Plan as an individual Participant;
5. Any person who is covered as a Dependent by another Participant.

Accepted for Plan Administrator:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_