



TOWN OF UPTON, MASSACHUSETTS

HUMAN RESOURCES

MEMO TO: All Benefit Eligible Town Employees
FROM: Sandra Hakala
DATE: May 1, 2025
RE: **FY 2026 – Open Enrollment Period - May 1, 2025 – June 2, 2025**

During **OPEN ENROLLMENT**, employees may **add, cancel, or change** their enrollment in health plans, dental plans, vision plans, long-term disability, and the flexible spending account (FSA). Please review this memo to decide what you want to do for the next fiscal year beginning **July 1, 2025**.

There have been no plan design changes. Summary plan documents are on the town [website](#).

HEALTH INSURANCE

On July 1st, renewal premium rates for medical coverage will increase by 15.77%. Once again, as an MIIA Health Benefits Trust member, the Town's premium increase was mitigated substantially. Based on our loss ratio and inflation, premium increases would have been in the 20% range without this partnership. We will continue the conversation with the Insurance Advisory Committee and the Trust over the next several months and strategize ways to develop financially sustainable plans, including exploring plan design changes without compromising coverage for FY27.

All medical plans cover the SAME *In-Network Benefits* and have the SAME *Copays/Deductible*. HMO BLUE SELECT's Network of Providers is limited to specific MA only.

Deductible payments of \$250.00 (individual plan) and \$750.00 (family plan) will continue to be funded by the Town for the entire plan year through a Health Reimbursement Account (HRA). HRA funds are contributed to employees on a pre-tax basis; therefore, the funds are not taxable. Employees need not claim an income tax deduction for an expense reimbursed under the HRA.

HEALTH REIMBURSEMENT ARRANGEMENT (HRA)

HealthEquity will continue to administer the **HRA**. The payment of deductibles directly to your provider is required and will be administered by **HealthEquity**. No additional paperwork is necessary; this feature is set up automatically.

HUMAN RESOURCES DIRECTOR
Sandra J. Hakala

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HEALTH INSURANCE

CONTRIBUTION RATES

	Annual Premium	Monthly Premium	Employee Monthly Premium	Town Monthly Premium
HMO BLUE				
Individual	\$17,155.20	1429.60	357.40	1072.20
Family	\$44,604.60	3717.05	929.26	2787.79

HMO BLUE SELECT				
Individual	\$14,925.00	1243.75	310.94	932.81
Family	\$38,805.96	3233.83	808.46	2425.37

PPO				
Individual	\$20,700.24	1725.02	690.01	1035.01
Family	\$53,820.96	4485.08	1794.03	2691.05

* Deductions for insurance are taken out 4 weeks/month or 48 weeks per year.

Please note that the premium cost-share for the HMOs is 75% Town 25% employee, and the PPO Plan is 60% Town 40% employee. You may switch plans only during open enrollment.

HEALTH INSURANCE OPT-OUT PLAN

Eligible benefit employees may opt out of receiving Town-sponsored health insurance and receive a stipend for doing so. The stipend is \$1,500/year for an individual plan and \$3,000/year for a family plan. The stipend is paid monthly in the last payroll of each month. To opt-out, you must fill out a health insurance form to cancel coverage, sign the opt-out policy, and show proof that you have another insurance plan you are eligible to join. See the Town's Opt-out policy on the website or contact me for more information.

FLEXIBLE SPENDING ACCOUNT (FSA)

HealthEquity is also servicing the Town's **FSA**. Employees working 20 hours/week or more may enroll in the **FSA** account through **HealthEquity**. Because the plan is year to year, you must fill out a new enrollment form indicating how much you would like to withdraw for the fiscal year, even if you keep the same amount.

The IRS has increased the Flexible Spending Account (FSA) contribution limits for the Health Care Flexible Spending Account (HCFSA). In 2025, participants may contribute up to an annual maximum of \$3,300. The Dependent Care FSA (DCFSA) maximum annual contribution limit remained unchanged for 2025. If married, it remains at \$5,000 per household or \$2,500, filing separately.

As a reminder, the full benefit you choose is available on July 1st and expires at the end of the plan year. The amount deducted is in equal amounts from your paycheck over the fiscal year and is taken

out on a pre-tax basis. Any amount you do not spend at the end of the plan year (60-day grace period after June 30th) is retained by the Town.

DENTAL PLAN

Overview

- Ortho coverage of \$2000 lifetime max per dependent under the age of 19
- Added a preventative rider to remove type 1 benefits (x-rays/cleanings) from being deducted from the \$2000 calendar year max.
- Added 3 types of enrollments, individual (self), 2 persons (self & spouse), and family plan

Only **NEW** subscribers **MUST** fill out an enrollment form.

Premiums for this benefit, which is 100% employee paid, is below:

	Annual Premium	Monthly Premium	Employee Monthly Premium	Town Monthly Premium
BCBS DENTAL				
Individual	\$ 575.88	47.99	47.99	0.00
2 Person	\$ 1,151.76	95.98	95.98	0.00
Family	\$ 1,755.00	146.25	146.25	0.00

* Deductions for insurance are taken out 4 weeks/month or 48 weeks per year.

VISION PLAN

Blue 20/20 is a separate vision plan offered through Blue Cross Blue Shield of Massachusetts, providing coverage for routine eye exams and savings eyeglasses and contacts. Vision Plan members will see no change in rates for another four years.

NEW subscribers **MUST** fill out an enrollment form. The premium for this benefit is 100% employee paid.

	Annual Premium	Monthly Premium	Employee Monthly Premium	Town Monthly Premium
BCBS Vision Premium Plan				
Employee	\$ 81.24	6.77	6.77	0.00
Employee Plus Spouse	\$ 138.12	11.51	11.51	0.00
Employee Plus One or More Children	\$ 142.20	11.85	11.85	0.00
Family	\$ 223.44	18.62	18.62	0.00

* Deductions for insurance are taken out 4 weeks/month or 48 weeks per year.

SMARTSHOPPER PROGRAM

A great healthcare shopping and savings program – [SmartShopper](#), can save you money on medical procedures and tests, put cash in your pocket, and is an effortless shopping experience either over the phone or online. Call your Personal Assistant at 1-877-281-3722 or log in to

myblue.bluecrossma.com and click the Find a Doctor link to access SmartShopper. The cash rewards you can earn can vary from \$25 to \$250, depending on the procedure and where you have it.

MIND AND BODY REIMBURSEMENT

[Save up to \\$300 per family per calendar year.](#)

To learn more about your alternative health care benefits, sign in to MyBlue at bluecrossma.com/myblue or call Member Service at the number on the front of your ID card.

RETIREES HEALTH PLAN

Retirees from the town participating in the Worcester County Retirement System are generally eligible to participate in the town's health insurance program. **An employee must enroll in a town-sponsored insurance plan for at least one year (12 months) to elect retiree health insurance coverage with the town upon retirement from active service.** Upon separation from town employment, a worker eligible for and has petitioned for retirement under Chapter 32 may elect to participate in a town-sponsored health plan program subject to the terms and underwriting conditions of the town's in-force insurance providers.

An employee must elect coverage within 30 days of the date of termination. The eligible individual who fails to exercise their election opportunity within the prescribed interval and does not comply with health provider stipulations, will be deemed to have waived participation rights. The **2014 TOWN OF UPTON ELIGIBILITY FOR BENEFITS POLICY** is attached, and all benefit-eligible employees must acknowledge that they have received a copy of this policy.

The annual renewal premium for Medex 2 and Blue Med Rx is determined in **January**. Retirees are responsible for paying 50% of the premium through their Worcester County Pension. Please get in touch with me at least 90 days before retirement.

	Annual Premium	Monthly Premium	RETIREE Monthly Premium	Town Monthly Premium
MEDEX			50%	50%
MEDEX 2	\$ 2,231.04	185.92	92.96	92.96
BLUE MED Rx	\$ 2,580.12	215.01	107.51	107.51
TOTAL	\$ 4,811.16	400.93	200.47	200.47

LONG-TERM DISABILITY INSURANCE

If you want to sign up for this benefit or cancel the policy you signed up for last year, you must do so during the open enrollment period. This benefit is offered to eligible employees, but the Town does not contribute to the cost. The use covers 180 calendar days in which you are eligible to have 60% of your monthly income covered up to a maximum payment of \$6,000 per month. Forms for this are available in the HR office.

All forms must be submitted by June 2nd.

LIFE INSURANCE

On July 1st, monthly renewal premium rates for life insurance coverage will increase from \$4.40 to \$4.54.

	Annual Premium	Monthly Premium	Employee Monthly Premium	Town Monthly Premium
The Standard Basic Life			25%	75%
20K	\$54.48	4.54	1.14	3.41

If you are interested in purchasing additional life insurance beyond the \$20,000 the Town offers, you may do so during the open enrollment period. Insurance is available up to \$300,000, and depending on how much you choose, you may be required to take a physical exam.

If you have had an event occur during the year that would cause you to want to change your beneficiaries (birth of a child, death, marriage, or divorce), please contact our office to fill out a new form and update your beneficiaries. Whoever is on file as a beneficiary will receive the benefit upon your death.

To ensure that all beneficiary elections are current, we request that all eligible employees complete a new Beneficiary Form and return a hard copy to the HR Office.

SMART PLAN – 457 PLAN RETIREMENT PLAN SAVINGS OPPORTUNITIES

The maximum amount you can contribute to a 457-retirement plan in 2025 is \$23,500. That's an increase of \$500 over 2024. If you're 50 or older, your plan may allow you to contribute an additional \$7,500 as a "catch-up" contribution, bringing your contribution total to \$31,000.

See what your retirement savings look like right now – schedule time for a complimentary Retirement Readiness Review with your SMART Plan Retirement Plan Advisor, Andrew Wilson Andrew.Wilson@empower.com.

You can start either plan with a contribution of at least \$10/week.

Please do not hesitate to contact me if you have any questions or would like to make changes to your enrollment status.

PURPOSE:

The purpose of this policy is to outline the eligibility of employees for health insurance and retiree health benefits.

POLICY:

The policy of the Town of Upton is to provide health insurance and retiree health benefits to all eligible employees of the Town as defined in the implementation procedures below.

APPLICABILITY

This policy is applicable to all employees as defined in the implementation procedures below.

IMPLEMENTATION PROCEDURE:

Rules and Regulations Regarding Eligibility for Benefits

The following rules and regulations are adopted by the Upton Board of Selectmen pursuant to M.G.L. Chapter 32B, Section 14, and any other applicable provision of the laws of the Commonwealth of Massachusetts or the United States. The Upton Board of Selectmen, as the appropriate public authority, is the source of final appeal within this municipal jurisdiction for the rules contained herein and on behalf of the Town of Upton and its employees. In the event of any conflict between these rules and regulations and any applicable State or Federal law, the provisions of such law shall control.

1. *Qualification for Group Insurance:*

- A. Employees must be compensated by the town;
- B. Employees must be regularly scheduled to work a minimum of twenty (20) hours per week during the work year;
- C. Seasonal and short-term temporary employees working 90 days or less are not eligible for insurance;
- D. In the case of layoffs or reduction in personnel due to lack of work or budgetary cutbacks, any employee rehired within one year of the date of separation shall be considered as having uninterrupted service for the purposes of establishing benefit costs upon rehire. An individual rehired following an absence longer than one year will be treated as a newly hired employee subject to all the contributory responsibilities existing for the current period of employment.

2. *Qualifications for participation in the Retirement Plan:*

- A. Employees must be regularly employed by the town, and generally must work not less than twenty (20) hours per week or 1,040 or more hours in a fifty-two (52) week year;
- B. Temporary employees and intermittent police officers, generally, do not qualify for plan participation;
- C. The town is a member of the Worcester Regional Retirement System and subject to Massachusetts General Laws governing such systems. Reference is made to the Worcester Regional Employee Retirement Guide;
- D. All employees newly hired after April 1, 1986 will be subject to Medicare and Medicare withholdings.

3. *Grant Employees paid through third party sources:*

- A. Grant employees and employees whose compensation is funded through payments by third parties are eligible for benefit participation. Any grant or fee billing system, under which insurance benefits are an eligible cost, must include sufficient funds to reimburse the town for its share (employer portion) of insurance premiums on behalf of participating employees, and the town must be reimbursed in full for its payment of these premiums;
- B. Supporting grant documentation must be placed on file at the office of the Town Accountant;
- C. Grant employees must meet the eligibility requirements stipulated above in paragraphs 1 (one) and 2 (two) in order to participate in the town's benefit plans.

4. *COBRA qualifying subscribers:*

- A. COBRA and Title XXII of the Public Health Service Act, as they may be amended from time to time, define and govern continuation coverage requirements (including qualifying events that trigger continuation coverage, notice requirements, premium payments, and eligibility) of covered employees and other beneficiaries;
- B. The town Treasurer's Office or its designated third-party administrator shall provide initial notification of COBRA coverage availability when an employment qualifying event occurs and/or when a covered employee or other qualified beneficiary notifies the office within prescribed time limitations of a divorce or legal separation, a dependent child ceases to meet dependency requirements, or, during the qualified beneficiary's initial 18-month period of COBRA continuation, of a disability determination by Social Security. An employee has up to 60 days to elect coverage after receiving notice from the town of rights to COBRA coverage.

5. **Retirees health insurance (Also see Chapter 59, Town by-laws):**

- A. Retirees from the town, that is, retired employees participating in the Worcester County Retirement System, are generally eligible to participate in the town's health insurance program. An employee must be enrolled in a town sponsored insurance plan for a period of at least one year (12 months) in order to elect retiree health insurance coverage with the town upon retirement from active service;
- B. Upon separation from town employment, a worker, who is eligible for and has petitioned for retirement under Chapter 32, may elect to participate in a town sponsored health plan program subject to the terms and underwriting conditions of the town's in-force insurance providers. An employee must elect coverage within 30 days of the date of termination. The eligible individual, who fails to exercise his or her election opportunity within the prescribed interval and does not comply with health provider stipulations, will be deemed to have waived participation rights.
- C. Town of Upton retirees, who choose to continue active employment with another community, or in another state, and maintain participation in Town of Upton benefit programs, are subject to the *Town of Upton Rules and Regulations Regarding Eligibility for Benefits*. Although a former town employee may be elsewhere employed and eligible for and/or receive benefits from another employer, the individual, after waiving participation rights with the Town of Upton, cannot then re-establish town benefits upon termination of their working relationship with the alternate employer.
- D. A town retiree or spouse, who has a dependent who is not enrolled or eligible to be enrolled in Medicare Part A at no cost shall not be required to transfer to a Medicare extension plan if a transfer requires the retiree or spouse to continue the existing family coverage for the dependent in a plan other than a Medicare extension plan offered by the government unit.

6. **Medicare eligible retirees:**

- A. The Town of Upton accepted the provision of Chapter 32B §18 of the Massachusetts General Laws on 12 April 2005 at its Special Town Meeting;
- B. Section 18 requires all retirees, their spouses and dependents, who are enrolled in Medicare Part A at no cost to the retiree, their spouse and dependents, or eligible for coverage thereunder, at no cost to a retiree, their spouse or dependents, to enroll in a Medicare health benefits supplement plan (Medicare extension plan) offered by the town, subject to the exception noted in 5D above;
- C. The town shall pay any Medicare Part B **penalty** (only) assessed by the federal government on retirees, their spouses and dependents as a result of enrollment in Medicare Part B at the time of transfer into the Medicare health benefits supplement plan;

- D. The town may, from time to time, request from any retiree, a retiree's spouse or dependents, proof certified by the federal government of their eligibility or ineligibility for Medicare Part A and Part B coverage;
- E. If retirees do not submit the information required, they shall no longer be eligible for their existing health coverage.

7. *Spousal health insurance upon death of an employee:*

Upon the death of an active employee or retiree, the surviving spouse may continue the group coverage, including dependent coverage, until remarriage or death of said surviving spouse, in accordance with M.G.L. Chapter 32B §9B. As applicable, these situations will also be subject to the provisions of COBRA and Title XXII of the Public Health Service Act.

8. *Continuation of health coverage in the case of divorce or separation:*

Generally, situations of spousal coverage are regulated by Section 9H of Chapter 32B. Premium assessments and contract standards are under the jurisdiction of the Board of Selectmen.

9. *Split insurance coverage:*

An employee may not elect different insurers for both the employee and his or her spouse when only one of the married individuals is a town employee. Should both spouses be employees, they will be subject to duplicate coverage regulations of the insurance providers, as well as state and federal statutes. In the event statutory restrictions compel different coverage, the town will comply with the appropriate statute and regulations.

10. *Health care premium cost sharing:*

- A. Chapter 32B of the Massachusetts General Laws governs the town's contribution to the premium cost for indemnity-type health insurance plans.
 - 1. The town has accepted Section 7A of Chapter 32B, which allows the town to contribute more than 50% of the group premium rate. The Board of Selectmen determines the actual contribution percentage of premium apportionment, subject to collective bargaining requirements.
 - 2. The town has accepted Section 9A of Chapter 32B, which allows the Town to contributes 50% to the group premium rate for retiree indemnity-type health insurance.
- B. The Board of Selectmen determines Health Maintenance Organization (HMO) cost sharing in accordance with Chapter 32B. For town sponsored HMO plans, an employee must contribute 25% of the monthly premium. On divorce or court ordered continuation plans, the employee or dependent pays the entire premium (100%). For COBRA qualified plans, the employee or dependent pays all of the premium plus a 2% administrative surcharge. The town contributes 50% toward retiree premiums.

- C. Applications for grants or requests for grant supplements must also include an appeal for resource apportionment to fund grant employee benefits.
- D. The Massachusetts Health Connector (Connector) mandates that employers offer access to health insurance for individuals not otherwise insured. Although the Connector offers an array of plans for uninsured individuals and families, the town does not pay such insurance; in accordance with the 2006 Health Care Reform Law however, the town provides Section 125 Plan, pre-tax withholdings for non-benefit eligible employees, i.e., those working less than 20 hours per week, but otherwise 64 hours, or more, per month for the town.

11. *Supplemental insurance plan cost sharing:*

- A. A Flexible Spending Account (FSA), established 1 July 1, 2012, is offered to benefit eligible employees of the town. It is a pre-tax mechanism that allows employees to set aside a pre-determined amount of money each year to pay for allowable medical expenses not otherwise covered by the employee health insurance plans. This voluntary election plan is payroll deducted to the limits defined by the town and in accordance with allowable limits, as established by IRS rules.
- B. The cost of supplemental group insurance (e.g. dental care), as provided in Massachusetts General Laws Chapter 32B, will be borne 100% by the employee in accordance with Subsection (a), Section 15 of Chapter 32B as adopted by the Board of Selectmen and further subject to availability of said coverage by the town.

12. *Waiver of coverage:*

- A. Once an employee waives his or her right to the town's group insurance plans, the employee will not be readmitted to the program under any circumstances until an open enrollment period and will be subject to the underwriting requirements of the insurance provider.
- B. A new employee, who fails to enroll in any of the town's health and/or life insurance, or other general benefit plan options, is deemed to have waived such right of participation after 30 days from his or her date of hire and must wait until an open enrollment period, except under circumstances considered to be a qualifying event. Any employee choosing not to enroll will be asked to acknowledge same by signing a waiver form.

13. *Notice of termination of employment:*

When the employment of any wage earner is to be terminated, the employee's department must notify the treasurer's office at least 15 days prior to termination or, if the termination date is not known that far in advance, as soon as it is known. The Treasurer's Office will conduct a 12 month look-back for retiree benefit eligibility, or otherwise, COBRA qualifications and portability for other benefit plans; and, prepare and distribute appropriate notices to the departing worker.

14. *Grievance:*

- A. Any employee who has been aggrieved by the application of these guidelines may utilize the procedure described in the Town of Upton, *Personnel By-Law*, Section VII-B, but the decision of the Personnel Board will only constitute a recommendation;
- B. The Board of Selectmen is the final authority on all insurance matters;
- C. Issues regarding retirement are directed to the appropriate retirement jurisdiction for final resolution;
- D. Benefit issues remain under the jurisdiction of the appropriate public authority.

15. *Changes in benefit guidelines:*

These rules and regulations may be waived, suspended, or rescinded by vote of a majority of all members of the Board of Selectmen; provided, however, that the proposed waiver, suspension, amendment, or rescission must be acted upon at a meeting of the Board of Selectmen subsequent to a meeting at which it has been presented.

16. *Public Authority:*

These guidelines are promulgated as rules, pursuant to the authority vested in the Board of Selectmen by Section 14 of Chapter 32B of the Massachusetts General Laws.



EMPLOYEE POLICY ACKNOWLEDGEMENT ELIGIBILITY FOR BENEFITS POLICY

OFFICE OF THE TOWN MANAGER
Human Resources Department
One Main Street, Suite 1 Upton, MA 01568

This acknowledges that I have received and reviewed the [2014 TOWN OF UPTON ELIGIBILITY FOR BENEFITS POLICY](#) of the Town of Upton (“Policy”).

By signing this form, I agree to abide by the Policy and any Guidelines promulgated thereunder, and I agree to review periodically any changes or modifications. I recognize that the law and associated Policy are continually evolving. Therefore, I understand that my regular review of this Policy, as it may be amended, is required.

Employee Signature

Date

Printed Name