

Rule 5.1 INSURANCE

All full-time employees shall be eligible for coverage by the group insurance plan provided by the Village which includes medical, dental, life & accidental death and dismemberment, short-term disability and long-term disability insurance coverage. Premiums for optional dependent coverage shall be paid by the employee on a before-tax basis unless a request is made for after-tax payroll deduction. Insurance benefit information and premium cost is available from the Human Resources Office.

Rule 5.2 COBRA (Consolidated Omnibus Reconciliation Act)

The Village provides continuation coverage in accordance with the Consolidated Omnibus Budget Reconciliation Act, commonly known as COBRA. COBRA requires that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end (due to a "Qualifying Event"). A third-party administrator provides notice of the rights and obligations under COBRA to all employees and their families upon commencement of coverage under the Village's group health plan. Additional copies of the notice are available from the Human Resources Manager. This policy is a summary of the law and therefore is general in nature. The law itself and the actual plan provisions must be consulted with regard to the application of these provisions in any particular circumstance.

A. COVERAGE

1. Employees. If you are an employee of the Village covered by the Village's group health insurance plans, (which are defined herein to include health and dental plans) you have a right to choose continuation coverage if you lose your group health coverage because of:
 - a. A reduction in your hours of employment, or,
 - b. Termination of your employment (for reasons other than gross misconduct on your part).
2. Spouses of employees. If you are the spouse of an employee covered by the Village's group health insurance plans, you are a "Qualified Beneficiary" and have the right to choose continuation coverage for yourself if you lose group health coverage under the Village's plan for any of the following five reasons:
 - a. The death of your spouse;
 - b. Termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment;
 - c. Divorce or legal separation from your spouse;
 - d. Your spouse becoming entitled to Medicare; or
 - e. The commencement of certain bankruptcy proceedings by the Village, if your spouse is retired.
3. Dependent Children. A dependent child of an employee covered by the Village's group health plan also is a "Qualified Beneficiary" and has the right to continuation coverage if group health coverage under the Village's plan is lost for any of the following six (6) reasons:
 - a. the death of a parent;

- b. the termination of a parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment with the Village;
- c. parent's divorce or legal separation;
- d. a parent becoming entitled to Medicare;
- e. the dependent ceasing to be a "dependent child" under the Village's plan; or
- f. a proceeding in bankruptcy reorganization by the Village, if the parent is retired.

A child born to, or placed for adoption with, the covered employee during a period of continuation coverage also is a Qualified Beneficiary.

NOTE: When an employee makes a voluntary choice to drop dependents from the health insurance plan during open enrollment, there is no qualifying event that would trigger COBRA eligibility. COBRA continuation is triggered when an employee's dependent loses coverage due to certain qualifying events as outlined above.

- 4. Separate Elections. If there is a choice among types of coverage under the plan, each qualified beneficiary who is eligible for continuation of coverage is entitled to make a separate election among the types of coverage. Thus, a spouse or dependent child is entitled to elect continuation of coverage even if the covered employee does not make that election. Similarly, a spouse or dependent child may elect a different coverage from the coverage that the employee elects.

B. EMPLOYEES DUTIES UNDER THE LAW

Under the law, the employee or a family member has the responsibility to inform the Human Resources Manager of a divorce, legal separation, or a child losing dependent status under the Village's plan, within sixty (60) days of the date of the event. After receiving notice, the Human Resources Manager will notify the employee and any Qualified Beneficiary of their right to choose continuation coverage. In addition, the employee or a family member must inform the Human Resources Manager of a determination by the Social Security Administration that the employee or covered family member was disabled during the first sixty (60) days of COBRA continuation, within sixty (60) days of receipt of such determination and before the end of the original eighteen (18) month continuation coverage period. (See e.1. Special Rules for Disability, below). If, during continued coverage, the Social Security Administration determines that the employee or family member is no longer disabled, the individual must inform the Human Resources Manager of this redetermination within thirty (30) days of the date it is made.

C. VILLAGE'S DUTIES UNDER THE LAW

A department head or designee has the responsibility to notify the Human Resources Manager of the employee's death, termination of employment or reduction in hours, Medicare eligibility, or of certain bankruptcy proceedings. Notice must be given to the Human Resources Manager within thirty (30) days of the happening of the event. When the Human Resources Manager is notified that one of these events has happened, the Human Resources Manager will in turn notify the employee within fourteen (14) days that they have the right to choose continuation coverage. Under the law, the employee has at least sixty (60) days from the date they would lose coverage because of one of the events described above to inform the Human Resources Manager that they want continuation coverage. Qualified Beneficiaries have sixty (60) days from the date that one of

the events happened or from the date of notice from the Human Resources Manager of their rights under COBRA, whichever is longer.

D. CHOOSING CONTINUATION COVERAGE

If the employee or Qualified Beneficiary does not choose continuation coverage within the time period described above, their group health insurance coverage will end.

If the employee or Qualified Beneficiary chooses continuation coverage, the Village is required to give them coverage that, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. This means that if the coverage for similarly situated employees or family members is modified, the employee's coverage will be modified. ("Similarly situated" refers to current employees or their dependents who have not had a qualifying event.)

E. COVERAGE TERM

The law requires that employees be afforded the opportunity to maintain continuation coverage for thirty-six (36) months unless they lost group health coverage because of a termination of employment or reduction in hours. In that case, the required continuation coverage period is eighteen (18) months. Additional qualifying events (such as death, divorce, legal separation, or Medicare entitlement) may occur while the continuation coverage is in effect. Such events may extend an eighteen (18) month continuation period for some additional period of time up to but not exceeding thirty-six (36) months. In no event will coverage extend beyond thirty-six (36) months from the date of the event that originally made the employee or a Qualified Beneficiary eligible to elect coverage. Employees shall notify the Human Resources Manager in writing if a second qualifying event occurs during your continuation coverage period.

When the qualifying event is the end of employment or reduction of the employee's hours, and the employee became entitled to Medicare less than 18 months before the qualifying event, COBRA coverage for the employee's spouse and dependents can last until 36 months after the date the employee becomes entitled to Medicare. For example, if a covered employee becomes entitled to Medicare 8 months before the date his/her employment ends (termination of employment is the COBRA qualifying event), COBRA coverage for his/her spouse and children would last 28 months (36 months minus 8 months).

1. Special Rules for Disability. If the employee or covered family member is disabled at any time during the first sixty (60) days of continuation coverage, the continuation coverage period is twenty-nine (29) months for all qualified beneficiaries, even those who are not disabled. The disability that extends the continuation coverage period must be determined by the Social Security Administration. The employee or family members must inform the Human Resources Manager within sixty (60) days of the date of disability determination and before the end of the original eighteen (18) month continuation coverage period. If, during continued coverage, the Social Security Administration determines that the employee or family member is no longer disabled, the individual must inform the Human Resources Manager of this redetermination within thirty (30) days of the date it is made. If an employee or family member is disabled and another qualifying event (other than bankruptcy of the Village) occurs within the twenty-nine (29) month continuation period, then the continuation coverage period is thirty-six (36) months after the termination of employment or reduction in hours.
2. Special Rule for Retirees. In the case of a Retiree or an individual who was a covered surviving spouse of a Retiree on the day before the filing of certain bankruptcy proceedings by the Village, coverage may continue until death and, in the case of the spouse or dependent child of a Retiree, thirty-six (36) months after the date of death of a Retiree.

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3. Continuation Coverage may be cut short. The law provides that your continuation coverage may be cut short prior to the expiration of the eighteen (18), twenty-nine (29) or thirty-six (36) month period for any of the following five (5) reasons:
 - a. The Village no longer provides group health coverage to any of its employees.
 - b. The premium for continuation coverage is not paid in full in a timely manner (within the applicable grace period). (See #4. Payment, below.)
 - c. Any time after the latest date the COBRA coverage may be elected under this plan, the individual becomes covered under another group health plan (whether or not as an employee) that does not contain any exclusion or limitation with respect to any preexisting condition of the individual (other than an exclusion or limitation that, after July 1, 1997, does not apply to, or is satisfied, by, the individual under the provisions of the Health Insurance Portability and Accountability Act of 1996).
 - d. The individual becomes entitled to Medicare any time after the latest date that COBRA coverage may be elected under the plan.
 - e. Coverage has been extended for up to twenty-nine (29) months due to disability (See 1, Special Rules for Disability, above) and/or there has been a final determination that the individual is no longer disabled.
 - f. For any other reason the plan would terminate coverage of a participant or beneficiary not receiving continuation coverage, (such as fraud).
4. Payment. An employee does not have to show that they are insurable to choose continuation coverage. However, under the law, the employee may have to pay all or part of the premium for their continuation coverage. The Village requires the employee to be responsible for one hundred two (102%) percent of the premium. The additional two (2%) percent covers administrative processing, and is allowed by law. The premiums may be paid in monthly installments. The first premium will be due forty-five (45) days after the date of the election by a Qualified Beneficiary. Thereafter, the applicable monthly premium for coverage must be paid by the 15th of the previous month. Non-payment of premium by the 15th of the previous month could result in termination of coverage. The Village may charge up to 150% of the normal rates for those persons on disability extension as noted in Section 1, for those additional months.
5. Conversion Coverage. At the end of the continuation coverage period, an employee may, be allowed to convert to an individual health plan provided if the same is allowed by the Village's plan.
6. Once an employee's continuation coverage terminates for any reason, it cannot be reinstated.

Rule 5.3 RETIREMENT INCOME

Full-time employees hired into the classified system are automatically enrolled in a retirement plan according to position classification.

A. DEFINED CONTRIBUTION PLAN

Regular full-time civilian employees in the classified system shall participate in the Village's 401(a) Defined Contribution Plan. The Village requires employees to contribute a mandatory set

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percentage of base pay. The Village has also established a uniform percentage of contribution on behalf of each full-time employee. These contributions are subject to change from time to time.

1. Retirement Age: Normal retirement age shall be age 59 ½.
2. Vesting: The 401a plan has a five (5) year vesting schedule. Vesting refers to the percentage of ownership in employer contributions to the plan. Employees are always 100% vested for any contributions they make to the plan.
3. Loans: Employees may request loans from their vested 401(a) plan balance. Loan application guidelines and forms are available from the Human Resources Office or by contacting ICMA Employee Services at (800) 669-7400.

B. DEFINED BENEFIT PLAN

Sworn police officers hired on or after January 1, 2009 shall be enrolled in the Florida Retirement System (FRS). Newly eligible employees are initially enrolled as members of the FRS Pension Plan by default and have the opportunity to enroll in the FRS Investment Plan. Upon initial employment and enrollment, the third party administrator of the Investment Plan responsible for the educational and choice program provides information to each new employee explaining the employee's option to participate in the Investment Plan instead of the Pension Plan. All FRS members also have a single additional opportunity to transfer on their own initiative into the opposite plan prior to termination.

1. Retirement Age: Occurs when you retire with full (unreduced) benefits based on your age and/or length of service.

Special Risk Class Members initially enrolled in FRS Pension Plan before July 1, 2011:

- a. Must be vested (6 years of creditable service) and be age 55, OR
- b. Have 25 years of special risk service (which may include military service) and be age 52, OR
- c. Have 25 years of special risk service, regardless of age, OR
- d. Have 30 years of any creditable service, regardless of age.

Special Risk Class Members initially enrolled in FRS Pension Plan on or after July 1, 2011:

- a. Members must be vested (8 years creditable service) and be age 60, OR,
- b. Have 30 years of special risk service, regardless of age, OR
- c. Have 33 years of any creditable service, regardless of age.

To determine eligibility for retirement benefits under FRS, or to rollover from another FRS employer, employees must contact the FRS toll-free line at (844) 377-1888 or via email: retirement@dms.myflorida.com

C. 457 DEFERRED COMPENSATION PLAN

A retirement savings plan available to all full-time and part-time employees in the Municipal Service. Enrollment is voluntary and plan information is available from the Human Resources Office. Loans are also available under the 457 plan.

Rule 5.4 EMPLOYEE PERFORMANCE EVALUATIONS

The Employee Performance Evaluation is designed to record the evaluation of an employee's performance, progress, attitude and behavior on the job as accurately and as fairly as possible on forms provided by the Human Resources Manager. All evaluations are kept in the employee's personnel file.

Supervisor Responsibility: The primary responsibility for conducting performance evaluations is that of the employee's immediate supervisor. Employees' who perform duties under more than one supervisor during a rating period shall be evaluated by their current supervisor, however, the supervisor preparing the evaluation should consult any prior supervisor for whom the employee worked during the rating period in order to determine the most appropriate rating for one or all of the categories in the performance evaluation.

A. INTENT OF PERFORMANCE EVALUATION

The performance evaluation is used to develop and manage employee performance and behavior on the job. It presents the supervisor with a regular opportunity to provide and solicit feedback and establish goals and objectives for the improvement or maintenance of work performance. Preparation requires careful thought, as well as accurate and objective performance information based primarily on behavioral observations. The usefulness of the evaluation system depends on the understanding, impartiality and objectivity with which ratings are made.

The evaluation shall indicate how one's past performance has been evaluated by one's immediate supervisor, bring out one's strong and weak points, and serve as the basis for discussion of how performance may be improved or maintained by indicating clear and attainable goals and objectives. The evaluation form provides the employee the opportunity to make suggestions and comments on the policies of management or one's immediate supervisor. These suggestions are to be included in the final evaluation form. The evaluation may be considered a factor for granting increases in salary, however, an employee's evaluation does not imply an automatic increase in salary.

Summary of Major Goals of Performance Evaluations

1. Measure employee performance
2. Measure employee potential
3. Assess employee attitudes
4. Increase supervisor's understanding of the subordinate as well as increase the employee's understanding of his/her responsibilities, objectives and goals
5. Strengthen the supervisor-subordinate relationship by providing a format for regular discussion of performance and performance standards
6. Identify and analyze employee strengths and weaknesses
7. Set goals and objectives for the improvement or maintenance of performance
8. Substantiate decision for merit increases
9. Verify the accuracy of the hiring process and job description
10. Substantiate decisions for disciplinary actions

B. FREQUENCY OF EVALUATIONS

Six-Months: Newly hired and rehired employees receive written performance evaluations conducted by their immediate supervisor at the end of their initial six (6) months of service.

Employees receiving a promotion, demotion or transfer will have a new anniversary date established and will be required to undergo a six (6) month evaluation in the new position and an

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evaluation once a year thereafter on the new anniversary date. As such, the creation of a new anniversary date resulting from a transfer or demotion may setback the annual performance evaluation and thus, the opportunity for a merit increase.

Annually: Employees receive annual performance evaluations on their anniversary date.

Three-Month Follow-Up Review: An employee receiving a rating of conditional or less in any one category or as the overall performance evaluation rating shall undergo a follow-up performance evaluation after three (3) months to measure improvement in the deficient area(s).

Performance Evaluations may be administered more often as deemed appropriate by the Department Head. If at times, a supervisor is not able to adequately evaluate the performance of an employee on their scheduled anniversary date, the supervisor may delay the evaluation until which time the supervisor feels he/she can accurately and objectively do so. In these instances, the supervisor shall submit a memorandum to the Human Resources Office indicating the reason for the delay and an approximate date for conducting the future evaluation.

C. COMMENT BY EMPLOYEE

Employee comments on the evaluation are optional but highly encouraged; however, an employee receiving a conditional rating or less, in any of the performance categories shall be required to indicate a plan for improvement in the employee comment section of the evaluation.

D. COMMENT BY ADMINISTRATION

The Department Head shall review, approve (or deny) the Employee Performance Evaluation reports, which are then forwarded to the Human Resources Manager.

Rule 5.5 PERSONNEL FILES

Individual employee personnel files shall be maintained by the Human Resources Office in accordance with Florida Public Records Statutes. Employees are responsible for notifying the Human Resources Office of any change in contact information, number of dependents, marriage, or any other change not previously reported. Employees have the right to examine their personnel file in the Human Resources Office upon request and with reasonable notice. The Human Resources Manager, Human Resources Assistant or Village Manager shall be present during the examination.

Employees' will be notified when the Village receives a request for a review of their personnel file.

Rule 5.6 IN-SERVICE TRAINING

It will be the responsibility of the Human Resources Manager under the direction of the Village Manager to foster and promote in-service training of employees for the purpose of improving the skills necessary for more effective job performance. The Human Resources Manager shall develop training programs, award certificates or other forms of recognition, assist Department Heads in developing programs to meet their particular needs and develop supervisory and management training programs for all departments.

Rule 5.7 EDUCATION REIMBURSEMENT PROGRAM - VOLUNTARY

- a. The Educational Reimbursement Program (ERP) provides educational assistance to full-time employees voluntarily participating in training or educational programs designed to strengthen their abilities, which in turn directly benefits the Village.

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- b. The Village Council shall determine, through the annual budget process the amount of funds available to the appropriate departments for the ERP. Requests for reimbursement are subject to the availability of funds for such program within each departmental budget.
- c. An employee requesting educational assistance shall complete and submit a Personnel Action Form to the Department Head and Village Manager for approval.
- d. Such request requires approval by the Department Head and the Village Manager, as job related. The approval shall be made on an individual course basis and not on the degree pursued. The Village of Pinecrest has the sole discretion to determine whether a course is job related and eligible for educational assistance under this policy. The employee shall pay his or her tuition and book cost at the time of enrollment in approved course. Course related textbooks to be reimbursed as part of this program should be turned over to the Human Resources Office together with the request for reimbursement. Prior to purchasing course related textbooks, employees shall verify whether the textbooks are available from the Village library on a loan basis. The cost of course related textbooks otherwise available through the Village library will not qualify for reimbursement. All other materials, supplies and activity fees shall be the employee's responsibility.
- e. The amount payable for such reimbursement shall be based upon and not exceed the established credit hour rate of tuition as charged in the state university system at the time enrolled, regardless of the employee's election to attend a private university or college. Upon employee's successful completion of approved course with a final grade of "C" or higher, the Village will reimburse the employee for one hundred percent (100%) of the tuition, provided that employee furnishes payment receipt and official grade report.
- f. Training and/or study time will be undertaken during employee's off-duty time.
- g. If an employee resigns his or her employment with the Village within six (6) months from the date of completion of any course for which employee has received Village tuition (and text book) reimbursement, then the amount of said reimbursement shall be repaid to the Village by the employee by deduction from the employee's final paycheck.
- h. In the event that employee's final paycheck is less than the amount to be reimbursed and employee fails to reimburse the Village within thirty (30) days, and the services of an attorney are required to collect such refund, such attorney's fees and court costs shall be added to the reimbursement owed to the Village.

Rule 5.8 SERVICE RECOGNITION

In recognition of long-term service to the Village and the value of dedicated and competent employees, the Village has established a service award system for qualified employees.

- a. Service Pins: Employees shall become eligible for service award pins after five (5) years of service and every five (5) years thereafter.
- b. Service Award: All employees with five (5) or more years of service, except those covered by a collective bargaining agreement, will receive a service award amounting to two percent (2%) of his or her monthly base salary, multiplied by the number of whole years of service from the date of hire. Payment shall be made in the pay period corresponding with the anniversary date of hire or as soon as practicable, thereafter.

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Rule 5.10 VOLUNTARY BENEFITS

Full-time employees in the Municipal Service are eligible to enroll in any of the voluntary benefit plans offered by the Village. Enrollment is optional and paid for by the employee via payroll deduction on an after or before-tax basis, depending on the plan. Voluntary plans may be added or removed from time to time at the Village's discretion. Booklets explaining these plans are available from the Human Resources Office. Currently, the following voluntary plans are available:

- a. 457 Deferred Compensation Plan
- b. ROTH IRA
- c. Flexible Spending Healthcare and Dependent Care Plans
- d. Supplemental Life Insurance
- e. Critical Care, Cancer and Hospitalization Confinement Insurance

Rule 5.11 RECRUITMENT INCENTIVE PROGRAM

The Village of Pinecrest recognizes that employee referrals are one of the best methods of attracting and retaining qualified employees. To encourage and reward these referrals, the Village shall offer monetary incentives to employees who refer qualified candidates who are hired to fill positions designated by the Village Manager as eligible under the Recruitment Incentive Program. Positions eligible under this program are announced in the Employment Opportunities Bulletin.

- a. All active full-time and part-time employees of the Village are eligible to participate in the program with the exception of the Village Manager, Assistant Village Manager, Village Clerk, Department Directors, Police Command Staff, Human Resources Manager and Human Resources staff members. In addition, the following are not considered eligible for the referral: Consultants, Independent Contractors, Temporary Employees, Elected Officials, Village Attorney, persons no longer employed by the Village.
- b. It is the responsibility of the applicant to identify the source of his/her referral in the appropriate section of the employment application prior to submission to the Village. Applications submitted without the referring employee's name, shall not subsequently be accepted as a referral under the Recruitment Incentive Program. Applications must be submitted by the posted closing date of the recruitment incentive period in order to qualify for the Incentive.
- c. Only one employee shall receive a cash incentive per referral.
- d. Both the referred employee and the referring employee must be actively employed with the Village of Pinecrest on the date the disbursement is due.
- e. Recruitment Incentive:
 1. \$300 to the recruiting employee upon the hire of a Police Cadet and an additional \$700 after completion of the police academy and FTO Program
 2. \$500 to the recruiting employee upon the hire of a certified police officer and an additional \$500 after the completion of one (1) year of service
 3. \$250 to the recruiting employee upon the hire of an employee in any other position in the Village Classification Plan specified as being eligible for the incentive program by the Village Manager on an as needed basis and an additional \$250 after the completion of one (1) year of service
- f. The Human Resources Office shall generate a Personnel Action Form when a disbursement is due. Payment of the Recruitment Incentive Award shall be subject to all applicable taxes and shall be issued via the regular payroll cycle via direct deposit.

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Rule 5.12 RETIREE HEALTH BENEFITS

The purpose of this policy is to specify when group health coverage is available to former employees who retire from the Village and at what premiums those benefits will be provided.

Definition of Retiree: For the purpose of this policy, a retiree is defined as a former full-time employee who meets the age and length of service requirement as determined by the Village (or state retirement plan), and meets any other criteria for retirement as specified in the retirement plan in which the employee is a member.

- A. Eligibility: Regular full-time employees who leave Village employment to receive regular, early or disability retirement benefits and meet the following criteria.
 - 1. Participants in the 401 Defined Contribution Plan: Must be age 59 ½ or older and have completed at least fifteen (15) years of continuous service with the Village.
 - 2. Special Risk Class Participants in FRS: Upon normal retirement as defined by the Florida Retirement System, with full, unreduced benefits and begin receiving payments immediately after retirement.
- B. Dependent Coverage: Dependents covered under the Village's health plan on the date of the employee's retirement are eligible for inclusion in the retiree's health insurance. Dependents not covered upon the employee's retirement may not be included in the retiree's health insurance. A retiree has the option to add or drop eligible dependents at open enrollment.
- C. Effective Date of Coverage: Health benefits end on the last day of the month following termination date. Retiree health benefits commence on the first day of the following month.
- D. Cost of Retiree Health Insurance: The cost of retiree health insurance shall be at the same rate as provided to active employees, however, the retiree will be responsible for 100% of the premium, as the Village shall not subsidize any part of the retiree's premium.
- E. Dental Plan: Retiree health insurance coverage applies to the medical plan only. Retirees wishing to continue coverage under the dental plan may do so under COBRA.
- F. Medicare Eligibility: Upon Medicare eligibility, the retiree may choose to keep the Village's coverage or elect the Village's coverage as a Medicare supplemental policy at the rates available at that time and if that option is provided by the carrier.
- G. Life Insurance: Group life insurance provided by the Village is discontinued upon separation, including retirement, however; employees may choose to continue life insurance coverage as an individual policy paying 100% of the associated premium, if permitted by the carrier.
- H. Termination of Retiree Health Coverage: Retirees' may cancel their coverage at any time by notifying the Village in writing; however, the cancellation is irrevocable. Therefore, once a retiree terminates his/her coverage with the Village, the retiree may not re-enroll.
- I. Cancellation for Non-Payment of Premiums: The retiree shall be responsible for making timely payments for their health insurance coverage on a monthly basis; two (2) late payments of more than 30 days will result in cancellation of coverage.
- J. Death of Employee: In the event of a retiree's death, dependent family members, if covered under the health plan will continue their health coverage until the end of the month following the death of the retiree. After which, the family will be permitted to continue their health coverage as provided by law, under COBRA.