

Health In-Lieu (HIL) and Dental In-Lieu (DIL) Premium Credit Program

Effective March 31, 2017 (P&F) and June 16, 2017 (FCERS), members and their surviving spouses, surviving domestic partners, and/or children who are eligible for City of San José (CSJ) medical and dental insurance coverage, may instead of receiving such coverage, choose to receive a credit for an amount equal to twenty-five percent (25%) of the monthly premium of the lowest cost medical plan and the lowest cost dental plan. Such credited amounts must be applied toward the cost of such person's CSJ healthcare premiums actually incurred in future years.

Please Note:

- Eligible retirees who receive retiree healthcare coverage as a dependent of another CSJ employee or retiree are **NOT** eligible for the family in-lieu premium credit. **He or she may only elect the single in-lieu premium credit.**
- To the extent a member and/or the member's eligible dependents selects to receive the credits and the member and his or her surviving dependents **do not use** the accumulated credits while eligible for CSJ healthcare coverage **any remaining credits will be forfeited**. In **no** event can a member, surviving spouse, surviving domestic partner, and/or eligible dependent **receive the credits in-lieu of coverage as cash and such credits may only be applied to the cost of future premiums for CSJ coverage.**
- Any member who retires for service or disability who waives coverage will not be required to enroll in Medicare Parts A or B. However, if such member or former member later joins a CSJ plan, he or she will be required to enroll in Medicare Parts A and B and any charges or penalties imposed by Medicare associated with enrollment outside the "initial enrollment period" shall be borne by such member or former member.
- One month **must** elapse before HIL credits are applied towards the monthly health premiums of a CSJ health plan.
- HIL lifetime balances are listed on the upper left-hand side of the monthly pay advices under Lifetime Deposit (LTD).
- Enrollment in the in-lieu credit program does not carry over from year-to-year automatically. You **must** re-enroll for in-lieu program every year during Open Enrollment.