

CITY OF BUCKLEY, WASHINGTON

RESOLUTION NO. 24-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BUCKLEY, PIERCE COUNTY, WASHINGTON AMENDING SECTION 6.21 OF THE "CITY OF BUCKLEY PERSONNEL POLICY AND ADMINISTRATIVE PROCEDURES MANUAL" TO AMEND HEALTH INSURANCE OPT-OUT PROGRAM.

WHEREAS, the City Council adopted the most current version of the "City of Buckley Personnel Policy and Administrative Procedures Manual" on October 22, 2024; and

WHEREAS, Section 6.21 outlines the City's Health Insurance Opt-Out Program; and

WHEREAS, it states that the City will review this program each year during the budget process; and

WHEREAS, the City desires to amend this program.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Buckley hereby amends the City of Buckley "Personnel Policy and Administrative Procedures Manual" as follows:

6.21 Health Insurance Opt-Out Program

6.21.01 Eligible employees who can demonstrate and attest to having other employer-sponsored group health insurance for their eligible dependent(s) may elect to opt out of the City's sponsored Medical/Prescription, Vision and Dental coverage with the Association of Washington Cities Employee Benefit Trust or LEOFF Health and Welfare Trust. Employees who elect to opt out of dependent(s) coverage will receive a cash payment as follows:

- Employee only (single person, has no spouse or dependents) - \$700
- Employee plus spouse and/or dependents - \$700
- Just Spouse and/or Dependents - \$400

Any cash payments made to the employee under the Opt-Out Program will be subject to normal withholdings and reported as taxable income and the employee will be required to pay any taxes due on them.

The City will review this program on an annual basis during the budget process and may cancel the program effective on the first day of the "succeeding" plan year, but will not cancel it at any time during the current year it is offered.

The opt out will be offered for medical, dental, and vision; an employee may not choose to opt out themselves or their dependents from some coverages and not others. If an employee and/or dependent opts out, they will opt out for medical, dental, and vision. Any employee opting out themselves or their dependents will need to provide proof that they are covered under another insurance plan annually.

Per AWC, a maximum of 25% of employees may opt themselves out of medical coverage across the organization. Applications for opt out will be accepted beginning the first day of open enrollment at 7am.

Employees who elect to opt-out will continue to receive their full HRA benefit.

Employees who elect to opt-out of dependent coverage may do so during the Open Enrollment period or with a qualifying life-changing event. In return, the employee is eligible for up to twelve (12) months of monetary waiver payments, which will be made in twelve (12) pay periods. Employees who elect to opt-out of dependent coverage will not be permitted to re-enroll until the next annual open enrollment period commencing in November of each year and effective in January of the following year unless re-enrollment provisions apply.

Employees will not be allowed to waive/reduce existing coverage and receive cash payment for their eligible dependent(s) 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 and submit it to the Finance Director during the Open Enrollment period but no later than December 5th each year. Following the submission of the waiver form and the information for the verification of alternate insurance coverage found at the end of the waiver form, the current City health insurance coverage will terminate on December 31 of the year that the form was submitted. Further, an employee may apply to participate in the Opt-Out Program during the benefit plan year if, within thirty (30) days of a qualifying life-changing event (i.e., marriage, new dependents), they notify the Finance Director and complete the necessary forms.

Participants in the program will no longer have a monthly deduction of the employee dependent premium co-payments for which the employee has opted-out and will receive the waiver payment instead. The waiver payment will be made over twelve (12) pay periods during the following plan year. All payments are considered income and are subject to normal withholdings. Offering this program does not obligate the City to continue the program from year-to-year if it is not economically feasible or if in conflict with Federal or State law.

6.21.02 New full time employees starting with the City after the beginning of a plan year may be eligible to participate in the opt-out program by declining health insurance coverage for their eligible dependent(s) during the initial enrollment period. The waiver payment received will be prorated for the balance of the benefit plan year based on the

number of waiver payment pay periods remaining in the plan year. Also, new employees must also offer proof of coverage for their eligible dependent(s) under another health insurance plan.

6.21.03 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 City may authorize the program for the next benefit year. Employees who prefer to continue in the Opt-Out Program for the next benefit year must complete a new waiver 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 City health insurance coverage for their eligible dependent(s) at the next open enrollment period and coverage will be effective at the start of the next following plan year.

6.21.04 Separation. If an employee participating in the Opt-Out Program separates employment with the City during a plan year, waiver payments will only continue through the last payroll period he or she is employed. NOTE: An employee participating in the program who separates and/or retires during the plan year does NOT have health insurance rights to participate in a City health insurance plan after separation and/or retirement, except as allowed under the City's COBRA policy, Section 6.19.04 of the City's Personnel Manual, on a self-pay basis.

6.21.05 Re-enrollment to a City 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 City health insurance coverage becomes effective.


Introduced, passed and approved this 22nd day of October 2024.


Beau Burkett, Mayor

ATTEST:


Treva Zumek, City Clerk

APPROVED AS TO FORM:


Phil Olbrechts, City Attorney

POSTED: 10/23/2024