

**CITY OF CRAIG  
RESOLUTION 17-07**

**ESTABLISHING A SCHEDULE OF PAYMENTS FOR THE CITY'S  
PAYMENT IN LIEU OF EMPLOYEE HEALTH INSURANCE BENEFIT**

**WHEREAS**, the City of Craig offers its employees compensation through wages and benefits; and,

**WHEREAS**, among the benefits typically offered is employee health insurance; and,

**WHEREAS**, beginning in Fiscal Year 2018, the City of Craig will offer its eligible employees an option to accept the employee health insurance benefit, or a cash payment in lieu of accepting the employee health insurance benefit; and,

**WHEREAS**, eligibility for the payment in lieu benefit is set out in Attachment A to this Resolution; and,

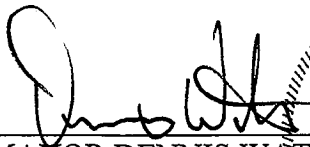
**WHEREAS**, employee Payments in Lieu of Health Insurance Benefit will be made in approximately equal amounts over each of the 26 pay periods in the city's fiscal year; and,

**WHEREAS**, payments made per pay period to those employees who accept the payment in lieu of health insurance benefit are set out in the schedule below.


<b>Schedule of Payments in Lieu of Health Insurance Benefit - FY 2018</b>	
<b>FY 2017 Coverage Type</b>	<b>FY 2018 Payment per pay period</b>
Employee only	\$162.66
Employee & Spouse	\$332.31
Employee & Dependents	\$288.73
Employee & Family	\$451.03

**NOW, THEREFORE, BE IT RESOVED** that the Craig City Council directs city staff to implement the Payment in Lieu of Employee Health Insurance Benefit for the City of Craig's 2018 Fiscal Year, beginning July 1, 2017, and modify the city's "cafeteria plan" consistent with the terms set in this resolution.

PASSED AND APPROVED this 15<sup>th</sup> day of June, 2017.

  
MAYOR DENNIS WATSON

  
KASSI MACKIE, CITY CLERK

  
CITY OF CRAIG  
CORPORATE  
SEAL  
STATE OF ALASKA

**RESOLUTION 17-07  
ATTACHMENT A**

**CITY OF CRAIG  
Payment in Lieu of Employee Health Insurance Benefit**

Payment In Lieu of Health Insurance Benefit. Any Participant who accepted employee health insurance coverage during Employer Fiscal Year 2017 (July 1, 2016 through June 30, 2017), and who remains eligible for the city's employee health insurance benefit, may choose to receive a cash payment in lieu of the employee health insurance coverage during Employer Fiscal Year 2018 (July 1, 2017 through June 30, 2018). The amount of the cash payment is set from time to time by the Craig City Council.

Employee Payments in Lieu of Health Insurance Benefit will be made in approximately equal amounts over each of the 26 pay periods in the city's fiscal year.

The payment in lieu of health insurance benefit is not conditional on Participants showing proof of other health insurance coverage. This policy is not intended to, and does not in fact, reimburse employees for purchasing other health insurance coverage. Payments based on this policy are subject to state and/or federal taxes and other deductions as required by law or agreement including, if applicable, payments to the Public Employee Retirement System. If Participant chooses to receive payments in lieu of the employee health insurance benefit, the Participant is not eligible to receive employee medical insurance benefits from the city, which may include health insurance, dental insurance, vision insurance, and health reimbursement account payments.

Employees may change their benefit status from in-lieu payment to enrolling in the city's employee health insurance benefit during open enrollment or upon experience a qualifying event.