

**CITY OF CRAIG
RESOLUTION 18-10**

**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 2019, 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, due to participation requirements set by Premera in the city's group health insurance plan, at least 75 percent of eligible employees must participate in the employee health insurance plan; and,

WHEREAS, the participation requirement limits the amount of employees who may receive payment in lieu to eight; and,

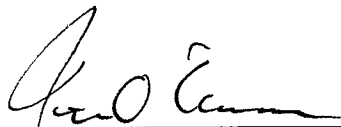
WHEREAS, payments made per pay period to those employees who accept the payment in lieu of health insurance benefit are set out in the schedule below.

Schedule of Payments in Lieu of Health Insurance Benefit - FY 2019	
FY 2018 Coverage Type	FY 2019 Payment per pay period
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 2019 Fiscal Year, beginning July 1, 2018, and modify the city's "cafeteria plan" consistent with the terms set in this resolution.

BE IT FURTHER RESOLVED that if more than eight eligible employees petition for the payment in lieu of health insurance, a system to randomly select eight employees will determine participation in the program.

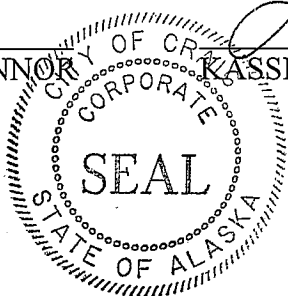
PASSED AND APPROVED this 7th day of June, 2018.



MAYOR TIMOTHY O'CONNOR



KASSIE MACKIE, CITY CLERK



**RESOLUTION 18-10
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 2018 (July 1, 2017 through June 30, 2018), or any Participant who accepted the Payment In Lieu of Health Insurance Benefit in Fiscal Year 2018, 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 2019 (July 1, 2018 through June 30, 2019). 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.

Due to participation requirements set by Premera in the city's group health insurance plan, at least 75 percent of eligible employees must participate in the employee health insurance plan. If more than 24 percent of the city's employees petition for participation in the in-lieu payment or elect no insurance coverage, a system to randomly select employees for participation in the in-lieu payment benefit will determine which employees may participate.

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. Employees may change their benefit status from enrollment in employee health insurance to payment in lieu of health insurance at any time during the fiscal year by giving a 30 day notice to the City Administrator, provided that the in-lieu benefit has not reached its maximum employee participate rate.

The in lieu payment amount is based on, and may not exceed, the benefit level most recently elected by the employee, and for which the employee paid the employee share of the premium; provided, that the in lieu payment amount may decrease based on the health insurance benefit level the employee would be otherwise eligible for at any given point in the fiscal year.