



Legislation Text

File #: 12548, Version: 1

**Fiscal Note**

This ordinance change will entitle non-represented employees, upon retirement, to reimbursement for three months of the premium gap between the Standard Plan amount and the normal City health insurance benefit contribution. This benefit has been adopted by the Common Council in collective bargaining agreements and this change would extend the benefit to non-represented employees. The goal of the benefit is to ensure that employees do not unnecessarily sign up for health insurance at the time of hire simply to avoid having to pay this premium gap upon enrollment at retirement. The monthly gap for 2009 will be \$386.42 for single coverage and \$966.15 for family coverage. Staff estimates that this change will result in few participants annually, and thusly, a nominal cost to the City. This nominal increase in cost does not take into account potential savings from employees not unnecessarily enrolling in the City's health insurance program.

**Title**

Creating new Section 3.54(27) and renumbering current Sections 3.54(27) through (30) to Sections 3.54(28) through (31) of the Madison General Ordinances, respectively, to reimburse a retired employee for three months premium gap for period between health plans.

**Body**

DRAFTER'S ANALYSIS: This ordinance reimburses a retired employee for three months premium gap for period between health plans immediately after retiring.

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The Common Council of the City of Madison do hereby ordain as follows:

1. New Subsection (27) of Section 3.54 entitled "Compensation Plan" of the Madison General Ordinances is created to read as follows:  
 "(27) If an employee not enrolled in the City health insurance plan enrolls in said plan prior to retirement, the City agrees to reimburse the employee for three (3) months premium gap that occurs because he or she is required to participate in the "Standard Plan" offered by the Wisconsin Public Employer's Group Health Insurance plan for that period before he or she can enroll in other health care provider options. The premium gap means the difference between the normal City contribution and the cost of the "Standard Plan" premium. Reimbursement for the excess premium amount paid shall be made as soon as possible after the employee retires. Each employee is entitled to the premium gap payment one time. For example, if an employee enrolls in a family plan and is required to enroll in the Standard Plan, the City will make its normal premium contribution and it will reimburse said employee, after his or her retirement, for the difference between said contribution and the premium paid by the employee for the Standard Plan for the three (3) month period."
2. Subsections (27) through (30) of Section 3.54 entitled "Compensation Plan" of the Madison General Ordinances are hereby renumbered to Subsections (28) through (31), respectively.