



## General Government Committee

### Discussion of Medical, Dental and Vision Benefit Options and Department of Retirement Systems Rules for Local Officials

**Agenda Date:** 11/18/2015  
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#### **Title**

Discussion of Medical, Dental and Vision Benefit Options and Department of Retirement Systems Rules for Local Officials

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Discuss benefit options and Department of Retirement Systems rules for City Councilmembers. Briefing only; no action requested.

#### **Report**

##### **Issue:**

Council has requested information on medical, dental and vision benefit options available to them through the AWC Employee Benefit Trust, the City's current insurance provider for all City employees' medical, dental and vision benefits, or the private insurance market. Council has also requested information on participation rules for local officials with the Washington State Department of Retirement Systems.

##### **Staff Contact:**

Stacy Hamilton, Accounting Services Supervisor, Administrative Services Department, Finance, 360.753.8004

##### **Presenter(s):**

Stacy Hamilton, Accounting Services Supervisor, Administrative Services Department, Finance.

#### **Background and Analysis:**

##### Medical/Dental/Vision Insurance:

The AWC Employee Benefit Trust's criteria for elected officials' participation in medical insurance is that 50 percent of the elected officials group must be enrolled on a Trust-sponsored medical plan. Councilmembers can choose to be insured under the Regence BlueShield medical plan or the Group Health medical plan. Should participation by the elected officials group drop below the minimum 50%

enrollment levels for elected officials during the year, coverage for all officials will be terminated the first of the month following non-compliance.

AWC's participation criteria for elected officials in dental and vision insurance is 75% of all elected officials must be enrolled on a Trust-sponsored dental and vision plan. Councilmembers can choose to be insured under a Delta Dental of Washington and/or Vision Service Plan (VSP) vision plan.

Councilmembers could also choose a medical insurance plan through an independent, private insurance provider. Each Councilmember would have their own individual insurance policy, which requires each member to be individually experience-rated as opposed to being experience-rated as part of a "pool" of members. Being individually experience-rated means that health insurance costs from one year to the next can increase substantially should that individual incur a lot of medical expenses in any given year. In addition, "appointed" officials would not qualify for insurance through an independent, private insurance provider due to the fact that the "appointed" official is "appointed" to the Council outside of the open enrollment period, and being "appointed" to a council position is not considered a qualifying event under federal regulations to sign up for insurance outside of the open enrollment period on the private insurance market.

#### Retirement Plan:

Councilmembers are not required to belong to any retirement system as a result of serving in a locally elected position. Councilmembers may apply for membership at any time during their current term of office (membership will be retroactive to the first day of the term). Once a Councilmember establishes membership in the Washington State Department of Retirement System (DRS) Public Employees' Retirement System (PERS), they must remain a member until they separate from all eligible public employment. There is no minimum participation criteria for DRS, each Councilmember may apply individually to DRS to participate in the state retirement system.

#### **Neighborhood/Community Interests (if known):**

N/A

#### **Options:**

Medical/Dental/Vision Insurance Options:

- Option 1: Purchase AWC Employee Benefit Trust medical, dental and/or vision plan(s).
- Option 2: Purchase medical, dental and/or vision plan(s) through an independent private insurance provider.
- Option 3: Council can choose not to purchase medical, dental and/or vision insurance plan.

Retirement Plan Options:

- Option 1: Each Councilmember can choose to individually participate in DRS.
- Option 2: Each Councilmember can choose not to individually participate in DRS.

#### **Financial Impact:**

Financial impact would depend on which insurance plan(s) the Council chooses to participate in.