

**2024 CITY OF SAN JOSÉ – OE#3 NEGOTIATIONS**

**CITY PROPOSAL TO OE#3 – PAYMENT IN-LIEU HEALTH AND DENTAL INSURANCE**

City Proposed Language:

5.7 Payment-in-Lieu of Health and/or Dental Insurance Program. The purpose of the payment-in-lieu of health and/or dental insurance program is to allow employees who have double health and/or dental insurance coverage to drop the City's insurance and receive a payment-in-lieu. Effective as soon as practicable in Fiscal Year 24-25, following union ratification and Council approval in open session, the payment in lieu amount for employee only will be adjusted as provided in section 5.6.5.2.~~Effective January 1, 2016, payment-in-lieu of health and/or dental insurance will have a 4-tier structure (Employee, Employee plus Spouse/Domestic Partner, Employee plus Child(ren) and Family). The payment in lieu amounts will be adjusted effective the first pay period in the payroll calendar year 2016, which starts December 20, 2015.~~

5.7.1 Employees who qualify for and participate in the payment-in-lieu health and/or dental insurance program will receive the following per pay period:

<u>Health Insurance Tier</u>	<u>Health-in-Lieu</u>	<u>Dental-in-Lieu</u>
Employee	<del>\$89.09</del> <u>102.00</u>	\$6.65
Employee plus Spouse/Domestic Partner	\$147.87	\$13.30
Employee plus Child(ren)	\$129.39	\$11.64
Family	\$221.84	\$19.95

A City employee who receives health and/or dental coverage as a dependent of another City employee or retiree shall be eligible for the employee only coverage for the payment-in-lieu of health and/or dental program.

5.7.2 The payment-in-lieu of health and/or dental insurance program is available to full-time employees who are not on a reduced workweek of less than thirty-five (35) regular work hours per week or unpaid leave and have alternate group health and/or dental coverage. To qualify, a new employee must attest that the employee and all covered dependents have or will have minimum essential coverage under an alternative group medical/dental plan and an employee who has a life qualifying event must provide proof of alternate group coverage to Human Resources. Alternate coverage must be acceptable by the City.

5.7.3 Enrollment in the payment-in-lieu of health and/or dental insurance program can only be done during the first 30 days of employment, during the annual open enrollment period or within 30 days of a qualifying event ~~(as defined in the Human Resources Benefits Handbook as a change in marital, dependent or work status of the employee or the employee's spouse)~~ occurring anytime during the year. Employees who miss the 30-

day time limit after a qualifying event must wait until the next open enrollment period to enroll in the payment-in-lieu of insurance program. Enrollment in the payment-in-lieu of insurance program may be canceled by the employee only during the annual open enrollment period unless the employee loses alternate group coverage. Enrollment or cancellation during the open enrollment period will become effective the first pay period of the following calendar year.

5.7.4 Payments for the in-lieu insurance program will be discontinued if an employee becomes ineligible for the program. An employee's ineligible status would include but not be limited to the following situations, employment status changes from full to part time, employee is on an unpaid leave of absence, employee is on a reduced workweek of less than thirty-five (35) regular hours per week, or employee loses or does not have alternate insurance coverage. An employee whose in-lieu payments are discontinued may enroll, if eligible, in a health and/or dental plan during the next annual open enrollment period.

5.7.5 If an employee loses alternate coverage, the employee may enroll in a City health and/or dental plan outside of the open enrollment period. To be eligible the employee must provide verification that alternate coverage has been lost.

5.7.5.1 Health Insurance. To enroll in a City health insurance plan following loss of alternate coverage, the employee must pay all unpaid premiums (City and employee contributions) and refund any excess in-lieu payments required to make the coverage effective on the date when alternate coverage ceased. Reenrollment in the plan shall be in accordance with the carriers' enrollment procedures.

5.7.5.2 Dental Insurance. To enroll in a City dental insurance plan following the loss of alternative coverage, the employee must pay all unpaid premiums (City and employee contributions) and refund any excess in-lieu payments required to make the coverage effective on the date when alternate coverage ceased. Re-enrollment in the plan shall be in accordance with the carrier's enrollment procedures.