

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING A DUAL MEDICAL INSURANCE
INCENTIVE AGREEMENT BETWEEN THE CITY OF ANACORTES AND THE
CITY OF ANACORTES' NON-UNION EMPLOYEES**

WHEREAS, The City of Anacortes is interested in cost savings in regard to the health and welfare benefits programs offered to employees; and

WHEREAS, The City of Anacortes recognizes that employees who have dual medical insurance may benefit from this program;

NOW, THEREFORE, it is hereby resolved by the City Council of the City of Anacortes, Washington, as follows:

The Mayor and City Clerk are hereby authorized and directed to execute said Dual Insurance Incentive Agreement, a copy of which is attached hereto and by this reference made part hereof, as the official act and deed of the City of Anacortes.

PASSED and **APPROVED** this 15th day of July, 2002.

CITY OF ANACORTES

By _____
H. Dean Maxwell, Mayor

ATTEST:

George Khtaian, City Clerk-Treasurer

Subject: Dual Medical Insurance Incentive Agreement

Incentive Amount:

- The insurance premium (that would have been paid on the employee's behalf for the eligible dependents) will be split with the employee.
 - The City benefits from a 50% cost savings.
 - The employee receives the other 50% cost savings. This incentive is included in the employee's paycheck. The incentive becomes taxable wages.
 - The incentive is capped at one spouse and two children.

Scope/Limitations:

- Voluntary program.
- Limited to non-union employees who have insurance benefits through the City of Anacortes. Employees are required to remain on the insurance plan. Only spouses and dependents are eligible to be removed from the insurance program.
- Dual insurance benefit is limited to medical coverage only. Dental, vision, and life insurance will remain in effect for all eligible dependents per AWC requirements for 100% participation.
- Prior to removing medical insurance for eligible dependents, employees are required to sign a waiver certifying that their dependents have other medical insurance. This waiver includes acknowledgement that proof of continuous, comprehensive medical coverage is required to re-enroll eligible dependents in a City of Anacortes plan.
- Eligible dependents are eligible to rejoin the City's medical insurance program during the open enrollment period in December of each year. The only exception would be if an eligible dependent loses their (non-City) medical coverage during the middle of the year. In this situation the dependent is eligible to rejoin the City's program on the 1st day of the month following loss of insurance.
- If in the future, employees become responsible for a portion of the medical premium the incentive amount will be determined to be 50% of the City's portion of the premium.
- This program will remain in effect until employee informs the City of Anacortes of a change or the dependent is no longer eligible for medical insurance, or the City modifies or cancels the program. **The City of Anacortes retains the right to revoke, modify, or cancel the policy at any time and as it sees appropriate.**