

CITY OF TUMWATER
POLICY MANUAL - PART 2: OPERATING POLICIES

SECTION 13
INSURANCE ENROLLMENT

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13.01 Purpose

To establish a policy and procedure for non-represented employees related to various insurance enrollment situations thereby establishing criteria for various situations to ensure equitable treatment of employees.

13.02 Policy

There may be times when the City of Tumwater is required to comply with certain underwriting rules of the insurance provider(s) in order to provide and maintain various insurance benefits for City employees. When such underwriting rules require something other than individual election for an insurance program, the City will follow the procedures outlined below to enact the benefit options of the employee. Any underwriting rule will supersede this policy.

13.03 Group Election

13.03.01 Some benefit options are available on a group-by-group basis. The City of Tumwater defines a group by 1) a set of employees covered under a union contract or 2) a set of employees reporting to the same Department Manager. In cases where a minimum group size must be established, smaller departments may be combined to meet the minimum group size.

13.03.02 Group elections can be called for at any time. A vote will be taken regarding the benefit choice(s) and the majority of those votes received will determine the outcome of the election. Only members of the group will be permitted to vote regarding that group's coverage. Elections can occur once per calendar year per benefit option. Changes to the benefit offerings as a result of the vote will occur in a timeframe subject to rules of the benefit provider and the City's cafeteria plan document, if applicable.

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13.04 Minimum Participation

- 13.04.01 Some benefit options available to City employees are available by individual choice. In such circumstances, it is common for the benefit underwriting rules to require that the plan maintain a minimum level of participation, thus restricting the number of people who “opt-out” of that particular benefit.
- 13.04.02 The Administrative Services Department will calculate the appropriate number of “opt-out” slots for each benefit on November 1st of each year.
- 13.04.03 If a minimum participation threshold is established, the City will determine “opt-out” eligibility based on seniority of regular-status continuous employment with the City. Employees wishing to “opt-out” of a specific benefit must make a written request to the Administrative Services Department. The request must identify which benefit(s) the employee wishes to opt-out of.
- 13.04.04 Annually on November 1st, or the first working day following, the Administrative Services Department will generate an “opt-out” list per benefit based on the seniority of those who have submitted written requests to opt out prior to November 1st.
- 13.04.05 In the event of a tie in seniority, the tie-breaker will be the date on which the written notice of the request to “opt-out” was received by the Administrative Services Department. In the event that a tie remains, a random drawing will be conducted. The results of the drawing will determine how the names are ranked on the eligibility list.
- 13.04.06 Once an employee has been granted the opportunity to “opt-out” of a benefit, the employee maintains that “opt-out” status unless the employee notifies the Administrative Services Department, in writing, of the desire to enroll in that benefit. The employee granted an “opt-out” may need to provide proof of other coverage to the Administrative Services Department upon request. Failure to provide proof of coverage will result in the employee being reinstated to the least expensive insurance program and loss of “opt-out” status. That employee can re-apply for the “opt-out” list with proof of other coverage and subject to the terms of this policy.

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- 13.04.07 Employees not yet granted an “opt-out” will remain on the seniority list for future “opt-out” slots. An employee on the list does not need to submit any further documentation to remain on the “opt-out” list. An employee should notify the Administrative Services Department, in writing, if the employee wishes to be removed from the “opt-out” list.
- 13.04.08 The Administrative Services Department will notify any newly eligible “opt-out” employee of his/her “opt-out” eligibility by November 15th.
- 13.04.09 The activation date of any new “opt-out” will be January 1 of the year following notification of the employee’s eligibility to “opt-out”.
- 13.04.10 Employees generally may not “opt-out” of an insurance plan unless they have equivalent insurance elsewhere. Policies for “opt-out” eligibility are governed by the insurance plan’s underwriting rules.

13.05 Management Prerogative

Nothing in this policy prohibits the City of Tumwater from pursuing alternative benefit options or benefit providers for City employees. Management reserves the right to change benefit offerings, change benefit providers, and/or change the benefit allowance structure as it deems necessary and prudent to business operations.