

POLICY 502 – DUAL COVERAGE “OPT OUT” - Council approved 1/6/2025

When an employee has family members (spouse and/or eligible dependents) covered under the City’s health insurance programs (medical, dental, vision) and when the employee or their family members are also covered by another comprehensive health insurance plan other than the City’s, the employee is said to have "dual coverage."

Regular, full-time employees are able to voluntarily decline medical insurance coverage for themselves or their eligible family members and receive a monthly financial incentive for doing so. Employees electing to only decline dental insurance will not receive an incentive. This program is not available to employees that are married, and both have coverage on the City medical insurance plan. Only one spouse or domestic partner may receive the dual coverage medical insurance incentive benefit.

Employees must sign a waiver and acknowledge the conditions for re-enrollment. In addition, employees who “opt out” will need to enroll in the City’s VEBA program or HSA program as applicable for coverage.

Incentive payments will only be made if there is an actual savings in the premiums the City is paying. The maximum incentive amount per month is \$300. Incentive amounts are payable monthly into the employee’s VEBA or HSA account. Employees and dependents who are covered under a spouse’s high deductible plan are eligible to have funds deposited into an HSA account. If they are covered under a general plan, they must elect and set up a VEBA account.

Pay Schedule:	Employee	\$100
	Spouse	\$100
	Dependent	\$ 50
	Dependent	\$ 50

Because the rate for employees with more than two (2) dependents does not change, any dependents over two (2) would not be eligible for the incentive.

For purposes of this policy, an eligible dependent is defined as your child or stepchild who is under the age of 26, or of any age if permanently and totally disabled. The dependent does not have to be a student and they can be married.

Employees must enroll in this program each year and provide proof of other coverage.

Note: This policy does not apply to single employees with no dependents as there would be no “dual coverage” consideration.

The City retains the right to revoke, modify or cancel this program at any time.