

RESOLUTION 2018 – 089

A RESOLUTION AMENDING THE CITY OF POWDER SPRINGS PERSONNEL POLICY MANUAL SECTION 2.9.D RETIREE HEALTH INSURANCE BENEFITS; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the City of Powder Springs did previously adopt a Employee Handbook and Personnel Policy Manual to regulate personnel matters for the City (the “Handbook”); and

WHEREAS, the City of Powder Springs reserved in the Handbook the right, at any time, to redefine eligibility for benefits, amend, or modify the Handbook; and

WHEREAS, the Council for the City of Powder Springs finds that the City has continued to experience financial issues and that it must make further adjustments to retiree health insurance benefits to help alleviate such issues; and

WHEREAS, the City Council finds that amending Subsection D. (Retiree Health Insurance Benefits) of Section 2.9 (Employee/Group Benefits) of the Handbook in the following manner will help alleviate the City’s continuing financial issues;

NOW THEREFORE, BE IT HEREBY RESOLVED by the Mayor and Council of the City of Powder Springs that Subsection D. (Retiree Health Insurance Benefits) of Section 2.9 (Employee/Group Benefits) of the Handbook be amended and restated as follows:

Effective for employees retiring prior to July 1, 2018, employees who retire with a minimum of ten years of service and whose age and years of service equal at least 75 (for example, 10 years of service and age 65, or 12 years of service and age 63,) may receive major medical insurance benefits as provided in this Subsection D.

Effective for employees retiring on or after July 1, 2018, employees who retire with a minimum of fifteen years of service and whose age and years of service equal at least 75 (for example, 15 years of service and age 60) may receive major medical insurance benefits as provided in this Subsection D.

A retired employee meeting the foregoing conditions who is under age 65 at the time of retirement may elect to continue health insurance coverage with the City’s major medical insurance provider for such retiree at the same cost paid for full-time employees for individual coverage until June 30, 2018 and thereafter at a cost of 25% of the premium charged by the City’s major medical insurance provider for individual coverage.

A retired employee meeting the foregoing conditions who is under age 65 at the time of retirement may also elect coverage for a spouse and/or eligible dependents under the same conditions and at the same cost as for full-time employees for spouse, dependent or family coverage, as applicable, until June 30, 2018, and thereafter under the same conditions as for

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full-time employees and at a cost of 50% of the premium charged by the City's major medical insurance provider for spouse, dependent or family coverage, as applicable.

Notwithstanding the foregoing provisions of this Subsection D, a retiring employee who is under age 65 at the time of retirement must be covered by the City's major medical insurance at the time of retirement in order to be eligible for the benefits described in this Subsection, and if coverage ever lapses, it cannot be reinstated. If a covered retiree becomes 60 days in arrears on their (and/or, if applicable, their spouse's and/or dependent's) health insurance premium, their health insurance (along with their spouse's and/or dependent's health insurance, if applicable) will be cancelled and the retiree will not be allowed to re-enroll in the City's major medical plan.

A retired employee meeting the foregoing years of service and age conditions who is age 65 or older at the time of retirement or who becomes age 65 while receiving benefits from the City under the foregoing provisions of this Subsection will not be eligible to continue on the City's major medical insurance. Instead, the retiree wishing to continue receiving benefits from the City will be required to enroll in Medicare Parts A, B and D and the City will contribute 70% towards a Medicare Supplement Coverage Plan up to a maximum of \$150 per month for such retiree's individual coverage. Spouse coverage will end when a covered retiree's spouse attains 65 years of age and the City will not make any contribution towards a spousal Medicare Supplement Coverage Plan.

Notwithstanding the immediately preceding paragraph, for married retirees who retired prior to October 1, 2011, are enrolled in a Medicare Supplement Coverage Plan and whose spouses are also enrolled in a Medicare Supplement Coverage Plan, the City will contribute 50% towards such spouse's Medicare Supplement Coverage Plan up to a maximum of \$75 per month for such spouse's coverage.

Retirees will receive a 1099 each year for the annual amount of the City's contribution and such contribution may be considered taxable income to the retiree. Retirees (and, if applicable, spouses) enrolled in a Medicare Supplement Coverage Plan will need to provide written documentation to the Director of Human Resources by June 30th of each year indicating that retiree (and, if applicable, spouse) is enrolled in such coverage and the amount of premium.

Each benefit described in this Subsection D is contingent upon funding being provided annually in the City's budget. Further, no benefit described in this Subsection D is intended to, nor shall it, create any contract between any retired employee and the City, nor does it create any other enforceable or vested entitlements or expectations, including constitutionally protected property interests.

; and

BE IT FURTHER RESOLVED, that this Resolution shall be effective immediately upon adoption.

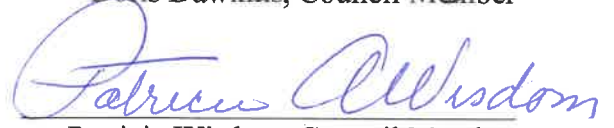
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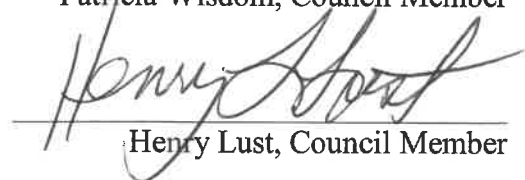
SO RESOLVED this 4th day of June, 2018.

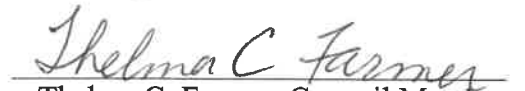

Albert Thurman, Mayor



Patrick Bordelon, Council Member


Doris Dawkins, Council Member


Patricia Wisdom, Council Member


Henry Lust, Council Member


Thelma C. Farmer, Council Member

Attest: 
Kelly Axt, City Clerk