

**NORTH BEACH WATER DISTRICT  
PACIFIC COUNTY, WASHINGTON**

**RESOLUTION NO. 32-2016**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF NORTH BEACH  
WATER DISTRICT, PACIFIC COUNTY, WASHINGTON, AMENDING THE  
DISTRICT'S EMPLOYEE MANUAL.**

**WHEREAS**, on June 2, 2008 the Board of Commissioners of the North Beach Water District (Board) adopted Resolution 14-2008 adopting the North Beach Public Development Authority's Policies and Procedures, including but not limited to the Employee Manual; and

**WHEREAS**, on January 24, 2011 the Board adopted Resolution 03-2011 adopting changes to the District's Employee Manual regarding disciplinary actions; and

**WHEREAS**, on January 23, 2013 the Board adopted Resolution 03-2013 amending the District's Employee Manual regarding pay periods; and

**WHEREAS**, on November 04, 2014 the Board adopted Resolution 23-2014 approving a comprehensive revision of the District's Employee Manual.

**NOW, THEREFORE, THE NORTH BEACH WATER DISTRICT BOARD OF COMMISSIONERS DOES HEREBY RESOLVE TO AMEND THE DISTRICT'S EMPLOYEE MANUAL AS FOLLOWS,**

**HEALTH INSURANCE**

Those full time employees eligible for medical benefits who can prove other health care coverage may elect to decline coverage by the District and receive monthly payments equal to one half of the District's cost for the premium(s) not purchased for the employee in cash compensation in lieu of medical benefits. This money may be used for any purpose and will be taxable to the employee.

The District does not provide continued health or other insurance coverage for unpaid leaves of absences.

**Compensation in Lieu of Medical Benefits**

Those full time employees eligible for medical benefits who can prove other health care coverage may elect to decline coverage by the District and receive the District full cost for medical benefits in cash compensation in lieu of medical benefits. This money may be used for any purpose and will be taxable to the employee.

Once health benefits are declined, no change may be made during the benefit year unless authorized under approved exceptions to open enrollment period elections.

Except as proved for herein, Employees who elect not to participate in the District's plan are not eligible or entitled to receive any insurance contribution or reimbursement from the District and will be required to execute a Decline Form which will be provided by management.

**ADOPTED** by the Board of Commissioners on North Beach Water District, Pacific County, Washington at its regular meeting held on the 21<sup>st</sup> day of November, 2016.

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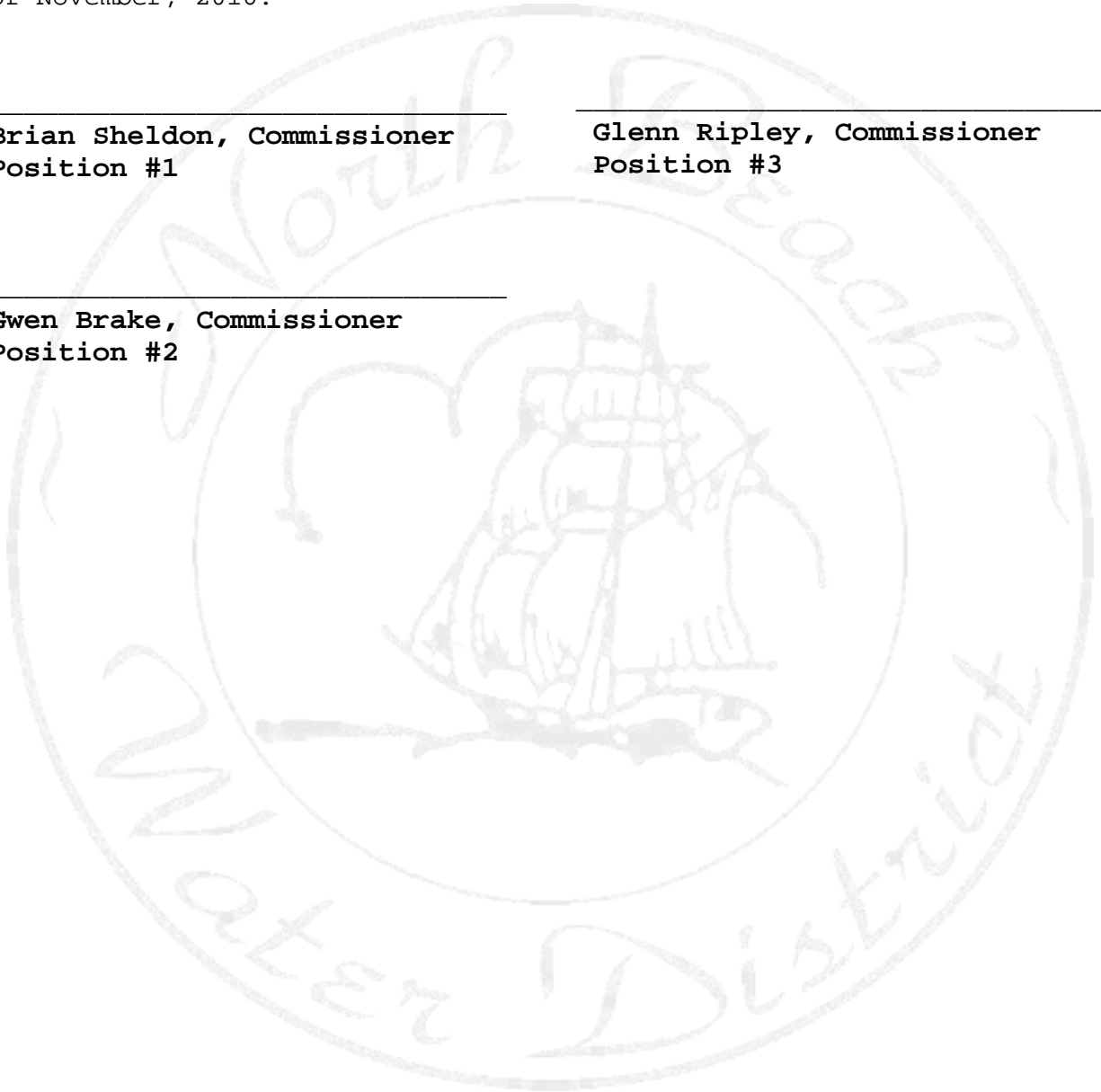
**Brian Sheldon, Commissioner  
Position #1**

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**Glenn Ripley, Commissioner  
Position #3**

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**Gwen Brake, Commissioner  
Position #2**



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**HEALTH INSURANCE**

The District carries a medical, vision and dental insurance plan which is offered to all regular full-time employees after three (3) full calendar months of employment. The District pays 100% of the cost of such coverage. These plans are discussed in detail in the Summary Plan Descriptions that are available from the Office. The District retains the sole discretion to alter, add to, amend or discontinue its insurance plan(s) and/or its contribution percentage at any time.

The District does not provide continued health or other insurance coverage for unpaid leaves of absences.

**Compensation in Lieu of Medical Benefits**

Those full time employees eligible for medical benefits who can prove other health care coverage may elect to decline coverage by the District and receive monthly payments equal to three fourths of the District's cost for the premium(s) not purchased for the employee in cash compensation in lieu of medical benefits. This money may be used for any purpose and will be taxable to the employee.

Once health benefits are declined, no change may be made during the benefit year unless authorized under approved exceptions to open enrollment period elections.

Except as proved for herein, Employees who elect not to participate in the District's plan are not eligible or entitled to receive any insurance contribution or reimbursement from the District and will be required to execute a Decline Form which will be provided by management.

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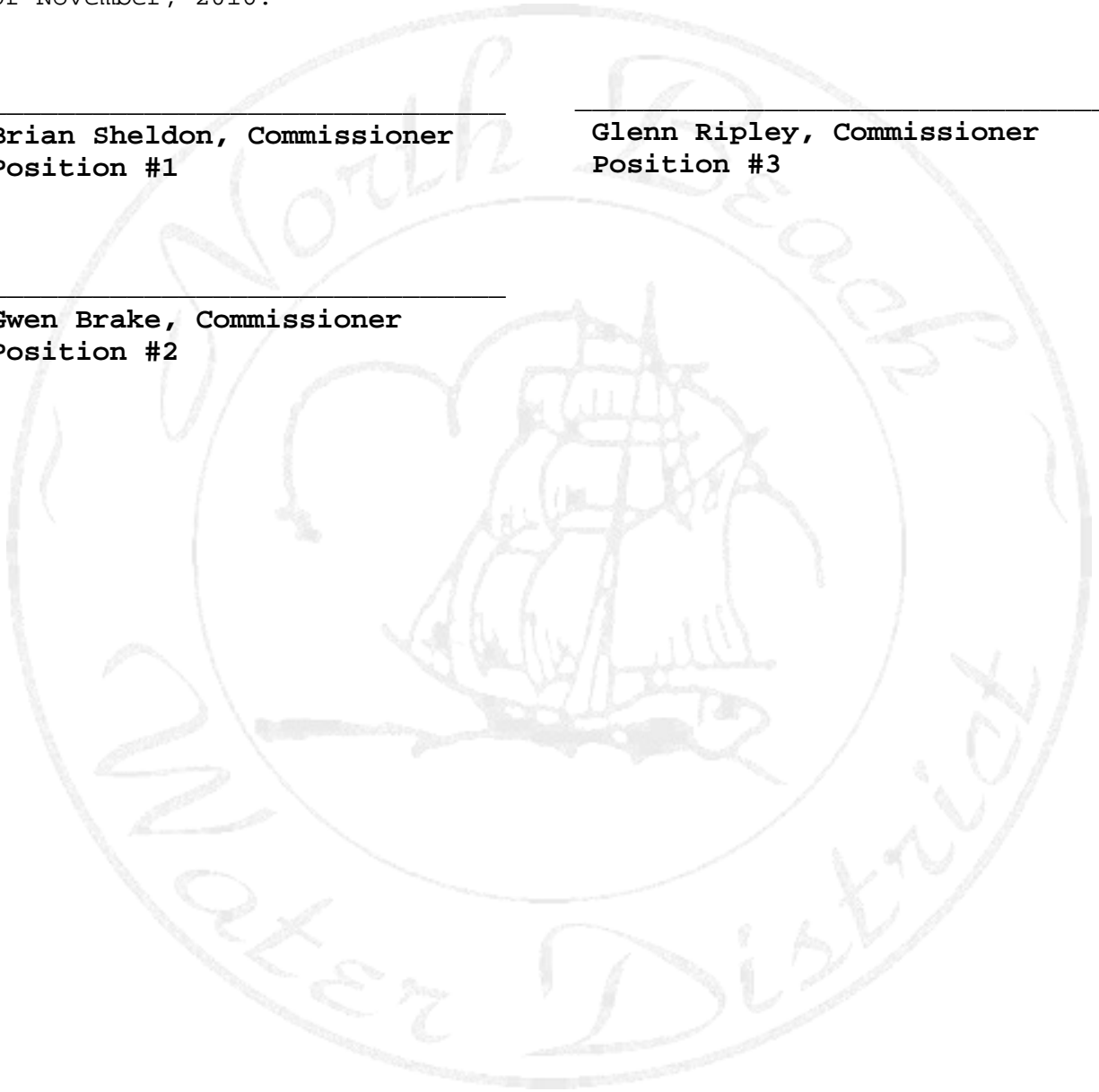
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The District does not provide continued health or other insurance coverage for unpaid leaves of absences.

**Compensation in Lieu of Medical Benefits**

Those full time employees eligible for medical benefits who can prove other health care coverage may elect to decline coverage by the District and receive the District **full cost for medical benefits** in cash compensation in lieu of medical benefits. This money may be used for any purpose and will be taxable to the employee.

Once health benefits are declined, no change may be made during the benefit year unless authorized under approved exceptions to open enrollment period elections.

Except as proved for herein, Employees who elect not to participate in the District's plan are not eligible or entitled to receive any insurance contribution or reimbursement from the District and will be required to execute a Decline Form which will be provided by management.

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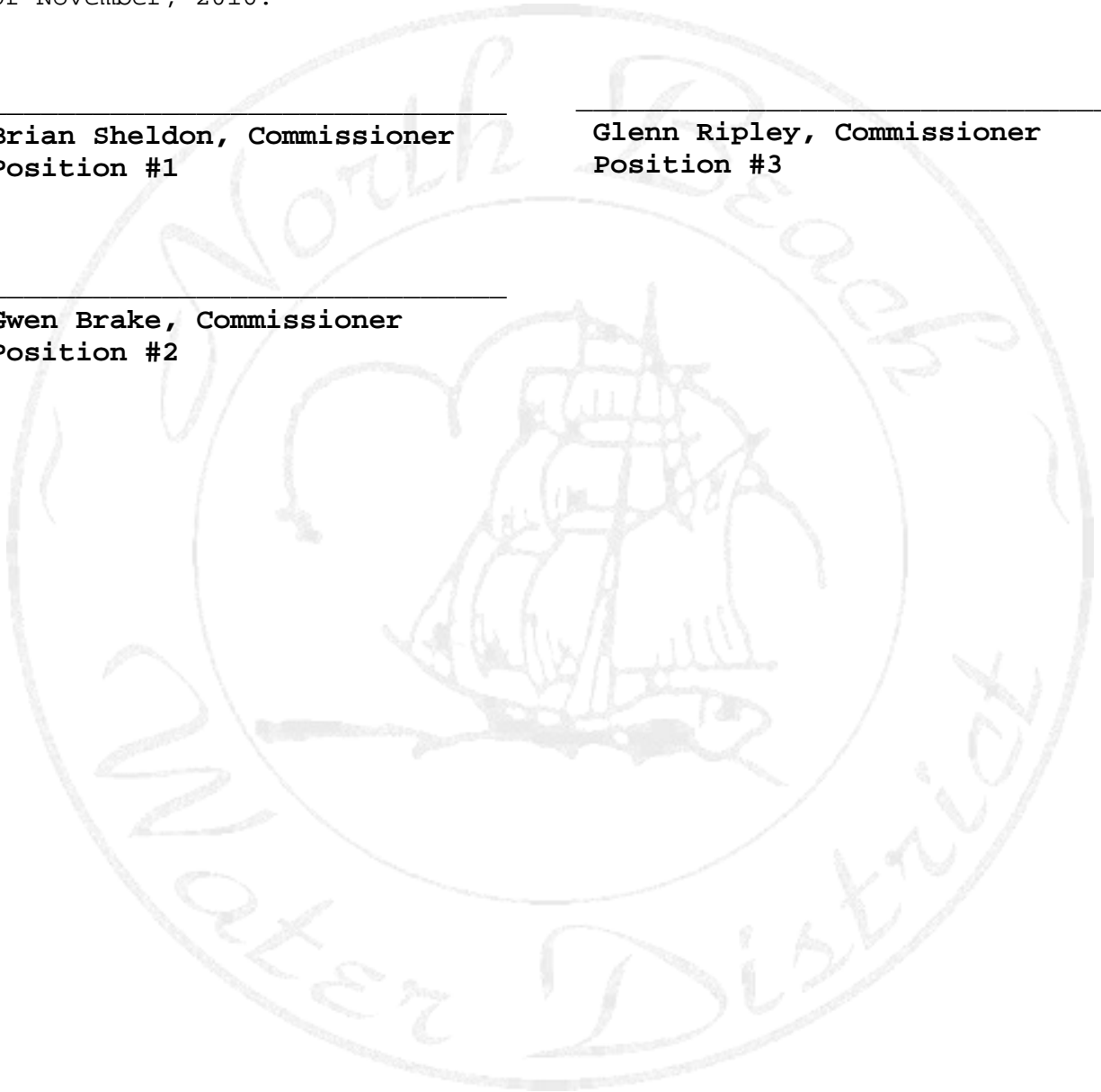
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**Cash In Lieu of Medical Benefits  
(FOR BENEFIT ELIGIBLE EMPLOYEES ONLY)**

If you are eligible, you have the opportunity to decline medical insurance through North Beach Water District's group health plan and receive a monthly payment in lieu of medical insurance.

To be eligible, you must provide written proof of satisfactory medical insurance. Evidence of coverage under COBRA is not satisfactory.

To enroll in the Cash in-lieu of Medical Benefits:

1. Obtain written proof of other current health care coverage. The required proof is an official document verifying you are insured under a group health insurance plan or otherwise. For example, a letter of official website document from your spouse's employer stating you are currently covered under their health insurance plan, which lists your name as an eligible dependent.
2. Submit the written proof to the General Manager along with a signed Election of Cash In-Lieu form.

Both the application and proof of other group health plan coverage must be received and approved by the General Manager. **A copy on I.D. card is not sufficient proof of other coverage.**

Upon approval, cash payment in lieu of medical insurance will be scheduled for the next available pay check date. If you later wish to enroll in the District's coverage, you will be subject to any applicable open enrollment and plan waiting periods.

The benefit is paid each pay period and as a taxable benefit, it is subject to FICA, Medicare, federal, and state tax.

The amount deducted for taxes depends on individual circumstances as determined by federal taxing authorities. The District is unable to provide individual calculations prior to the actual payment.

**Please complete the enclosed "Election of Cash In-Lieu of Participation in Group Medical Insurance" form if you decide to decline Medical insurance.**

# Election of Compensation In Lieu of Medical Benefits (FOR BENEFIT ELIGIBLE EMPLOYEES ONLY)

Name: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Street City and State Zip: \_\_\_\_\_

Date of Hire: \_\_\_\_\_

Work Phone: \_\_\_\_\_

Home Phone: \_\_\_\_\_

**(Check each box)**

I, \_\_\_\_\_ certify that I am covered by another health plan and have **attached verification** of my coverage. Verification must be provided by an insurance provider stating there is a policy issued to you.

I understand that, by exercising the election to receive monthly payments, I will receive no benefits or coverage from any North Beach Water District medical plan. If I wish to enroll in the District's medical plan at a later date, I will be subject to that plan's enrollment rules.

I understand I cannot that I am not eligible for compensation in lieu of medical benefits if my only other medical insurance is COBRA.

I understand that under the compensation in lieu of medical benefits election has to be submitted by the 6th of the month to become effective the 1st of the following month. Further, I understand that the District will not back pay my compensation in lieu of medical benefits and the benefit becomes effective: \_\_\_\_\_, commencement date.

I understand that my eligibility for compensation in lieu of medical benefits is subject to an annual recertification.

I understand that I must notify the General Manager within 30 days of a discontinuation, cancellation, or any other similar change in medical coverage.

I understand that the monthly compensation in lieu of health benefits will be \$ \_\_\_\_\_, starting on the commencement date and is subject to change based on annual premium renewal adjustments.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Approved:

\_\_\_\_\_  
General Manager

\_\_\_\_\_  
Date



# DICTATION MEMORANDUM

**TO:** William M. Neal III  
**FROM:** Brent Dille  
**DATE:** November 14, 2016  
**RE:** Compensation in lieu District's health insurance coverage

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Bill –

You've asked me to prepare an amendment to the North Beach Water District's employee manual, to include a new provision allowing employees who are eligible for health insurance under the District's employment policy, to receive monetary compensation in lieu of the District's health insurance, so long as they can provide proof of coverage.

This is a common practice among private employers and is becoming more common in school districts and other municipal corporations.

I have enclosed for your review an amendment to the District's employee manual which is modeled after a school district we frequently represent, together with the required documentation affirming the employee has insurance coverage from another source.

Please not hesitate to contact me if you have any questions or changes.