

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

**PROJECT TITLE:**

A Resolution authorizing the State of Washington to provide Medicare coverage to eligible employees of the City of Everett.

- Briefing
- Proposed Action
- Consent
- Action
- First Reading
- Second Reading
- Third Reading
- Public Hearing
- Budget Advisory

COUNCIL BILL #

Originating Department

Human Resources

Contact Person

Dean Koutlas

Phone Number

(425)257-8707

FOR AGENDA OF

June 19, 2019

Initialed by:

Department Head

Administration

Council President



Location

Preceding Action

Attachments

Department(s) Approval

Amount Budgeted	-0-	
Expenditure Required	\$2,312.00-	Account Number(s): 031
Budget Remaining	-0-	
Additional Required	-0-	

**DETAILED SUMMARY STATEMENT:**

Since the elimination of eligibility for membership in the LEOFF I Retirement system, Police Officers and Firefighters hired between October 1, 1977 (the end of LEOFF 1 eligibility) and April 1, 1986 (date of law change) were not provided eligibility to participate in Medicare coverage. Chapter 142, Washington Laws of 2008 (RCW 41.48.030) established procedures in which members of retirement system(s) in political subdivisions of the State of Washington may obtain Hospital Insurance–Medicare-only coverage (“Medicare”). The City desires to offer Medicare coverage to its eligible employees.

The Resolution would authorize the Mayor to execute an agreement with the State of Washington to conduct an election of the three (3) current City employees presently in this status to secure Medicare coverage. Preliminary indications are that only one (1) of the eligible employees will elect to participate. Estimated annual expenditure is \$2, 312.00. In the event that all eligible employees elected to participate the City’s annual expenditure would be \$6535.00. The Medicare rate is 1.45% of reportable wages for both the employer and employee. An eligible employee electing to participate would be responsible for the same amount.

**RECOMMENDATION** (Exact action requested of Council):

Adopt Resolution authorizing the Mayor to execute an agreement with the State of Washington to provide Medicare coverage to eligible employees of the City.



RESOLUTION NO. \_\_\_\_\_

**WHEREAS**, Chapter 142, Washington Laws of 2008 (RCW 41.48.030) established procedures in which members of retirement system(s) in political subdivisions of the State of Washington may obtain Hospital Insurance–Medicare-only coverage (“Medicare”), and

**WHEREAS**, the City of Everett desires to offer Medicare coverage to its eligible employees,

Be it resolved by the City Council of the City of Everett:

**SECTION 1.** It is hereby declared to be the policy and purpose of the City Council to extend the provisions of RCW 41.48.030, providing Medicare coverage to eligible employees of the City of Everett.

**SECTION 2.** In pursuance of this policy, the City Council requests Department of Retirement Systems, as the duly designated State Social Security Administrator, to conduct a divided vote referendum, under Section 218(d)(6) of the Social Security Act, for employees hired before April 1, 1986, who are members of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF). The divided vote referendum will be conducted pursuant to applicable State and Federal laws and regulations for the purpose of allowing eligible employees the option of paying the Medicare-only tax.

**SECTION 3.** The Mayor is authorized and directed to execute an agreement with the State of Washington to secure Medicare coverage of eligible employees as provided in Section 1.

**SECTION 4.** The coverage of eligible employees shall be effective as of January 1, 2019 for the employees who voted “Yes” in the divided vote Medicare referendum.

**SECTION 5.** Withholdings from salaries or wages of employees for the purposes provided in Section 1 of this Resolution are hereby authorized to be made in the amounts and at such times as may be required by applicable State and Federal laws and regulations, and shall be paid to the Internal Revenue Service, in such amounts and at such times as are designated in IRS Code 3121(b)(7)(E) and 3126.

**SECTION 6.** Employer contributions shall be paid from amounts appropriated for such purposes to the Internal Revenue Service in accordance with applicable Federal laws.

**SECTION 7.** The City of Everett shall maintain such records and submit such reports as may be required by applicable State and Federal laws or regulations.

**SECTION 8.** This resolution shall take effect and be in full force from and after its passage.

\_\_\_\_\_  
Councilperson Introducing Resolution

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Council President