

**SUBJECT: EMPLOYER HEALTH INSURANCE CONTRIBUTIONS**

Purpose: The purpose of this APM is to establish a policy and procedures governing the administration of City/Employer contributions toward employee health insurance payments.

Background: On a monthly basis, the City makes prescribed employer contributions toward employee health insurance premiums. This occurs at the issuance of the first paycheck of each month and applies toward the following month's premium for eligible employees. The employee's contribution toward said premium (if any) is deducted from their first paycheck for each month. If the employee does not receive the first paycheck of the month, they are billed for the entire premium for the following month, with specific exceptions (discussed below).

Policy: It is the policy of the City of Madison to contribute the employer's share of health insurance premiums for eligible active employees; eligible employees on approved Disability and/or Family Medical Leave; and/or eligible employees on short-term discipline who would otherwise be impacted disparately.

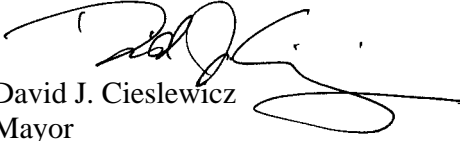
Procedures:

- A. The City shall contribute the employer's share of health insurance premiums for:
1. Any otherwise eligible employee who receives the first paycheck of the month. This paycheck need not be for any specified amount, and may be in the form of paid leave. Note: See APM 2-27 for specific prohibitions.
  2. Any otherwise eligible employee who does not receive the first paycheck of the month, because they were on Disability and/or Family Medical Leave.
  3. Any otherwise eligible employee who does not receive the first paycheck of the month solely because of a disciplinary suspension. This exception is limited to one month's contribution per occurrence (regardless of the duration of the suspension).
  4. Any otherwise eligible employee on military leave.
- B. Otherwise eligible employees who do not qualify for the employer's share of health insurance premiums (see above) shall be billed for the entire premium. The following are examples of otherwise eligible employees who would not qualify for the employer's share:
1. Employees on non-paid leave due to employment related drug-testing issues.
  2. Employees in Disability Layoff status, who are ineligible for FMLA entitlements.
  3. Employees on non-paid leave due to the loss of their driver's license, or other work-related credentials.
  4. Employees on disciplinary suspensions that would require more than one month of unearned employer contributions (see above).

C. The effective dates of any said contributions are as follows:

1. The City shall make employer contributions for health insurance premiums for any new eligible employee who is appointed on or before the first Monday of a month and who has submitted enrollment forms in a timely manner for the following month. New eligible employees appointed after that date are ineligible for employer contributions for the following month, but may choose to pay the entire premium to receive coverage.
2. The City shall adjust any proration of employer contributions (i.e., specific to the employee's certification) for health insurance premiums in effect at the time said contributions are earned. Example: an eligible employee is recertified from 80% to 100% effective May 1, – the employer's contribution for May is 80% (premised on the employee's less than full-time certification in April).

Authority: The City Comptroller shall maintain and interpret this APM in consultation with the Human Resources Director.

  
David J. Cieslewicz  
Mayor

APM No. 2-32  
October 4, 2004