

RESOLUTION NO. 2012-90

**RESOLUTION BY FINANCE AND HUMAN RESOURCES COMMITTEE APPROVING
POLICIES CONCERNING EMPLOYEE BENEFITS PRESENTED BY THE COUNTY
EXECUTIVE**

To the Honorable Members of the Racine County Board of Supervisors:

WHEREAS, consistent with recent changes to public employee collective bargaining laws, Racine County has adopted policies concerning compensation, benefits and conditions of employment that are more uniform and more reflective of current compensation packages in both the public and the private sector, some of which were previously approved and adopted in Ordinance 2011-67 and Resolution 2011-68; and

WHEREAS, consistent with sections 15-2, 15-41 and 15-42 of the Racine County Code of Ordinances, the Racine County Executive has further developed policies with respect to benefits, for employees other than elected officials, that will be implemented on January 1, 2013 and that are intended to:

- Enhance uniformity in employees' health care benefits and, so far as possible, equivalence in employees' overall contributions to the costs of benefits;
- Respect the expectations of persons retired from Racine County on or before December 31, 2012 concerning post-retirement health care;
- Establish a process for more effective control of growth in retiree health care costs, by linking plans and contributions of persons retiring on and after January 1, 2013 to plans and contributions of active employees; and
- Achieve current and long-term savings for taxpayers; and

WHEREAS, the County Executive has submitted these policies to the Finance and Human Resources Committee, which has approved their implementation and their elaboration, as necessary, in the Racine County Human Resources Policy Manual; and

WHEREAS, some items related to compensation, benefits and conditions of employment have been the subject of County Board resolutions, particularly as they pertain to benefits available to elected officials; and

WHEREAS, the Racine County Board of Supervisors is determined to ensure, so far as possible, equivalence in benefits available to elected and non-elected employees alike.

NOW, THEREFORE, BE IT RESOLVED that, notwithstanding any previous resolutions of the County Board concerning matters contained in Exhibit A, the Racine County Board of Supervisors considers such resolutions to be superseded to the extent that they are affected by the policies set forth in Exhibit A and ratified by this resolution.

BE IT FURTHER RESOLVED by the Racine County Board of Supervisors that, on and after January 1, 2013, county health care coverage shall continue to be available to the following elected county officials, under terms and conditions consistent with the policies set forth in Exhibit A:

- County Executive;
- Constitutional officers: Clerk of Circuit Court, County Clerk, County Treasurer, Register of Deeds, and Sheriff; and
- County Supervisors who held such office on December 31, 2011.

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Respectfully submitted,

3
4 1st Reading _____

**FINANCE AND HUMAN RESOURCES
COMMITTEE**

5
6 2nd Reading _____

7
8 BOARD ACTION

Robert N. Miller, Chairman

9 Adopted _____

10 For _____

Q. A. Shakoor, II, Vice-Chairman

11 Against _____

12 Absent _____

13
14 VOTE REQUIRED: Majority

Thomas Pringle, Secretary

15
16 Prepared by:
17 Corporation Counsel

Gilbert Bakke

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19
20 _____
Jeff Halbach

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22 _____
Donnie Snow

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25 _____
John A. Wisch

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28 **The foregoing legislation adopted by the County Board of Supervisors of**
29 **Racine County, Wisconsin, is hereby:**

30 **Approved: _____**

31 **Vetoed: _____ Date: _____,**

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33
34 _____
35 **James A. Ladwig, County Executive**

Plan Changes-Active Employees

Eliminate Health Plans 6 and 7 for active employees and replace them with Plans 8 and 9. Health plan-eligible active employees who are eligible for WRS, but not contributing to WRS, are eligible only for Plan 9. All other health-plan eligible active employees are eligible for Plan 8.

	Plan 6 (current)	Plan 7 (current)	Plan 8 (effective 1/1/2013)	Plan 9 (effective 1/1/2013)
In Network:				
Annual Individual Deductible	\$100	\$ 200	\$ 400	\$5,000
Annual Family Deductible	\$200	\$ 600	\$ 800	\$7,500
Annual Individual Out of Pocket Maximum	\$500	\$1,000	\$2,000	\$6,000
Annual Family Out of Pocket Maximum	\$1,000	\$3,000	\$4,000	\$8,500
Network Coverage	90%	90%	80%	80%
Out of Network:				
Annual Individual Deductible	n/a	n/a	\$800	\$6,000
Annual Family Deductible	n/a	n/a	\$1,600	\$8,500
Annual Individual Out of Pocket Maximum	n/a	n/a	\$3,000	\$7,000
Annual Family Out of Pocket Maximum	n/a	n/a	\$6,000	\$9,500
Out of Network Coverage	75%	75%	60%	60%
Prescription Drug Coverage – Retail				
Generic	\$10	20%, min \$5, max \$25	20%, min \$5, max \$25	20%, min \$5, max \$25
Preferred Brand	\$30	20%, min \$30, max \$75	20%, min \$30, max \$75	20%, min \$30, max \$75
Non Preferred Brand	\$55	20%, min \$55, max \$100	20%, min \$55, max \$100	20%, min \$55, max \$100
Prescription Drug Coverage – Mail Order (3 month supply)				
Generic	\$20	20%, min \$10, max \$50	20%, min \$10, max \$50	20%, min \$10, max \$50
Preferred Brand	\$60	20%, min \$60, max \$150	20%, min \$60, max \$150	20%, min \$60, max \$150
Non Preferred Brand	\$110	20%, min \$110, max \$200	20%, min \$110, max \$200	20%, min \$110, max \$200

Health Plan Changes-Retirees

Note: These changes will apply only to persons retiring from county service on or after January 1, 2013. They do not apply to persons who retired from county service on or before December 31, 2012.

1. Minimum years of county service for eligibility for retiree health care coverage:
 - a. Currently: 10 years minimum, for persons retiring on or before December 31, 2014; 15 years minimum, for persons retiring on or after January 1, 2015.
 - b. Change: 15 years minimum, for persons retiring on or after January 1, 2013.

2. Terms of health plan coverage for retirees:
 - a. Currently: Retirees normally remain on the same plan they were on at the time of retirement (except that, after reaching Medicare age, the county plan becomes a supplement—or, for more recent employees, coverage terminates entirely).
 - b. Change: For persons retiring on or after January 1, 2013, retiree health coverage will be the same as the active employee coverage. Therefore, coverage for those retirees will change as active coverage changes.

3. Premium percentage contributions for retirees:
 - a. Currently: Sliding scale of percentages for retirees, from 5% to 25%, based on years of county service.
 - b. Change: For persons retiring on or after January 1, 2013—
 - (1) Retirees with at least 20 years of county service pay the same percentage as then being paid by active employees;
 - (2) Retirees with at least 15, but less than 20, years of county service pay 10 percentage points more than the percentage then being paid by active employees;
 - (3) For each category of persons retiring on or after January 1, 2013, the percentage contribution will adjust if the percentage paid by active employees (now 15%) changes.

Late Payment Provision-All Retirees

The Human Resources Policy Manual has long had a stepped process that is used when retirees are delinquent in paying their shares of county health coverage. The process is intended to make retirees responsible for timely payment of their share of such coverage, while permitting some latitude for situations beyond their control. Nonetheless, some retirees take advantage of the system and routinely delay paying their share of health coverage costs for up to 60 days after a payment is due.

Change: Effective with this change, no retiree (current or future) may make use of the late payment grace period more than once in a year. Should a retiree who has used the late payment grace period attempt to do so another time within the same year, the retiree's health coverage will be terminated.