**Memorandum**

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| **TO:** | T.C. Broadnax, City Manager |
| **FROM:** | Joy St. Germain, Human Resources Director |
| **SUBJECT:** | Ordinance Disclosure |
| **DATE:** | December 3, 2014 |

On the agenda for City Council action on December 9, 2014, will be an ordinance to amend the Compensation Plan. This memorandum discloses the contents of the ordinance pursuant to Section 1.12.970 of the Tacoma Municipal Code.

The ordinance amends Section 1.12.095 of the Tacoma Municipal Code, regarding Health Care and Disability Benefits, to provide time periods for employee enrollment in benefit plans to meet requirements of the Affordable Care Act.

Under the current language of the Tacoma Municipal Code, temporary employees are eligible to elect to enroll in medical and dental benefits after the completion of six months of continuous service. In order to comply with the ACA, it is necessary to amend the Tacoma Municipal Code regarding the eligibility of enrollment in benefits for temporary employees.

The Affordable Care Act (ACA) provides that a group health plan or health insurance issuer shall not apply any waiting period that exceeds 90 days. The Public Health Service Act (PHS Act) section 2704(b)(4), ERISA section 701(b)(4), and Code section 9801(b)(4) define a waiting period to be the period that must pass with respect to an individual before the individual is eligible to be covered for benefits under the terms of the plan.

The ordinance will provide that temporary employees will be eligible to elect medical and dental benefits beginning on the first of the month following sixty (60) days of continuous employment from the date of hire. This change is intended to meet the requirements of the ACA to provide coverage within ninety (90) days. The ordinance will also clarify eligibility for coverage for permanent, appointive, project and temporary exam employees on the first of the month following the date of hire, unless the date of hire is also the first working day of the month, in which case benefits would be effective on the date of hire.

**Section 2:** Provides for the effective date.

I would be happy to answer any questions you may have.