



**CITY OF SOMERVILLE, MASSACHUSETTS**  
**JOSEPH A. CURTATONE**  
**MAYOR**

**Health Insurance Opt-Out Program Policy**  
**(Non-Bargaining & Bargaining Unit Members)**

The following is intended as incentive payments that benefit both the employee who elect to participate in this program as well as the City. Participation is voluntary and subject to the terms and conditions listed below.

To be eligible to participate in this program, an employee must meet the following criteria:

1. The individual must be an employee who is eligible for health insurance benefits:
  - a. who is currently receiving health insurance from the City;
  - b. and was enrolled and receiving City health insurance for the entire period of the previous fiscal year (July 1<sup>st</sup> through June 30<sup>th</sup>, inclusive);
2. The City will pay an employee covered by this program no less than the following annual amounts, based on twelve (12) months of participation in the program.
  - a. Single Plan: \$2,000.00
  - b. Family Plan: \$4,000.00
3. For school employees paid on a 21 or 42 payroll frequency, employees will receive their payment on a monthly basis over 10 months to equal the annual amounts noted in #3. Payments will begin in September and end in June. In the event of any overpayment or underpayment concerning the opt-out or health insurance deductions, the City will make the adjustments accordingly.
4. Said payments will be included in an employee's regular pay check, in monthly installments, for each full month an employee does not utilize, elect, participate in, and/or have City-provided insurance
  - a. Example 1: a participating employee who opted out of the City-provided family plan on a 52, 26 or monthly payroll frequency would receive approximately



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- \$333.33 in additional pay per month in which he/she participated in the program. Payment(s) will be taxable but they are separate from wages and will not be included for the computation of wages including, but not necessarily limited to, overtime rates;
- b. Example 2: a participating employee who opted out of the City-provided family plan on a 21 or 42 payroll frequency would receive approximately \$400.00 in additional pay per month in which he/she participated in the program. Payment(s) will be taxable but they are separate from wages and will not be included for the computation of wages including, but not necessarily limited to, overtime rates;
5. If an employee who is participating in the program returns to electing or receiving City-provided health insurance all payments pursuant to this program will cease beginning the month before health insurance coverage becomes effective;
6. An employee wishing to participate in this program must submit a signed request and waiver in writing on a form provided by the City and available in its Personnel Department;
7. Employees will receive a monthly Opt Out payment so long as they are employed by the City during the pay period in which the Opt Out payment is made. For example, if the Opt Out payment is made in the 3<sup>rd</sup> pay period of the month, but an employee separates from employment during the 2<sup>nd</sup> pay period of that month, the employee will not receive or be entitled to an Opt Out payment for that month.
8. The City reserves, at its sole discretion, the right to expand the criteria as to which an employee may be eligible to participate in the eligibility of this program however



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nothing in this Agreement shall restrict an employee who are otherwise qualified hereunder to participate; and

9. Nothing in this Agreement is intended to reduce the previously-existing rights of employee to participate in City-provided health insurance, to limit “qualifying events” that may occur between open enrollment periods or to reduce the rights of employee to have access to health insurance under the law however employee should be aware that participation in this program and receipt of any payments under this program are conditioned upon compliance with all of its terms and conditions. The effective date of the “qualifying event” is set by the Group Insurance Commission (GIC).
  
10. In no instance shall an employee receive both a payment under the program and health insurance benefits simultaneously.

The City reserves the right to modify or discontinue the program with 60 (sixty) days notice in advance of the next open enrollment with the discontinuance effective on the subsequent plan renewal date.