





POLICY AND PROCEDURE

CITY OF VANCOUVER WASHINGTON	INDEX			
	Administrative/Council/City Manager			
Subject	Number 100-41	Rev. A	Eff. Date 9/24/18	Page 1 of 2
Health Insurance Opt-Out Payment	Supersedes	Prepared by: 	Approved by: 	

1.0 Purpose

The purpose of this policy is to establish the option for a councilmember to receive a payment in lieu of participating in the City’s health insurance program.

2.0 Applicability

This policy applies to the City Council of the City of Vancouver.

3.0 References

- Washington State Constitution Article XI, Section 8 – Limitations on Salaries
- Washington State Constitution Article XXX, Section 1 – Authorizing Mid-term Compensation Increase
- RCW 35.21.015 - Salary Commission
- RCW 41.04.190 – Cost of medical insurance not compensation
- Resolution 003-11
- City Council Resolution M-3980, September 24, 2018

4.0 General Policy – Councilmembers Ability to Receive Opt Out Payment

Councilmembers are able to participate in the City’s health insurance programs. However, a councilmember may have health coverage through other employment, a spouse’s employment or other benefit provider. This policy is intended to provide councilmembers the option of declining city-provided health coverage and to receive an “opt-out” cash payment while avoiding the prohibition on mid-term adjustment to compensation.

The Washington State Constitution prohibits the mid-term adjustment of compensation of elected officials. It states:

The salary of any county, city, town, or municipal officers except as provided in section 1 of Article XXX or diminished after his election, or during his term of office; nor shall the term of any such officer be extended which he is elected or appointed.

While the cost of a health insurance policy is statutorily exempted from this prohibition, the receipt of an opt-out payment is not. Thus, a councilmember wishing to receive an opt-out payment can only exercise this option prior to their beginning a successive term of office and the increase can only be effective upon the beginning of the new term. An apparent winner of an election to a councilmember position can only exercise this option after the initial election returns and before the election results are certified. An appointee to a councilmember position may only exercise this option this option prior to taking office.

Pursuant to this policy, the City Council hereby approves including in a councilmember's compensation an opt-out payment if a councilmember declines to participate in the City's health plan. The amount of the payment shall be the rate paid to nonrepresented employees at the time that the councilmember exercises their option and it shall not increase nor decrease during their term of office.

Concurrent with the adoption of this policy, the Council rescinded Section 2 of Resolution M-3734 which precluded the ability to be eligible for an opt-out payment.