

City Council – Action Request Form

Date: June 8, 2023

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From:

Council Action Requested:

Resolution Modifying the City of Winston-Salem Post-Employment Health Care Benefit Program to Provide the Medicare Advantage Supplement to Retired Elected Officials.

Strategic Focus Area: Service Excellence

Strategic Objective: N/A

Strategic Plan Action Item: N/A

Key Work Item: N/A



Summary of Information:

City management has received a request from a City Council Member to offer a Medicare supplement plan to former elected officials over 65.

The City of Winston-Salem offers a Medicare Advantage health insurance plan (“Medicare supplement”) for retirees (age 65+) who are eligible for Medicare coverage. This coverage supplements retirees’ Medicare Parts A (hospital insurance) and B (medical insurance) coverage and provides a benefit that closely matches the health insurance coverage provided for employees and pre-65 retirees.

The City used to provide retiree health insurance (both pre-65 insurance and post-65 Medicare supplement) to employees who served 15 years or more. Because of the significant cost (millions) of the accrued liability, especially for pre-65 insurance, the City Council elected in June 2010 to stop the coverage for anyone hired on or after July 1, 2010. Individuals who are hired after that date are not eligible. Individuals who started with the City prior to July 1, 2010 with 15 years of service are still eligible.

Committee Action:

Committee

Action

For

Against

Remarks:

City staff have looked at other jurisdictions, and they, like the City, have discontinued retiree health insurance for recent hires. However, Forsyth County still offers a separate retiree health coverage plan for elected officials. The following table notes whether other large cities and counties in North Carolina provided retiree health coverage for elected officials.

	Provide Retiree Health Coverage for Elected Officials
Winston-Salem	No
Forsyth County	Yes
Durham	No
Greensboro	No
High Point	No
Mecklenburg County	No

Forsyth County has offered retiree health coverage to elected officials since 2009. Years of service eligibility is ten years.

The City Attorney has opined that the City could legally offer a different plan for elected officials than employees. The attached resolution would extend the post-65 Medicare supplement to former elected officials who have served at least two consecutive terms (i.e., eight years). The current cost of the City’s Medicare supplement totals \$12.08 per month, well below the City Council’s cap of \$210 per month. Adding current and future elected officials who meet certain eligibility criteria to the Medicare supplement plan could be covered by the health benefits fund. Staff will present this resolution as part of the FY 2023-2024 budget items.