



DECODING CITY WORKERS' INSURANCE "BREAK"

On Aug. 24, 2011, the City of Memphis sent a [letter to city workers](#) to let them know that those who are participating in its healthcare plan will not have premiums taken out of their paychecks for six upcoming pay periods: Sept. 2, 16 and 30, Oct. 14, Nov. 23 in 2011 and March 30, 2012.

According to the administration, these funds are meant to help offset damages resulting from the 4.6 percent wage reduction implemented in August. The letter explains that the "surplus funds" are available now because of "changes made in fiscal 2010 to improve the financial position of the healthcare fund."

Where did the money come from?

THE CITY EMPLOYEES.

Effective on Aug. 2, 2010, the city reduced benefits with the Premier Insurance Plan. The changed policy meant that employees had to pay a copay. It also meant that there was a \$100 deductible for each family member (\$300 maximum per family member).

What about the premiums?

THEY INCREASED.

The Premier Plan increased by 17 percent, and the Basic Plan increased by 15 percent. City workers were later told that the increase in premiums was unnecessary. Employees over-paid, and now there is a surplus of funds in the city's health plan.

What about the employees who aren't participating in the healthcare plan?

THIS "SURPLUS"/REIMBURSEMENT DOES NOT AFFECT THEM.

Because they did not participate or pay in to the healthcare plan all along, certain employees will not notice a change in their paychecks during the specified dates. However, they will still notice the 4.6 percent pay cut that was instituted earlier in August.

What about the timing of the reimbursements?

THE DATES MESH WITH CITY WORKERS' PAYCHECK DISTRIBUTION

The city's administration has identified six days to contribute employees' insurance premiums. In fact, because of the calendar, city workers will only pay premiums *four times* during the selected time frame.

What's a better word for surplus?

IT'S A REIMBURSEMENT.

The city is not alleviating the damages that are directly caused by the 4.6 percent wage reduction. The administration is giving the employees' money back to them. This is not a gift. It's a reimbursement. The insurance break has nothing to do with the wage reduction. City employees are still feeling the sting. They are still wounded.

Get the facts. Visit memphispoliceassociation.org to learn more about what you can do support those who support you.

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