RESOLUTION SETTING HEALTHCARE WAIVER COMPENSATION FOR CY 2013

WHEREAS, the SCIA re-entered the State Health Benefit Plan ("SHBP") in December 2011 for health benefits for its employees, and

WHEREAS, the SHBP requires all employees who are qualified and choose to waive their health benefits to file the health benefit waivers for the coming year at the time of open enrollment; and

WHEREAS, the SHBP and SCIA Policy permits an employee to waive health benefits coverage under the SHBP pursuant to Chapter 92, P.L. 2007 and Chapter 2, P.L. 2010; and

WHEREAS, Chapter 92, P.L. 2007 and Chapter 2, P.L. 2010 permits an employer to compensate an employee for a certain portion of the health benefits costs saved by such waiver (not to exceed 25% of the expense saved or $5,000 whichever is lower);

NOW THEREFORE, BE IT RESOLVED by the SCIA as follows:

1. Any full-time employee of the SCIA, otherwise eligible for health benefits under a private self funded plan or as a dependent of another eligible participant in the SHBP/SEHBP, shall be permitted to waive health benefits coverage provided to that employee by the SCIA. Any full-time employee waiving such coverage for the CY 2013, who is eligible for compensation, shall be paid an amount equal to 25% of the actual costs saved by SCIA (after the employee contribution is deducted) for the healthcare waiver based on the value of the benefit in effect at the time the initial waiver is made, except that in no event shall such employee be paid an amount in excess of $5,000.00 and no annual increase adjustment will be made in the waiver amount from year to year.

2. The compensation for such waiver by an employee shall be paid in a separate check in addition to such employee's base salary. Said payment shall be made on or about December 31, 2013. In the event such employee seeks health care benefits through the SCIA during CY 2013 after initially waiving his/her right to health care benefits earlier in the year, said employee shall not be eligible for any compensation whatsoever for any period of time in CY 2013.

3. To be eligible for compensation for any waiver hereunder, the employee shall first be required to provide SCIA with written proof of alternate medical or health care insurance coverage.

4. Employees are not eligible for the waiver incentive (payment) if their other coverage is with the SHBP or SEHBP.

5. In addition, any employee who wishes to waive healthcare coverage shall submit a written waiver during the open enrollment period. The written waiver shall be submitted to the SCIA Executive Director.
6. Payment of any such health care waiver compensation shall be subject to the terms of any Collective Bargaining Agreement to which such employee is subject, if any.

John Ober, Chairman

I hereby certify the above to be a true copy of a resolution adopted by the SCIA at a regular meeting held on 3rd day of December, 2012.

Ronald Howard, Secretary