

Capitola City Council

Agenda Report



Meeting: May 26, 2022

From: City Manager Department

Subject: Dental Insurance Premium Refund

Recommended Action: Approve the proposed refund of up to five months of dental premiums to City employees.

Background: The City of Capitola's dental insurance provider recently issued a refund of dental premiums to the City for 2021 and 2022. The refund was due to reduced use of dental services during the pandemic.

Discussion: Because employees, rather than the City, pay for dental insurance, Staff proposes passing on the refund to employees that paid for dental coverage in 2021 and 2022. This refund includes management and council members that paid dental insurance premiums during this period. The refund is considered taxable income and if approved by Council would be included on the June 17, 2022, paycheck.

The following is the proposed refund criteria:

- **Eligibility:**
 - Currently employed by City as of 5/1/2022
 - Paid for Dental Insurance at least one month in 2021 and/or 2022.
 - Refund will be based on the coverage selected (Employee Only, Employee +1).
- **2021**
 - Refund equal to the actual number of months employee paid for dental insurance, up to a maximum of four months
- **2022**
 - One month refund

Fiscal Impact: The fiscal impact of the refund is approximately \$21,000, which is offset by the payment issued by the insurance company.

Report Prepared By: Larry Laurent, Assistant to the City Manager

Reviewed By: Chloé Woodmansee, City Clerk; Samantha Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager