



**STAFF REPORT**  
**City of Dripping Springs**  
**PO Box 384**  
**511 Mercer Street**  
**Dripping Springs, TX 78620**

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**Submitted By:** Michelle Fischer, City Administrator

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**Council Meeting Date:** February 21, 2023

**Agenda Item Wording:** **Discuss and consider approval of changing the city's Benefit Waiting Period to the first day of the month following a new employee's start date.** *Sponsor: Mayor Bill Foulds, Jr.*

**Agenda Item Requestor:** Michelle Fischer, City Administrator

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**Summary/Background:** The city received the attached notice from TML Health Benefits Pool. It states that effective May 1st, the pool will begin charging a contribution payment for the first month in which a new hire enrolls in coverage, even if the employee enrolls mid-month. Before this, TML Health waived contributions for the first partial month of coverage when a new hire's benefits started in the middle of the month. They are making this change due to increasing pharmacy and claims costs.

Currently the city's Benefit Waiting Period is 30 days from the date of employment. The city may elect to change the Benefit Waiting Period so that benefits begin on the first day of the month. TML Health Benefits Pool is giving three options which will help the city avoid paying a full month's contribution amount for an initial partial month of coverage. The city may change the Benefit Waiting Period so that benefits become effective on the first day of the month following the date of hire or the first of month following 30 or 60 days from date of hire. The city may also decide not to change the Benefit Waiting Period. If no change is made, the city will be paying for benefits for new employees that have worked less than 30 days and they are not eligible for them.

Staff has reviewed the options and recommends the city change the Benefit Waiting Period to begin the first day of the month following the date of hire. This change will not have an impact on the budget.

**Commission Recommendations:** N/A.

**Recommended Council Actions:** Approve changing the Benefit Waiting Period to the first day of the month following a new employee's start date.

**Attachments:** Notice from TML Health Benefits Pool.

**Next Steps/Schedule:** Notify TML Health Benefits Pool of the City Council's decision.