

Reply to Common Council File No. 050738
From DOA-Budget and Management Division


October 10, 2005

Ref: 05013

Common Council File 050738 contains a resolution that authorizes the Department of Employee Relations to spend \$5,000 to contract with Willis of Wisconsin to complete a Medicare Part D subsidy plan. Employers must first provide evidence that they are providing a qualified drug program to retirees. Then the employers, as part of the application process, may qualify for a subsidy of up to 28%. In order to comply with the application process, the city must actuarially verify that the plan is at least equivalent to the Medicare Part D Plan.

It is highly likely that the city will have a qualified retiree drug program given the level of benefits, however, the city will probably not qualify for a subsidy because of the level of retiree contributions.

RECOMMENDATION: ADOPT RESOLUTION 050738 AUTHORIZING THE DEPARTMENT OF EMPLOYEE RELATIONS TO CONTRACT WITH WILLIS OF WISCONSIN TO COMPLETE A MEDICARE PART D SUBSIDY APPLICATION.


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