

**City of Oakland
Cafeteria/ Medical Waiver Plan**

Election Form

Employee Name: _____ **Employee #:** _____ **Contact Ph#:** _____

Any employee who elects to waive or cancel City of Oakland medical coverage in exchange for cash compensation or pre-taxed benefits must complete this form. Pre-tax benefits can be contributed into the Dependent Care Assistance Plan (DCAP) or the (MCAP) Medical Care Assistance Plan.

In addition to this form, an employee must also complete the City of Oakland Employee Benefits Record Form.

The City of Oakland requires all employees to provide verifiable proof of other medical insurance when waiving or canceling medical coverage. Copies of insurance cards are NOT accepted. You must obtain a letter from your insurance carrier or the employer under whom you are receiving coverage.

- I hereby elect to cancel/waive medical coverage provided by the City of Oakland.
- I am canceling coverage under (name of carrier): _____
- The following individuals are eligible for medical benefits under my coverage. However, I hereby elect to cancel/waive on their behalf:

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After careful consideration and review of all the information provided regarding the City of Oakland Cafeteria Plan, I understand that:

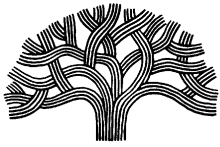
- (a) The decision to waive/cancel the City of Oakland’s group medical plan provided for me and any eligible dependents is voluntary on my part and constitutes forfeiture of elected PERS medical coverage.
- (b) It is my responsibility to maintain continued medical coverage for any eligible dependents and myself.
- (c) My election to participate in this program applies to an entire plan year. If my participation ends during the plan year and I again become eligible for the Cafeteria Plan within the same plan year, I must wait until the next plan year. If I elect to waive/ cancel my City of Oakland sponsored medical coverage, I may re-enroll only during an Open Enrollment period or complete a 90-day waiting period.

My election may not be changed unless the change is due to:

- (1) a significant change in the cost of health benefits;
- (2) a change in my family status (determined in accordance with IRC 125);
- (3) a separation of service, or;
- (4) a leave under the Family Medical Leave Act (FMLA)

- (d) In exchange for waiving/canceling coverage for myself and any eligible dependents, I elect to **receive either;**

Cash in Lieu Option Plan Year: _____



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I will receive a monthly cash payment for each month that coverage is waived/ cancelled through this program. In addition, the City of Oakland will deduct all necessary withholding taxes. I understand that this cash payment is considered taxable income and will be included as income on my annual W-4 Form

OR

Dependent Care Assistance Plan Option Plan Year: _____ Amount: _____

Medical Care Assistance Plan Option Plan Year: _____ Amount: _____

I will receive a bi-weekly pre-taxed contribution towards the plan of my choice for each month that coverage is waived/cancelled through this program. The City of Oakland will set aside this amount and forward payment to the plan administrator to be included within my total pre-tax election.

- (e) If I choose to return to the City of Oakland’s group medical health plans, my bi-weekly compensation (Cash or Dependent Care Assistance Plan Option) will cease. I also agree to repay or authorize repayment through payroll deductions for any overpayment that I might inadvertently receive.
- (f) If I continue to obtain medical health services through the City of Oakland’s plan after coverage has been waived/canceled; I will be held financially liable for payment of those services rendered.

I have read and fully understand the City of Oakland Cafeteria Plan Election Form. I understand and accept the above stipulations (Items A through F) and agree to the terms of this program.

Employee Signature

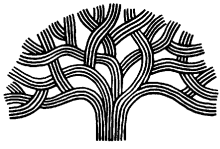
Date

For Benefits Office only:

Employee Benefits Representative

Date Received

Date Entered



**City of Oakland
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Fact Sheet

1. What is the City of Oakland Cafeteria Plan?

The plan allows employees to waive or cancel medical coverage for themselves and eligible dependents in return for cash compensation or contributed untaxed benefits under the Dependent Care Assistance Plan or the Medical Care Assistance Plan.

2. Who can participate?

All full or permanent part-time benefit eligible employees and sworn Firefighters.

3. If I opt out of the City of Oakland sponsored medical plans, can I remain in the dental and vision?

Yes. The plan does not impact enrollment in the dental and vision programs.

4. How do I sign up?

Employees wishing to take advantage of this plan must complete the following:

Step 1. Complete a Cafeteria Plan Election Form to specify which options you would like to participate in, cash compensation or pre-taxed benefit contribution.

Step 2. Complete the City of Oakland Employee Benefits Record form, indicating that you want to either waive or cancel a medical plan.

Step 3. Forward both documents to the Employee Benefits Department for processing.

5. Do I have to show proof of other medical coverage?

Yes.

6. If I decide to elect participation in the cafeteria plan and cancel my current medical plan, when can this be done and when will it take effect?

A current employee can only elect to change during an Open Enrollment period. You will continue to be covered for medical benefits through December 31st. Your election will take effect in January of the following year.

If you are a new hire, or newly benefits eligible and decide to waive enrollment in a medical plan, your election would take effect the first of the month in which you would normally be considered benefit eligible. This is contingent upon when your paper work is submitted to the Benefits Department, ex: If you turned in your benefits forms during the month of April, your election will take effect in May.

7. When is Open Enrollment?

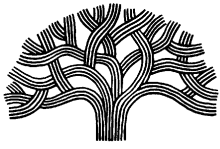
Open Enrollment occurs once a year, usually during the months of September or October, with an effective date of January.

8. Will the cash compensation be part of my regular payroll check or will I receive a separate check?

The cash compensation will be included in your regular earnings and appear on your paycheck once a month. The City of Oakland will withhold all necessary deductions.

9. If I am opting for the pre-taxed benefits, how will the contribution be applied to my Dependent Care Assistance Plan or Medical Care Assistance Program?

The City of Oakland will forward your contribution to the plan administrator.



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10. How much can I expect to receive by electing either option? The benefit payments are negotiated.

Please refer to your respective MOU. as follows:

11. Will I have to pay taxes on the cash compensation option?

Yes, cash compensation in lieu of benefits is considered taxable income. Consult your tax advisor if you have any tax related questions.

12. If I cancel or waive my City of Oakland sponsored medical plan and later change my mind, what events would allow me to re-enroll?

In accordance with Internal Revenue Code 125 you may re-enroll into the medical plan only:

1. During an annual Open Enrollment period;
2. Or a “life event” activity
 - a. marriage, divorce or legal separation
 - b. birth or adoption of a child
 - c. death of spouse or dependent
 - d. loss of spouse’s medical coverage
 - e. residence change outside of the current service area
 - f. change in job status
 - g. unpaid leave of absence
 - h. significant change in health

13. In the unlikely event that there is an overpayment to me after re-entering the City’s sponsored plan, will I be required to repay the overpayment?

Yes. The employee must repay the City of Oakland for any overpayment through payroll deductions. By signing the Election Form, you give prior authorization to the City to collect any overpayment.

14. If I return to the City of Oakland’s sponsored medical plan, what is the carrier’s position on pre-existing conditions?

There are no pre-existing condition clauses under the Public Employees’ Medical and Hospital Care Act (PEMHCA) for purposes of this program.

15. Who do I contact if I have further questions?

You may contact Employee Benefits at (510) 238-7446 for further questions.