



COUNTY OF DANE

Department of Administration
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Date: August 18, 2026

To: All Employees

From: Shelby Slaven
Director of Administration

Subject: Temporary Exception to the Employee Benefit Handbook – Payment-in-Lieu

The Employee-Management Insurance Advisory Committee has recommended that the County consider developing a Payment-in-Lieu for employees who decline the County's Health Insurance, as a way for the County to recognize savings. This program is developed as a trial for 2027 only. Below is a proposal to implement this trial program. The Department of Administration will also be putting out a comprehensive Questions and Answers document to accompany this proposed Temporary Exception.

Dane Co. Ord. §18.24(5)(a) authorizes the Director of Administration to make temporary exceptions to the Employee Benefit Handbook after reasonable notice to interested stakeholders. If concerns regarding the implementation of this proposed exception are raised, I will schedule a meeting with the parties. Interested stakeholders have until the end of business on September 1, 2026, to request a meeting with me to discuss their concerns.

Payment-in-Lieu of Health Insurance

1. This exception expires on December 12, 2026. The conclusion of pay period 26 B.
2. The Employee Benefit Handbook for all EGs is modified as follows:

SUBJECT: Health and Dental Insurance

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- f) The County will offer a Payment-In-Lieu of Health Insurance to eligible employees who decline the County's sponsored health insurance, subject to the following terms and conditions:
 1. Eligibility. Employees are eligible for the Payment-in-Lieu of Health if all of the following conditions are met:
 - i. The employee meets one of the following:
 1. As of August 9, 2026, the employee is currently receiving a group health insurance benefit through Dane County (either the HMO or POS options)
 2. OR is a new employee as of August 9, 2026, and chose to participate in the group health insurance for the remainder of the 2026 plan year
 3. OR the employee is a new hire to Dane County on or after November 15, 2026.

- ii. The employee declines enrollment in the County's Health Insurance plan for 2027.
 - iii. The employee provides an attestation that affirms they were offered the county's health insurance plan, declined the County's Health insurance plan, and they have minimum essential coverage under an alternative group health insurance program.
 - iv. The employee is employed at 1.0 FTE.
 - v. The employee is not receiving a health insurance benefit through Dane County as a spouse or dependent.
- 2. Election
 - i. Current employees must make an election for the Payment-in-Lieu of Health insurance during the applicable open enrollment period.
 - ii. Newly hired employees must make an election within 30 days of their initial eligibility for county-sponsored health insurance.
 - iii. An election for Payment-in-Lieu of Health Insurance applies only to the applicable plan year.
 - iv. Election of the Payment-in-Lieu does not create eligibility for subsequent plan years.
 - v. Payment-in-Lieu of Health Insurance does not carry over from one plan year to another.
- 3. Payment Amount
 - i. The annual Payment-in-Lieu of Health Insurance is \$5,000, for an employee who remains eligible for the entire plan year.
 - ii. The Payment-in-Lieu of Health Insurance will be paid monthly for the months that the employee would have been eligible for the Dane County Health Insurance plan.
 - iii. This amount would be distributed through the County's payroll system.
 - iv. The Payment-in-Lieu of Health Insurance is taxable income to the employee but is not reportable earnings for purposes of the Wisconsin Retirement System (WRS).
- 4. Changes from a Qualifying Event
 - i. Employees who select the Payment-in-Lieu of Health Insurance may re-enroll in the County's health insurance plan if they have a qualifying life event (marriage, birth of child, loss of other coverage). Employees must submit documentation attesting to the qualifying event. The Payment-in-Lieu incentive will only be paid for the months the employee is not enrolled in health insurance through Dane County.
 - ii. With a qualifying event, employees who meet the eligibility criteria and have the County's insurance may decline the County's health insurance and receive the payment-in-lieu of health insurance, provided they provide an attestation that they have minimum essential coverage through an alternate group health insurance policy.
- 5. Changes in Eligibility
 - i. An employee who terminates employment, retires, or otherwise ceases to meet the eligibility requirements for the Payment-in-Lieu of Health Insurance will no longer be eligible for the payment beginning with the month in which eligibility ends.
 - ii. An employee who changes from 1.0 FTE to less than 1.0 FTE will no longer be eligible for the Payment-in-Lieu of Health Insurance beginning with the applicable month in which the employee no longer meets the 1.0 FTE eligibility requirement.
 - iii. Employees are responsible for notifying the County of any change that may affect their eligibility for the Payment-in-Lieu of Health Insurance.
- 6. Administration
 - i. The Employee Relations Division will develop policies and procedures governing the determination of eligibility, maintenance of employee elections and required attestations, and communication of eligibility changes to payroll.

- ii. The County may recover payments to an employee who was not eligible for the Payment-in-Lieu of Health Insurance.