

**CITY OF ONEIDA  
OFFICE OF THE COMPTROLLER**

LEE ANN WELLS  
*City Comptroller*

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## **MEMORANDUM**

TO: COMMON COUNCIL

FROM: LEE ANN WELLS- CITY COMPTROLLER

RE: MEDICARE PART B- RETIREES

DATE: 4/2/24

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Historically, the Common Council has passed a resolution annually to reimburse the premiums to all employees that retired before July 1, 2015, regardless of union affiliation. Unfortunately, the rising Medicare Premium costs have brought this annual payment under scrutiny. It is of the opinion of the city's labor attorney, that unless the contractual language of which an employee retired under specifically provides for the Medicare Part B premium reimbursement, then the city is not under an obligation to pay that, unless the Common Council passes a resolution to do so. I have reviewed the collective bargaining agreements (attached is a breakdown) and I have found:

Police-does not have any language that provides this benefit  
Fire-Provides the benefit from 1/1/11-12/31/14  
CSEA-Provides the benefit from 1/1/11-6/30/15

Based on retirement dates, the city is contractually obligated to pay out an annual Medicare Part B premium of **\$39,450**

If the historical resolution is passed the city will be paying out an additional annual payment of **\$106,626**

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**Strictly to provide the historical facts as a means for the Council to be fully educated when making a decision going forward, I would like to mention the following:**

-The full premiums has been approved to be paid by Council since December 13, 2011 for the period of 1/1/11-12/31/13 and a new resolution presented each year after that to pay the premium to employees that retired before 7/1/15

-The retirees not only feel they are entitled to it, but some have also requested back payments for premiums that increased and they did not make the city aware of the increase until much later on (we have no way of knowing when a premium is increased, that is only provided to the retiree from the Social Security Administration)

-These payments are usually paid quarterly. We have not yet passed a resolution to make payments in 2024. We will only be making the quarterly contractual obligation payments unless a resolution to pay all premiums is passed.