



Human Resources Dental In-Lieu Plan Document

DESCRIPTION

This Dental In-Lieu plan (“Plan”) allows eligible employees who are covered for dental insurance through another group dental plan a choice between selecting/continuing nontaxable dental coverage under one of the City’s dental insurance plans, or declining/dropping the City’s coverage and receiving a taxable in-lieu cash payment. The City’s Dental In-Lieu plan does not qualify as a group dental plan for COBRA purposes.

Effective January 1, 2026, eligible employees shall receive the following Dental In-Lieu rate per pay period:

For all employees (except employees represented by POA and IAFF, Local 230)	For all employees represented by POA and IAFF, Local 230
If eligible for EE only coverage: \$ 6.65	If eligible for EE only coverage: \$19.95
If eligible for EE+SP/DP coverage: \$13.30	If eligible for EE+SP/DP and/or Child(ren) coverage: \$19.95
If eligible for EE+Child(ren) coverage: \$11.64	
If eligible for EE+SP/DP+Child(ren): \$19.95	

PAYMENT/TAXES/PLAN YEAR: Payment will be made to the employee on their regular biweekly payroll check. Payment is taxable, and subject to tax withholdings. The Plan Year on which the Plan operates (including elections and payments) is the calendar year. Payment will not be made for failure to provide acceptable proof of alternate group coverage.

ELIGIBILITY: Full-time and Reduced Work Week (35+ hours per week) employees, who certify that they have alternate group coverage, and who provide proof of alternate group coverage which is acceptable to the City of San José upon request, are eligible for the Plan. Eligible employees who receive dental coverage as a dependent of another City employee or retiree are only eligible for the Single In-Lieu plan. Employees on an unpaid leave of absence are not eligible for the Plan and in-lieu payments.

ENROLLMENT / ELECTIONS: Eligible employees may enroll online through eWay during new hire/newly eligible, due to a qualifying life event, and during the annual open enrollment period (typically held the last two weeks of October through the first week of November). The Plan and in-lieu payments are effective on the first day of the following calendar year.

- New employees have 30 days from their date of hire to enroll. New employees and existing employees electing Dental In-Lieu during the Open Enrollment period will be required to confirm the In-Lieu and Waiver Acknowledgement as part of the enrollment process in PeopleSoft/eWay. Changes in benefit elections will not be recorded and submitted without attesting to the acknowledgement and employees will not be allowed to move forward in the enrollment process.
- Employees may apply for Dental In-Lieu during the year only if they become eligible due to a change in family status, and they must apply within 30 days of the date of that change and provide proof of alternate group coverage. A change in family status is defined as follows:
 - Change in marital status – marriage, divorce, or legal separation
 - Change in dependent status – birth, adoption, legal guardianship, or death
 - Change in work status (either employee or employee’s spouse) – termination of employment, commencement of employment, or change between part-time and full-time employment

Proof of alternate group coverage may be requested and required to maintain eligibility. Proof of alternate group coverage must identify the subscriber and list all covered dependents, the type of coverage, and the coverage effective date. **The proof of coverage must be in effect for the plan year 1/1/26-12/31/26.**

Proof of individual coverage, such as Medicare, TriCare, private, or state exchange, are **NOT** acceptable proof of alternate group coverage.

Every year, employees currently enrolled in Health and/or Dental In-Lieu will need to complete a Health and/or Dental In-Lieu Attestation eForm in People Soft/eWay to qualify for In-Lieu payments for each calendar year. Failure to submit the eForm will result in In-Lieu enrollment cancellation and medical/dental coverage waived. The completed form attests that the employee and all covered dependents under City sponsored healthcare have or will have minimum essential coverage under an alternative group medical/dental plan.

Employees may cancel enrollment during the open enrollment period only, except as noted below. Cancellation during the open enrollment period will become effective on the first day of the following calendar year. Enrollment in any of the City’s plans during open enrollment shall be subject to the City’s standard enrollment procedures.

IF ALTERNATIVE COVERAGE IS LOST: If the alternative dental coverage is lost, the employee must notify the City immediately. The employee must complete and submit the required enrollment form and written verification of lost coverage from the former provider (employer, group, or insurer) within 30 days of the loss of coverage. Within this 30-day period, the employee must pay all applicable premiums and refund any excess in-lieu payments that were received to be restored to a City dental insurance plan of his or her choice on the date when alternate coverage terminated. Proof of eligibility will be required for any dependent you wish to enroll who was not previously covered by a City dental insurance plan.

AMENDMENT OR TERMINATION: The City of San José reserves the right to amend or terminate the Plan at any time, subject to applicable collective bargaining agreements.