



MEDICARE COVERAGE

PM-42-03

Section: 42-00, HEALTH BENEFITS

Effective April 1, 1986, pursuant to Federal Law, PL 99-272, all jurisdictions (e.g., City, County or other government subdivisions), currently covered under a social security agreement with the State of Tennessee are required to withhold Medicare contributions on all employees not covered by said agreement. The mandatory Medicare monies are remitted to the Tennessee State Old Age and Survivors Insurance Agency.

Therefore, payments for Medicare coverage for employees of City of Memphis Government hired on or after April 1, 1986, and whose positions are not covered under social security, are mandatory.

Employees, who are given prior service credit from agencies defined in PM-66-01, SENIORITY RIGHTS AND ADJUSTED DATE OF EMPLOYMENT, or who are hired again from City retirement, shall, pursuant to Federal Law, PL-99-272, have Medicare payments deducted from their paycheck by payroll deduction. Prior service credit is not transferable for consideration in payments for Medicare coverage.

The amount of Medicare contribution in wages of affected employees shall be based upon the legal formula used by the appropriate City, State, and Federal Agency, and the employee's portion shall be deducted from the employee's paycheck by payroll deduction.

The City complies with Federal Law, PL-99-272, in all instances of payment for mandatory Medicare coverage for individuals employed by City of Memphis Government on or after April 1, 1986.