Some insurance companies may have eligibility criteria prohibiting the inclusion of non-employee supervisors in their group plans. Townships should check with their insurance carrier on their eligibility criteria.

If the board of supervisors approves township-paid insurance for non-employee supervisors, the township will have to select an insurance carrier that will accept non-employee supervisors in the group plan.

PSATS does not know which insurance carriers will include non-employee supervisors in group insurance plans. However, we do know that the PSATS Health Insurance Fund, which is sponsored by PSATS, will cover both eligible supervisor-employees and non-employee supervisors under the same group health or life insurance policy. For more about group insurance plans available through PSATS, call 1-800-382-1268 or visit www.psatsinsurance.org.

Please note that the only type of individual health insurance plan that the township may purchase is a Medicare Supplemental plan for supervisors who are over 65 and are not employees of the township.

Elected officials (other than supervisors) and appointed officials not employed by the township are not eligible to participate in township-paid group health and life insurance programs or pension plans. This includes elected auditors and tax collectors.

Check with Your Insurance Carrier

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Group Health and Life Insurance Plans

➤ All Supervisors Eligible, Whether or Not Employed by Township

Section 606(c) of the Township Code provides that supervisors, whether or not they are employed by the township, and their dependents are eligible for inclusion in group life, health, hospitalization, medical service, and accident insurance plans paid in whole or in part by the township.

The decision to provide such insurance rests with the board of supervisors.

➤ Townships May Provide Medicare Supplemental Insurance

Townships may pay for all or part of the cost of Medicare Supplemental insurance coverage for township supervisors who are not employees of the township and who are over 65. A Medicare Supplemental plan is the only type of individual health care plan that the township may purchase.

Please note that the Affordable Care Act prohibits employers from paying for individual health insurance plans for employees. The Internal Revenue Service levies a $100 fine per day for inclusion in group life, health, hospitalization, medical service, and accident insurance plans paid in whole or in part by the township.

The board of supervisors has the discretion to authorize the township to pay the entire premium for the supervisors’ participation in the township’s group insurance or Medicare Supplemental plan or require the supervisors to contribute toward the cost of the premium.

➤ Auditor Approval Not Required

Supervisors’ participation in these plans does not require auditor approval.

➤ Letter Requesting Participation Required

Supervisors who want to participate in township-paid group insurance and Medicare Supplemental plans must submit a letter requesting participation at a regularly scheduled meeting of the board of supervisors before beginning participation.

➤ Insurance Must Be Uniformly Applicable

Section 606(c) of the Township Code requires that the insurance be uniformly applicable to those covered and not give eligibility preference to or improperly discriminate in favor of supervisors.

➤ Township May Pay Entire Premium or Require Contribution from Supervisors

The board of supervisors has the discretion to require participation of township supervisors in group insurance plans, as authorized by Section 606(a) of the Township Code. It is unlawful to improperly discriminate in favor of a supervisor.

Supervisor-Employees

If your township never had a policy for insuring non-employee supervisors but takes action to implement a policy now, the non-employee supervisors in office are not eligible for such group insurance benefits during their current term of office. They would have to be re-elected to office as a supervisor before getting these benefits because Section 606(a) of the Township Code prohibits an increase in compensation during their current term of office. In fact, Section 606(a) states that “a decision by the township to pay, in whole or in part, to include supervisors not employed by the township in insurance plans, as authorized in subsection (c), shall not be implemented with regard to any non-employee supervisor until the beginning of the next term of that supervisor.”

Supervisor-Employees

If your township never had a policy for insuring non-employee supervisors but decides at some point to no longer provide group insurance for non-employee supervisors, those non-employee supervisors who are currently getting township group insurance benefits must continue to get those benefits until the expiration of their current term.

Supervisor-Employees

If your township never had a policy for insuring non-employee supervisors but takes action to implement a policy now, supervisor-employees could start receiving these benefits immediately upon the board’s action to authorize group insurance for employees provided that supervisor-employees meet the same terms and conditions as the other employees receiving these benefits, such as minimum number of hours worked. In this case, the supervisor’s status as an employee takes precedence over their status as a supervisor.

➤ Premiums Do Not Count Against Annual Compensation Limit

Health and life insurance premiums do not count against supervisors’ annual compensation limit allowed in Section 606(a) of the Township Code.