

---

**City Council Regular Meeting**

**DEPARTMENT:** Human Resources  
**FROM:** Cheryl Marthiljohni, of Human Resources  
**MEETING:** December 9, 2024

---

**SUBJECT:**

Consider approval of an amendment authorizing \$391,199.00 in funding with Symetra (CSO #5320-12-2023) for life and long-term disability plans for benefit plan year 2025. (*Staff Contact: Cheryl Marthiljohni, Director of Human Resources*)

**SUMMARY:**

As a part of the City's competitive benefits package, the city offers full-time employees various benefits including city provided basic life insurance and long-term disability. The city also offers optional benefits for employee and dependent life insurance and short-term disability at group rates that are employee elected, and employee paid.

This renewal option with Symetra, was originally approved when the city issued an RFP in 2021 for life and disability insurance benefits beginning plan year 2022 with an option to renew for up to 5 years. Plan year 2025 will be the fourth year as part of the renewal option.

Symetra's proposal for benefit plan year 2025, includes moving from an employer paid short-term disability benefit to an employee elected, and employee paid voluntary short-term disability benefit. This change results in a potential savings of \$97,200 for the city's self-funded plan.

Short-term disability was an added employer paid benefit in 2022. For plan year 2025, it becomes an optional benefit that is employee elected, and employee paid. Short-term disability coverage is at an affordable group rate of \$0.242 per \$10 of weekly covered benefit. Coverage for employees offer financial support when an employee needs to take a leave from work due to an illness or injury. This benefit provides employees an income of 60% of their base weekly salary up to a maximum of \$1,500 weekly after 14 days from the illness or injury.

For plan year 2025, there were no increases to rates for the employer paid life and long-term disability plans although costs may increase because the premiums are salary based. The life insurance rates are 0.094 per \$1000 of coverage.

**RECOMMENDATION:**

Staff recommends approving the renewal contract with Symetra to be the insurance provider for the city's life, long-term disability, and voluntary life insurance and short-term disability plans in the amount of \$391,199.00 as awarded from RFP 2021-017 for plan year 2025.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

- Reviewed Health Fund Financials with Finance Committee on May 8, 2024
- Reviewed Proposed FY25, Compensation, Handbook, and Benefits with Council on July 22, 2024, during the Regular Council Meeting
- Reviewed FY25 Health Fund and Benefit plan changes for 2025 on September 9, 2024, during the Regular Council Meeting
- Reviewed proposed changes for 2025 Benefit plans on October 7, 2024, during the Regular Council Meeting.

**REFERENCE:**

Not Applicable

**FISCAL IMPACT:**

The city provided life and disability fees have an estimated fiscal impact to the city of \$186,786 for plan year 2025.

Optional elected life coverages for employees and their qualifying dependents have no fiscal impact to the city since that is an employee paid benefit. However, the contract amount includes the optional elected premiums, so the city is authorized to pay the premium. The premiums then net out to \$0.00 with no impact to the city as the life premiums are deducted bi-weekly from employee paychecks.

Optional elected short-term disability has no fiscal impact to the city since it is a voluntary benefit.

**City Paid Life and Disability Benefit Fees**

Coverage Type	AVG/EST Enrolled	Annual Cost
Employee Life	437	\$78,885
Employee AD&D	437	\$25,177
Long Term Disability	437	\$71,600
Basic Dependent Life	309	\$11,124
Optional Life Employee & Dependents, and Short Term Disability	*	\$204,413
<b>TOTAL</b>		<b>\$391,199</b>
*Employee elected and employee paid		

**STAFF CONTACT:**

Cheryl Marthiljohni  
Director of Human Resources  
[cmarthiljohni@burlesontx.com](mailto:cmarthiljohni@burlesontx.com)  
817-426-9641