
Choose an item.

DEPARTMENT: Human Resources

FROM: Wanda Bullard, Interim Director of Human Resources

MEETING: December 11, 2023

SUBJECT:

Consider approval of the renewal contract with Symetra to be the insurance provider for the city's life, long-term disability and short-term disability plans in the amount of \$384,000 as awarded from RFP 2021-017 for plan year 2024. *(Staff Contact: Wanda Bullard, Interim Director of Human Resources)*

SUMMARY:

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

The city issued a RFP in 2021 for all of the insurance benefits for beginning plan year 2022 with an option to renew for up to 5 years. The recommendation was to stay with the incumbent Symetra for the life and disability plans.

Symetra's proposal included an increase in basic life coverage for all full time employees to 2 times the base annual salary with an increased cap of \$300,000. The rates were not changed for the life insurance and long-term disability products. The proposal had a 2-year rate guarantee from calendar year 2022-2023.

Short-term disability was an added benefit in 2022, and was quoted with the same rate as the long-term disability product. This benefit provides employees an income of 60% of their base weekly salary up to a maximum of \$1,500 weekly in the event of an absence from work due to certain medical issues that extend longer than 7 days and up to a total of 90 days from the first day absent.

For plan year 2024, there were no increase to rates for the short and long-term disability plans although costs will increase because the premiums are salary based. The life insurance rates increased from 0.082 to 0.094 per \$1000 of coverage due to age demographics and adding the first responder benefit. We also added city provided basic dependent life insurance at \$3.00 per month for each employee's qualifying spouse and child(ren). The insurance increases and additions were budgeted into our benefit plan projections.

OPTIONS:

- 1) Approve the renewal contract with Symetra to be the insurance provider for the city's life, long-term disability and short-term disability plans in the amount of \$384,000 as awarded from RFP 2021-017 for plan year 2024.
- 2) Deny the renewal contract with Symetra to be the insurance provider for the city's life, long-term disability and short-term disability plans in the amount of \$384,000 as awarded from RFP 2021-017 for plan year 2024.

RECOMMENDATION:

Approve the renewal contract with Symetra to be the insurance provider for the city's life, long-term disability and short-term disability plans in the amount of \$384,000 as awarded from RFP 2021-017 for plan year 2024.

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

City Council Meeting - July 6, 2023: HR budget work session for compensation and benefits (expense budgeted, but annual 2024 contract spend for benefits not specified)

City Council Meeting – September 18, 2023: Approval of compensation, benefits and handbook (expense budgeted, but annual 2024 contract spend for benefits not specified)

FISCAL IMPACT:

The city provided life and disability premiums fees have an estimated fiscal impact to the city of \$280,858.56 for calendar year 2024. The 2024 calendar year assumes all authorized full-time positions are filled full year.

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 optionally elected premiums so we are authorized to pay the premium. The premiums then net out to 0 with no impact to the city as the life premiums are deducted bi-weekly from employee paychecks.

City Paid Life and Disability Benefits

Coverage Type	AVG/EST Enrolled	Total Annual
Employee Life	435	\$ 76,819.08
Employee AD&D	435	\$ 24,517.44
Short Term Disability	435	\$ 97,976.64
Long Term Disability	435	\$ 69,989.40
Basic Dependent Life	435	\$ 11,556.00
TOTAL		\$ 280,858.56

Employee Paid Premiums (No Fiscal Impact)

Coverage Type	Total Annual
Optional Life Employee & Dependents	\$103,054.65

TOTAL LIFE AND DISABILITY	\$383,913.21
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