

Proposed Employee Benefit Changes

City of Dickinson | Board of City Commissioners



Purpose: Replace the employee's own-illness Sick Leave Bank benefit with employer-paid disability coverage while retaining accrued sick leave and a family-care donation program.

Proposed changes — subject to Commission action and final plan terms

What Is Changing?

Four related actions to align the City Code with the proposed benefit structure.

1. Dissolve the Sick Leave Bank

End SLB benefits for employees' own illness or injury; distribute remaining hours under the proposed resolution.

2. Repeal the employer-paid FSA

Remove the existing Chapter 42 provision as employer-funded resources are redirected.

3. Establish employer-paid STD/LTD

Provide income protection for qualifying disabilities, subject to policy limits and terms.

4. Retain family-care donations

Allow voluntary sick leave donations for qualifying FMLA family-care needs.

Accrued sick leave and the existing 25% termination payout remain unchanged under the proposal.

Proposed Disability Coverage

Based on the current Pacific Life proposal.

Short-Term Disability (STD)

60% of base salary
Maximum \$2,000 per week
Up to 13 weeks
0-day elimination for injury; 7 days for sickness

Long-Term Disability (LTD)

60% of base salary
Maximum \$6,000 per month
Begins after applicable elimination period
Longer-term qualifying disability, subject to plan terms

Estimated combined annual premium: \$108,285 | About \$449 per eligible employee (241 estimated lives)

Funding & Implementation Considerations

Redirect existing benefit resource

The City proposes redirecting the employer-paid FSA contribution toward STD/LTD; confirm the current contribution and final premium.

Sick leave choices

The City is considering allowing employees to preserve sick leave or use it to supplement disability benefits up to regular base wages. No cap to sick leave accrual will remain.

Commission Actions Requested

Agenda items are presented in the requested order.

1

Resolution

Authorize dissolution of the Sick Leave Bank and distribution of remaining hours under the proposed resolution.

2

Ordinance — Public Hearing

Repeal the Sick Leave Bank provisions.

3

Ordinance — Public Hearing

Repeal the employer-paid medical FSA provision.

4

Ordinance — Public Hearing

Enact employer-paid short-term and long-term disability benefits.

5

Ordinance — Public Hearing

Adopt sick leave donations for family medical leave.

All actions are subject to Commission consideration and final insurance terms.