



## CITY OF MARSHALL AGENDA ITEM REPORT

<b>Meeting Date:</b>	Tuesday, September 9, 2025
<b>Category:</b>	NEW BUSINESS
<b>Type:</b>	ACTION
<b>Subject:</b>	Consider approval of MetLife as the City's private plan Paid Leave carrier
<b>Background Information:</b>	<p>Beginning January 1, 2026, the State of MN will require employers to provide paid employee leave through a paid family and medical leave (PFML) program. PFML is a paid leave program that offers job protection and wage replacement benefits if an employee is unable to work due to injury or illness, including pregnancy and childbirth. PFML also applies to family-related matters, such as: caring for a seriously ill family member, bonding with a new child, addressing a family member's military duty, or for safety concerns. Employers can participate in the state-run program (MN Paid Leave) or select an alternative private plan, as long as the alternative plan meets or exceeds the state's regulatory requirements. The new state-run program is funded through payroll taxes with the employee and employer each paying 50% of the cost.</p> <p>In the interest in seeking a more cost-effective plan with an established provider, City Staff partnered with our ancillary broker, Integrity Employee Benefits, to conduct an RFP process. The RFP for the private PFML coverage was sent to 17 different carriers on behalf of over 120 client cities and other local units of government. MetLife submitted the lowest cost proposal.</p> <p>The State of MN PFML plan rate is 0.88% for an annual premium of \$99,649, which would be shared 50/50 between the employer and employees of the City.</p> <p>The MetLife plan rate is 0.79% for an annual premium of approximately \$89,457, which would be shared 50/50 between the employer and employees of the City. The MetLife proposal results in a \$10,191 premium savings over the State plan (\$5,095.50 savings for the City and an equal amount collectively to employees).</p> <p>MetLife offers a fully-insured private plan option that complies with the state's regulatory requirements. There are several benefits in approving MetLife as our Paid Leave carrier. MetLife has experience administering paid leave programs for more than 3,000 PFML groups in various other states. They have an established process and an experienced and dedicated service team for the group. MetLife offers a turnaround time for payment of 2-5 business days once all information has been submitted. There will be one (1) claims examiner for our lines of coverage, so the claims experience will be easier for employees and HR. MetLife offers a 2-year rate guarantee with the integration of other lines of coverage. Staff have received proposals from MetLife for short-term disability and supplemental health, both of which are voluntary (100% employee paid) benefit elections. If the Council approves MetLife as our PFML carrier, staff will bring the short-term disability and supplemental health proposals for consideration at a future meeting.</p>
<b>Fiscal Impact:</b>	\$44,728.50 in premium costs to the City, a savings of \$5095.50 in premium over the State of MN plan.

	The State of MN is charging a one-time fee of \$500 to select a private plan, which the City would be responsible for.
<b>Alternative/ Variations:</b>	None recommended. Providing a Paid Leave program is required by the State of MN effective January 1, 2026. MetLife has provided the lowest cost proposal. If the Council desires additional discussion on this proposal, Staff will schedule a Personnel Committee meeting.
<b>Recommendations:</b>	To approve MetLife as the City's private carrier for Paid Family and Medical Leave and authorize Staff to execute the necessary documents.