

To: Common Council  
From: Sara Marquardt, HR Manager  
Date: November 18, 2025  
Re: 2026 Employee Benefits Update

Three benefit meetings and numerous one-on-one sessions were held to walk employees through the upcoming 2026 benefit changes, gather feedback, and ensure clarity around cost impacts and available resources. Representatives from Self Fund Health (SFH) and Solstice were available for questions, concerns and sharing of information. The updates for 2026 focus on balancing rising healthcare costs with the City's commitment to offering competitive, comprehensive benefits that support employee wellness, retention, and financial stability.

#### Health Plan Updates

- The City will continue its health insurance model through Self Fund Health, with adjustments to deductibles, prescription coverage, and out-of-pocket limits to control costs.
- Health insurance premiums will increase for 2026; however, despite a large increase in premiums, the City's rates remain competitive with the Wisconsin ETF (State Health Plan) premiums for comparable coverage, continuing to provide cost-effective and zero-dollar options for employees.
- With the increase in deductible, the Health Reimbursement Account (HRA) amount has been increased and simplified to make the benefit easier for employees to use and administer.
- A wellness incentive has been added to encourage preventive care, offering reduced premiums for employees (and covered spouses) who complete an annual wellness visit.

#### Dental & Vision

- Dental coverage remains the same, with a small premium increase.
- Vision benefits improve in 2026, offering lower copays and higher frame/contact allowances.

#### Supplemental Benefits

- Accident insurance sees a small premium increase.
- Life insurance and income continuation programs remain stable with no major structural changes.

- Flexible Spending Account limits increase slightly in accordance with federal guidelines.
- Lifestyle Accounts remain unchanged, continuing to provide employees with a \$500 (full-time) or \$325 (part-time) benefit that can be used for wellness or other quality-of-life expenses.
- Income Continuation Insurance (ICI) remains on a premium holiday with a 30-day elimination period.

#### Retirement

- Wisconsin Retirement System (WRS) contribution rates increase modestly for 2026, affecting both employer and employee contributions.

#### Employee Support

- The Employee Assistance Program (EAP) has added a new mobile app to improve access to mental health, financial, and family support resources.

| 2026 Monthly Premiums ETF & SFH  |              |                     |
|----------------------------------|--------------|---------------------|
| Plan Name                        | Monthly Cost | Per Pay Period Cost |
| Dean - Single                    | 166.22       | 83.11               |
| Dean - Family                    | 409.04       | 204.52              |
| MercyCare - Single               | 131.67       | 65.83               |
| MercyCare - Family               | 322.66       | 161.33              |
| Quartz - Single                  | 188.18       | 94.09               |
| Quartz - Family                  | 463.94       | 231.97              |
| State Maintenance - Single       | 151.79       | 75.89               |
| State Maintenance - Family       | 372.96       | 186.48              |
| Access Plan - Single             | 189.92       | 94.96               |
| Access Plan - Family             | 468.29       | 234.14              |
| SFH - Single (without Incentive) | 182.28       | 91.14               |
| SFH - Family (without Incentive) | 409.14       | 204.57              |
| SFH - Single (with Incentive)    | 161.44       | 80.72               |
| SFH - Family (with Incentive)    | 367.46       | 183.73              |