



City of Milwaukee Fiscal Impact Statement

A

Date 12/11/2013 File Number 131030 ☐ Original ☒ Substitute
Subject Group Life Insurance for City Employees and Retirees

B

Submitted By (Name/Title/Dept./Ext.) Aaron Szopinski - Fiscal Planning Spec. Sr. - Budget & Mgmt - x3384

C

- This File
- ☒ Increases or decreases previously authorized expenditures.
 - ☐ Suspends expenditure authority.
 - ☒ Increases or decreases city services.
 - ☒ Authorizes a department to administer a program affecting the city's fiscal liability.
 - ☐ Increases or decreases revenue.
 - ☐ Requests an amendment to the salary or positions ordinance.
 - ☐ Authorizes borrowing and related debt service.
 - ☐ Authorizes contingent borrowing (authority only).
 - ☐ Authorizes the expenditure of funds not authorized in adopted City Budget.

D

- Charge To
- | | |
|--|--|
| <input type="checkbox"/> Department Account | <input type="checkbox"/> Contingent Fund |
| <input type="checkbox"/> Capital Projects Fund | <input checked="" type="checkbox"/> Special Purpose Accounts |
| <input type="checkbox"/> Debt Service | <input type="checkbox"/> Grant & Aid Accounts |
| <input type="checkbox"/> Other (Specify) _____ | |

E

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages		\$0.00	\$0.00
		\$0.00	\$0.00
Supplies/Materials		\$0.00	\$0.00
		\$0.00	\$0.00
Equipment		\$0.00	\$0.00
		\$0.00	\$0.00
Services		\$0.00	\$0.00
		\$0.00	\$0.00
Other	Group Life Insurance SPA	(\$714,000.00)	\$0.00
		\$0.00	\$0.00
TOTALS		(\$714,000.00)	\$ 0.00

F**Assumptions used in arriving at fiscal estimate.** Based on the 2014 Adopted Budget and provider contract**G****For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.**☐ 1-3 Years ☐ 3-5 Years☐ 1-3 Years ☐ 3-5 Years☐ 1-3 Years ☐ 3-5 Years**H****List any costs not included in Sections D and E above.** -**I****Additional information.**

The file changes the basis and structure for Group Life coverage offered by the City to active employees and retirees via a contracted provider. The life insurance benefit is being restructured for active General City employees and future retirees. Police and Fire employees require collective bargaining to change the life insurance benefit, and current retirees have their insurance benefit set by past collective bargaining agreements. Even without including those employees, the new benefit structure and actual contract rates save \$714,000 in tax levy funds in 2014, compared to the 2013 budget. Changing the structure of the benefit also avoids considerable future cost increases, as the prior rate structure was skewed to reflect costs paid by active employees and the City for retired members.

J**This Note** ☐ **Was requested by committee chair.**