

MEMORANDUM

LEGISLATIVE REFERENCE BUREAU

WWW.MILWAUKEE.GOV/LRB

To: Members, Finance and Personnel Committee

From: Mary E. Turk – Legislative Fiscal Analyst

Date: February 18, 2013

Subject: Portions of Resolutions not Contained in File 121271

Common Council File Number 121271 does not include 2 provisions contained in standing Common Council Resolutions. These provisions relate to the City's provision of healthcare benefits to retirees. Portions of these resolutions were codified in File Number 121271, but the following provisions were not.

Common Council Resolution File Number 77-2192 provides that "surviving spouses of retirees who die following their enrollment shall be eligible for continuation of health insurance following the death of the retiree," and, "shall be entitled to coverage for a number of years equivalent to the number of years of creditable service." This limitation of coverage, number of years of creditable service of the employee, while provided by resolution, has not been past practice. The Department of Employee Relations reports that the City has been providing coverage for surviving spouses for an unlimited length of time. Therefore, this provision was not included in this ordinance.

Common Council Resolution File Number 77-2192-a provides that "retirees must not be eligible for any other group health insurance program offered by the retirees' or their spouses' employer." The Department of Employee Relations reports that there is no mechanism in place to enforce this provision. In addition, the department reports that it does not believe it is advisable in today's healthcare benefit environment. The department contends that the policy made sense when most employers provided equivalent coverage, but now it could result in the City requiring a retiree to take a more expensive plan and/or an inferior plan elsewhere. Therefore, it was not included in this ordinance.