

LRB-FISCAL REVIEW SECTION ANALYSIS

FINANCE & PERSONNEL COMMITTEE

ITEM 9, FILE # 021767

APRIL 9, 2003

MARK A. RAMION

File # 021767 is an ordinance relating to the continuation of city employee benefits during certain military leaves of absence.

Background

This ordinance continues employee health and dental benefits to the dependent of city employees whose National Guard or United States military reserve units are called up, or who volunteer, for active military duty in connection with *Operation Iraqi Freedom*.

Discussion

1. Under the terms of this ordinance, the city shall contribute towards the subscriber cost for the employee's health or dental plan, or both, for employees who serve on active duty for more than 30 days.
2. The benefits cease when the National Guard or reserve members are released from active duty or after 24 months, whichever comes first.
3. Currently, 31 employees are on leave for active military duty with another 160 who could be called for deployment.
4. Of the 31 current employees called to active duty, 16 have family coverage and 15 have single coverage. This ordinance would apply to those city employees with family coverage.

Fiscal Impact

The fiscal impact of this ordinance is dependent upon the perspective used:

- For the current fiscal year, there is no fiscal impact as the benefits being paid are currently budgeted.
- Based upon the current number of employees to whom this ordinance would apply, the benefits would amount to approximately \$14,000 per month for the dependent coverage or @\$800.00 per month per family unit coverage.

Further Information

1. On October 12, 2001, the Common Council passed File # 010133, which extended health and dental benefits to the dependents of city employees who are called to active duty in *Operation Enduring Freedom*.
2. This ordinance provided that, after 30 days of active military service, health and/or dental benefits for the city employee's dependents shall be continued.
3. The coverage provided in this continuation of benefits ordinance commences on the first day of the month following the month in which the employee's on-payroll status coverage terminates. The city will contribute an amount towards meeting the subscriber cost for family enrollment in the health and dental plan elected of up to 100% of the monthly subscriber cost. This contribution extended for 24 months of the military leave of absence or up to the last day of the month in which the employee's military service concludes, whichever comes first.

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LRB-Fiscal Review Section
April 8, 2003

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