



Department of Employee Relations

Tom Barrett
Mayor

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September 14, 2018

Aldерwoman Milele Coggs, Chairwoman
City of Milwaukee Common Council Finance and Personnel Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

File No: 180383 Resolution Authorizing DER to execute a contract for LTD and FMLA benefits

Dear Alderwoman Coggs and Finance Committee Members:

File number 161411 and 171823 authorized the Department of Employee Relations (DER) to complete a request for proposal (RFP) process for administration of the City's Long Term Disability (LTD) benefit and the Family and Medical Leave Act (FMLA). A decision was made to issue a joint RFP because many carriers offer both services and there are efficiencies and advantages with having one vendor administer the two leave programs. The RFP had the following objectives.

FMLA

- Identify a vendor with leave management experience including experience in the public sector and in the state of Wisconsin;
- Streamline the administration of leave under federal and state FMLA and ensure consistent and uniform application and enforcement of the regulations and the City's policy;
- Ensure timely and appropriate employee notification of rights and responsibilities under the federal and state regulations;
- Reduce the burden on departmental HR/payroll personnel to stay current on evolving regulations and tracking and monitoring intermittent leave;
- Minimize litigation or regulatory penalties and administrative proceedings associated with compliance challenges;
- Ensure consistent application and enforcement of employee rights relative to confidential medical information and job protection under the regulations; and,
- Centralize tracking and documentation of utilization data and analysis for better decision making.

LTD

- Match or improve the overall efficiency in the administration of the City's LTD program;
- Match or reduce the City's current cost of providing LTD benefits;
- Provide superior customer service to City of Milwaukee employees, benefits staff and department payroll personnel in administering the LTD benefit;
- Maintain or improve the existing LTD benefits offered by the City of Milwaukee; and,



- Provide guarantees associated with LTD administration and service performance.

A review team including representatives from the DER, the Department of Public Works, the Police and Fire Departments, the Library and an employee representative from AFSCME 32 met with Willis Towers Watson, the City's benefits consultant, to review and evaluate the RFP responses and interview respondents. A detailed report attached to this file provides an overview of the process and the responses received along with rates offered by the top candidates.

Upon completion of the review process, the DER is recommending Sun Life Financial as the administrator for the City's LTD and FMLA programs. Sun Life has extensive experience with the public sector industry, an experienced implementation and customer service team and offered the City very competitive rates. Sun Life agreed to match current LTD rates for employee buy-up options and the City's annual premium resulting in no increase to the City's annual LTD budget and no increase to employee premiums. Sun Life also offered the most competitive terms for FMLA administration which will result in an annual cost of approximately \$140,000. A special purpose account was included in DER's budget in anticipation of this cost.

The review team believes that Sun Life Financial is a good fit for City employees and a good value for the City. The DER recommends that the Finance and Personnel Committee approve the file and allow DER to enter into a three year contract with Sun Life Financial beginning January 1, 2019 with the option to extend the contract for up to two years.

I am happy to answer any questions or comments regarding this file.

Sincerely,
Renee Joos
Employee Benefits

CC: Ellen Tangen, City Attorney's Office
Dennis Yaccarino, Budget Office

