

May 30, 2013

Alderman Michael Murphy, Chairman
City of Milwaukee Common Council Finance and Personnel Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

File No: 130077 authorizing a Request for Proposal for Long Term Disability vendor

Dear Alderman Murphy and Finance Committee Members:

The City of Milwaukee entered into a two year contract extension with Standard Insurance in 2011 through December 31, 2013 based on Standard keeping the costs at 2011 levels. The City has contracted with Standard Insurance since 1997 to provide Long Term Disability (LTD) benefits for non-uniform City employee groups. Standard Insurance has provided a city-paid base plan with a 180 day wait period, as well as three optional employee-paid buy down periods of 60, 90 or 120 days.

There are currently 3678 employees receiving the LTD benefit at a cost of \$810,000 per year. Of the 3678 employees, 1300 also pay for one of the three shorter waiting periods.

The City through the Department of Employee Relations will engage with Willis of Wisconsin in a RFP process for an LTD vendor. The Department of Employee Relations will engage a review team to read the responses to the RFP, then meet with Willis to review the costs, and return to Finance and Personnel Committee with a recommendation for a partner vendor for LTD for a three year term with the option of extending for up to two additional three year terms.

I would be happy to answer any questions or comments regarding this file at your convenience.

Sincerely,

Michael Brady
Employee Benefits

CC: Ellen Tangen, CA
Dennis Yacarrino, DOA
Maria Monteagudo, DER
Deborah Ford, DER
Renee Joos, DER
Mary Turk, LRB