

Reply to Common Council File No. 161771
From DOA Budget and Management Division

May 2, 2017

Ref: 17009

File Number 161771 contains a substitute ordinance relating to the monthly health benefit payments of surviving spouses of employees who died in the line of duty prior to January 1, 1985.

Chapter 350 of the Code of Ordinances establishes eligibility and funding provisions for various types of health care benefit coverage. Currently, surviving spouses of employees who died in the line of duty prior to January 1, 1985 pay 75% of the monthly premium. Surviving spouses of employees who died in the line of duty on or after January 1, 1985, pay no premium up to age 65 when they become Medicare eligible, and thereafter pay 75% of the premium for health benefits.

Under this proposal, effective June 1, 2017, the city will pay 100% of the healthcare premium for surviving spouses of any employee who died in the line of duty until the spouse becomes 65 years old and is Medicare eligible. This would be consistent with the existing benefit to surviving spouses when the duty death occurred on or after January 1, 1985, so that spouses of employees when the duty death occurred prior to that date receive equivalent treatment.

It appears from File Number 130162 that the city codified the application of surviving spouse benefits in 2013, which states that prior to January 1, 1985 spouses pay 75% of the premium cost. In addition, prior to 1985 this benefit was not established through collective bargaining.

The proposal addresses a specialized set of circumstances currently affecting two surviving spouses to achieve what could be viewed as equitable treatment.

Based on the affected individuals' circumstances, the fiscal impact is estimated as \$9,993 in 2017 and \$9,225 annually beginning in 2018 for five more years.

RECOMMENDATION: IF THE COMMON COUNCIL WISHES TO ESTABLISH CONSISTENT TREATMENT REGARDING PRE-65 HEALTH CARE PREMIUM COVERAGE FOR ALL SURVIVING SPOUSES OF CITY EMPLOYEES WHO DIED IN THE LINE OF DUTY, THIS SUBSTITUTE ORDINANCE ACCOMPLISHES THAT OBJECTIVE.



Mark Nicolini
Budget and Management Director