

July 16, 2009

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

File 090336 Communication from Department of Employee Relations
Relating to the City Basic Plan for 2010

Dear Alderman Murphy:

The City of Milwaukee 2010 rate projections for the Basic Plan, prepared by Willis HRH National Actuarial Practice, are attached. Also attached are the current rate sheets for Active employees (General City Management), active employees (Represented employees including DC#48, Represented employees including Local 494 Electrical Workers), and Rate Chart 1 for Retirees. The rate calculation has resulted in a 6.6% increase in 2010 rates compared to the 2009 rates for actives and retirees. The rate sheets reflect this change.

In 2010, City employees will have a HMO option, United Healthcare (UHC) Choice Plan; and, the Basic Plan. The current employee share for each plan is fixed based on labor agreements.

The attached Retiree Rate Chart 1 would apply primarily to those retirees over 65 with Medicare. The 2010 retiree share of the cost, 75% of the total, are indicated on the rate chart, as well as the 2009 75% retiree monthly premium in the box below the 2010 rates. The retirees with Medicare in plan code 4 and plan code 5 will have the choice of three plans, the City Basic Plan, the UHC Choice Plan and the Secure Horizons Medicare Direct Group Plan, which provides essentially the same benefits as UHC Choice for a lower cost. Other retirees will have a choice of the Basic Plan or the UHC Choice Plan. There are additional rate charts for other retiree groups based on their date of retirement or union group or status as duty disability retiree.

Please contact me at mbrady@milwaukee.gov or 286-2317 if you have any questions or comments regarding this information.

Sincerely,
Michael Brady
Employee Benefits

Attachments: Report from Willis National Actuarial Practice
Rate sheets for active and retired employees