



Legislation Text

File #: 080791, **Version:** 2

080791

SUBSTITUTE 2

080372

THE CHAIR

Substitute resolution clarifying management retiree health insurance premiums.

This resolution clarifies Common Council File Number 080372, adopted July 30, 2008, which directed the Department of Employee Relations to charge management employees a health insurance premium of \$20 per month for single coverage and \$40 per month for family coverage. Specifically, this ordinance directs the Department of Employee Relations to:

1. Provide all management retirees under, and until they reach, the age of 65 who completed normal service retirement since January 1, 2004 or will retire prior to January 1, 2009, and were at least age 60 and had completed at least 15 years of employment, or were at least age 55 and had completed at least 30 years of employment, with the City immediately prior thereto, the lowest-cost plan for single or family coverage at no premium cost to the retirees.
2. Notify all current management employees that beginning January 1, 2009, the City will no longer offer a \$0 premium plan to management retirees under 65 years of age who complete normal service retirement, but all management retirees after January 1, 2009, will pay the same as active management employees for single and for family coverage.
3. Notify all management retirees under 65 who have completed normal service retirement from January 1, 2004 or plan to retire prior to January 1, 2009, that they will have a \$0 premium plan until they turn 65 years of age.

Whereas, Common Council File Number 020479, adopted July 16, 2002, states that the rate structure for health insurance for all management employees who retire on or after January 1, 2004, will be the same as it is for active management employees; and

Whereas, During 2004, 2005, 2006, 2007 and 2008, the City provided both management employees and management retirees with a \$0 premium health plan; and

Whereas, Common Council File Number 080372, adopted July 30, 2008, directed the Department of Employee Relations to charge management employees a health insurance premium of \$20 per month for single coverage and \$40 per month for family coverage; and

Whereas, Opinions from the City Attorney to the Department of Employee Relations, dated October 25, 2001 and October 3, 2003, state in part "...an employer may not alter the terms of contractual retirement benefits for employees who retire when an existing benefit is in effect ...employer could not unilaterally change the terms of a group life insurance plan for employees who had already retired, but made no ruling with respect to retirement benefit changes for employees who had not yet retired"; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Department of Employee Relations is directed to provide all management retirees under, and until they reach, the age of 65 who completed normal service retirement since January 1, 2004 or will retire prior to January 1, 2009, and were at least age 60 and had completed at least 15 years of employment, or were at least age 55 and had completed at least 30 years of employment, with the City immediately prior thereto, the lowest-cost plan for single or family coverage at no premium cost to the retirees; and, be it

Further Resolved, That the Department of Employee Relations is directed to notify all current management employees that beginning January 1, 2009, the City will no longer offer a \$0 premium plan to management retirees under 65 years of age who complete normal service retirement, but all management retirees after January 1, 2009, will pay the same as active management employees for single and for family coverage; and, be it

Further Resolved, That the Department of Employee Relations is directed to notify all management retirees under 65 who have completed normal service retirement from January 1, 2004 or plan to retire prior to January 1, 2009, that they will have a \$0 premium plan until they turn 65 years of age.

Department of Employee Relations-Employee Benefits Division

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