



SUBJECT: 2019 to 2020 group benefits renewal

TO: Committee of the Whole

FROM: Human Resources Department

Report Number: HR-5-19

Wards Affected: All

File Numbers: 330-02

Date to Committee: December 2, 2019

Date to Council: December 16, 2019

Recommendation:

Retain Sun Life Financial as the service provider for the Major Medical, Hospital, Dental Long-Term Disability and Basic and Optional Life Insurance plans for the December 1, 2019 to November 30, 2020 policy year.

Purpose:

- An Engaging City
- Good Governance

Background and Discussion:

The City of Burlington's benefit plan currently covers 1198 employees, retirees and surviving dependents. Employee group benefits include:

- Medical
- Dental
- Basic Life Insurance
- Optional Life Insurance; and
- Long-Term Disability

From the above list, only Medical, Dental and Optional Life Insurance are open for renewal this year. Long Term Disability will be eligible for renewal December 1, 2020

and Basic Life Insurance on December 1, 2021. These terms were negotiated when the City moved to Sun Life effective December 1, 2017

Strategy/process

As reported in last year's renewal, two of the main drivers for the premium increase were reserve fund levels and pooling charges. Since last year's renewal, the City has transferred funds, released from our former carrier Manulife, to fund the Incurred But Unreported and the Claims Fluctuation Reserve funds with Sun Life. In addition, the pooling charge applied to our plan was reduced from 5% of paid premiums to 4%, a reduction of 20% from last year.

Both these items have put us in a much better negotiating position for this renewal and, as a result, there will be no premium increase this year.

Options considered

Not Applicable

Financial Matters:

Not Applicable

Total Financial Impact

Not Applicable

Source of Funding

There is no additional financial impact for the December 1, 2019 to November 30, 2020 policy year.

Other Resource Impacts

Not Applicable

Connections:

Not Applicable

Public Engagement Matters:

Not Applicable

Conclusion:

Staff recommends the renewal of the Sun Life benefit plan and rates effective December 1, 2019.

Respectfully submitted,

Laura Boyd

Executive Director of Human Resources

905-335-7600 ext. 7631

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.