



SUBJECT: Council Remuneration
TO: Committee of the Whole
FROM: Human Resources Department

Report Number: HR-09-24

Wards Affected: all

Date to Committee: December 2, 2024

Date to Council: December 10, 2024

Recommendation:

Receive for information human resources department report HR-09-24 regarding council remuneration.

PURPOSE:

Vision to Focus Alignment:

- Designing and delivering complete communities
- Providing the best services and experiences
- Protecting and improving the natural environment and taking action on climate change
- Driving organizational performance

Executive Summary:

This Report is intended to close-off the staff direction from [report F-17-22](#) as it relates to benefits-related remuneration for Mayor and Councillors over the age of 65, and fulfill the staff direction arising from report HR-07-24:

Refer report HR-07-24, Confidential human resources department report and presentation regarding a personnel matter back to staff and report back at the December 2, 2024 Committee of the Whole meeting; and

Include discussion on OMERS as part of the benefits package.

Background and Discussion:

November 10, 2021 - CSSRA Committee meeting

In Report CL-33-21, the Council Remuneration Review Working Group provided their recommendations for all council compensation, expense limits and resources. The recommendation specific to benefits for councillors over the age 65 is as follows (See Appendix B - Report CL-33-21):

- **Benefits:** The issue that the benefit package is significantly different for those over 65 was raised by at least two Councillors. This difference exists as Councillors receive the same benefit package as City employees. We heard through the interview process that this is an issue of fairness and equity. We are aware that there is a review being undertaken by the City of all human resources policies with a lens of diversity and inclusion.
- **Recommendation:** The appropriate city staff should conduct a review of its benefit packages at they apply to City Councillors considering the bases of equity during their review of all human resources policies.

November 23, 2021- Council meeting

Council approved all of the recommendations brought forward by the Council Remuneration Review Working Group and directed the City Clerk to report back to Corporate Services Strategy and Risk and Accountability Committee with a timeline for each of the recommendation, including an implementation plan.

May 4, 2022 - CSSRA Committee meeting

The Council remuneration and expense recommendations **implementation plan was presented to Council as [report F-17-22](#)**. The implementation plan specific to benefits for councillors over the age 65 is as follows:

- **Recommendation:** The appropriate city staff should conduct a review of its benefit packages as they apply to City Councillors considering the bases of equity during their review of all human resource policies.
- **Implementation:** The Executive Director of Human Resources will consider this item as part of a regular review of the City's benefits program.

May 17, 2022 - Council meeting

Council approved the recommended implementation plan put forth in [report F-17-22](#).

Human Resources

Later in 2022, as part of the regular annual benefit renewal process Human Resources explored benefit plan options for Councilors over the age of 65 who no longer had the same benefits as their peers under the age of 65.

Prior to December 1, 2022

Under age 65	65 and older
Extended Health & Dental Benefits	Limited Health & Dental Benefits
Life Insurance	Not eligible for Life Insurance
Long-Term Disability (LTD)	Not eligible for LTD

As part of this exploration, it was determined that Extended Health & Dental benefits could be changed to be the same for all Councilors, regardless of age. Additionally, it was determined that a paid-up life insurance plan could be offered to members aged 65 or older. These changes were put into effect December 1, 2022:

Effective December 1, 2022

Under age 65	65 and older
Extended Health & Dental Benefits	Same Extended Health & Dental Benefits
Life Insurance	Eligible for a Paid-Up Life Insurance Plan
Long-Term Disability (LTD)	Not eligible for LTD

The Council Remuneration Review Working Group in 2021 recommended that the appropriate City staff should conduct a review of its benefit packages as they apply to City Councilors considering the bases of equity during their review of all human resource policies (Appendix A).

In 2022, City staff from the Human Resources department conducted an equity lens review of the City's Benefit Plans, specific to age-related differences and based on that review it made the following changes to the Mayor and Council Benefit Plan effective December 1, 2022:

City Benefit Plan

Prior to Dec 1, 2022	Prior to Dec 1, 2022	Changes effective December 1, 2022
Under age 65	65 and older	65 and older
Extended Health & Dental Benefits	Limited Health & Dental Benefits	*Extended Health & Dental Benefits
Life Insurance 2x Salary	Not eligible for Life Insurance	*Eligible for a Paid-Up Life Insurance Plan \$5K
Long-Term Disability (LTD)	Not eligible for LTD	Not eligible for LTD

There was no option to provide members over the age of 65, with the same plan as members under the age of 65.

This Report HR-09-24 is intended to provide Council with the written follow-up to Report F-17-22 as there was no follow-up report provided to Council regarding the age-related benefits remuneration implementation plan outlined in Report F-17-22.

Strategy/process/risk

Sun Life Benefits

Staff have interpreted, from the Council approved recommendations and implementation plan for benefits outlined in Report F-17-22, that the authority resides with the City to make the decision on how to address any benefits that are different due to age.

The Chief Human Resources Officer and Chief Administrative Officer have made the decision to provide Mayor and Councillors over the age of 65, an annual payment in lieu of the Sun Life benefits that these members would no longer be eligible for as a result of their age. These payments in lieu are equal to the premium amounts the City pays Sun Life for members under the age of 65. These payments are to be paid out annually, less all applicable taxes, at the start of each calendar year, retroactive to December 1, 2022.

Table A below shows the 2024 age-related Sun Life Benefit Plan differences, and associated costs for the City:

Table A – December 1, 2022 – November 30, 2023	
Annual Premiums Paid	
Under age 65	65 and older
Life Insurance 2x Salary	Paid-Up Life Insurance Plan \$5K (optional) This is a one-time cost to the City.
Long-Term Disability (LTD)	Not eligible for LTD Premium Total: \$0
Total Annual City Premium Costs = \$2,896.56	Total Annual City Cost = \$0

Table A – December 1, 2023 - November 30, 2024	
Annual Premiums Paid	
Under age 65	65 and older
Life Insurance 2x Salary	Paid-Up Life Insurance Plan \$5K (optional) This is a one-time cost to the City.
Long-Term Disability (LTD)	Not eligible for LTD Premium Total: \$0
Total Annual City Premium Costs = \$2,749.68	Total Annual City Cost = \$0

OMERS Pension Plan

Staff require more time to complete the review related to OMERS and will come back to the January 2025 Committee of the Whole meeting with this information.

Financial Matters:

Payments in lieu of benefits to Mayor and Council members, over the age of 65, are effective December 1, 2022, and will continue to be a part of the regular budgeted benefits costs moving forward, however will include a one-time retroactive payment for each impacted member.

Total Financial Impact

The total financial retroactive impact for benefits per impacted member is = \$5,646.24

- December 1, 2023 – November 30, 2024 = \$2,749.68
- December 1, 2022 – November 30, 2023 = \$2,896.56

Source of Funding

Funds for the retroactive payments will be covered from operational gapping dollars and any payments in lieu of, on a move forward basis, would come from the the regular Mayor and Council operational budgets for benefits.

Other Resource Impacts

Not applicable.

Conclusion:

Human Resources Department report HR-09-24 addresses the implementation plan for the benefits recommendations identified in finance department report F-17-22.

Respectfully submitted,

Sue Evfremidis

Chief Human Resources Officer

Appendices:

- A. Finance Department report F-17-22 - Council remuneration and expense recommendations implementation plan
- B. Clerk's Department report CL-33-21

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Commissioner Legal and Legislative Services/City Solicitor.