



Legislation Text

File #: 19-826, **Version:** 1

City Council Meeting Date: April 16, 2019

To: Mayor and City Council
City Administrator Ben Martig

From: Communications & Human Resources Director Michelle Mahowald

Consider Approval of Amendments to City of Northfield Employee Handbook, Section 10.05 (Retirement).

Action Requested:

Staff recommends the Northfield City Council approve the attached Employee Handbook, Section 10.05 (Retirement).

Summary Report:

The Council Employment Policy Committee discussed this policy consideration at their March 27, 2019 meeting.

The City of Northfield is required by law to provide City-sponsored group health, dental, and/or life insurance coverage for retired employees meeting certain requirements, but it is not legally required to pay anything for such coverage. The City has paid for City-sponsored group health insurance premiums for retired employees meeting certain requirements for over 20 years. Staff reviewed this policy in detail as a result of the City's new actuary interpreting this policy and financial impacts on the City differently than the prior actuary. The differing interpretations involved whether individuals had to be eligible for an early retirement or just full retirement to receive the payment for group health insurance premiums.

City staff recommends clarifying this policy to make it clearer and less redundant with amendments as summarized below for eligible employees hired before January 1, 2007 who retire on or after the changes are made:

- The employee, and, for payment of the premium for a dependent(s), the dependent, must be enrolled in the city-provided group health insurance plan on the date of separation from employment with the city.
- The employee meets the age, service, and/or disability requirements for an annuity from a Minnesota public pension on the date of separation from employment with the city.
 - Currently, these requirements include the following:
 - For non-peace officer employees that began PERA qualifying public employment before July 1, 1989

- Age 65 and 3 years of PERA qualifying public employment; or
- Age plus years of PERA qualifying public employment equals at least 90
- For non-peace officer employees that began PERA qualifying public employment on or after July 1989, full retirement age under Social Security, but no later than 66, and 3 years of PERA qualifying public employment if began employment on or before June 30, 2010 or 5 years if began employment after June 30, 2010.
- For peace officers, age 50 and 3 years of PERA qualifying public employment if began employment on or before June 30, 2010, 5 years if began employment after June 30, 2010, or 10 years if began employment after June 30, 2014.
- The employee completes and submits all documents required by PERA for applying for benefits within 30 calendar days of separation from employment with the city.
- The employee remains continuously enrolled in the city-provided group health insurance plan since the date of separation from employment with the city.

See attached City Employee Handbook, Section 10.05 (Retirement).

Alternative Options:

N/A

Financial Impacts:

N/A

Tentative Timelines:

Staff recommends consideration of approval of City Employee Handbook, Section 10.05 (Retirement).