



## Legislation Text

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**File #:** 19-1042, **Version:** 1

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**City Council Meeting Date:** August 20, 2019

**To:** Mayor and City Council  
City Administrator Ben Martig

**From:** Communications & Human Resources Director Michelle Mahowald

Consider Approval of Memorandum of Understandings for Law Enforcement Labor Services Sergeants Unit and IUOE Local 70 General Unit regarding change of Post Employment Health Plan benefit with Nationwide to Health Care Savings Plan with Minnesota State Retirement System.

**Action Requested:**

Staff recommends the Northfield City Council approve the attached Memorandum of Understandings for Law Enforcement Labor Services Sergeants Unit and IUOE, Local 70 General Unit regarding change of Post Employment Health Plan benefit with Nationwide to Health Care Savings Plan with Minnesota State Retirement System.

**Summary Report:**

The Council Employment Policy Committee discussed the transition from Nationwide's post employment health plan to Minnesota State Retirement System (MSRS) Health Care Savings Plan (HCSP) at their July 17, 2019 meeting. The benefit involves making, through distribution of accumulated sick leave and some vacation leave, pre-tax contributions to an account specifically for pre-tax reimbursement of medical premiums and expenses.

**BENEFIT SUMMARIES**

**Law Enforcement Labor Services Sergeants Unit**

An Employee is eligible with a minimum of 120 hours of accumulated sick leave. Two (2) hours of sick leave per month that the Employee accrues will be converted into cash and deposited in their HCSP.

For each month that the employee has more than three hundred sixty (360) hours of accumulated sick leave, the City will convert three (3) hours of sick leave into cash and deposit it into their HCSP. For each month, however, that the employee has more than four hundred eighty (480) hours of accumulated sick leave, the City will convert four (4) hours of sick leave into cash and deposit it into their HCSP.

All severance pay (i.e., portion of sick leave upon separation of employment) specified in 15.1 the labor agreement will be deposited into the employee's HCSP.

**Local 70 General Unit**

After an employee's one-year anniversary date of employment and after the employee has accrued 120 hours of paid sick leave, the city will convert one (1) hour of the employee's accrued sick leave, per month, which will

be converted into cash, and deposited in their HCSP.

For each month that the employee has more than two hundred forty (240) hours of accumulated sick leave, the employer will convert (2) hours of sick leave into cash and deposit it into their HCSP. For each month that the employee has more than three hundred sixty (360) hours of accumulated sick leave, the City will convert three (3) hours of sick leave into cash and deposit it into their HCSP. For each month, however, that the employee has more than four hundred eighty (480) hours of accumulated sick leave, the City will convert four (4) hours of sick leave into cash and deposit it into their HCSP.

Upon resignation 100% of the eligible employee's accumulated sick leave and vacation leave balances that would otherwise have been paid to the Eligible employee had the City not participated in the HCSP shall be paid to the employee.

Upon retirement 100% of the Eligible employee's accumulated vacation leave that would otherwise have been paid to the Eligible employee had the City not participated in the HCSP shall be paid to the employee.

Upon retirement 100% of the Eligible employee's accumulated sick leave that would otherwise have been paid to the Eligible employee had the City not participated in the HCSP shall be contributed to the HCSP.

**Alternative Options:**

None.

**Financial Impacts:**

No financial impact expected for changes made to the Health Care Savings Plan.

**Tentative Timelines:**

Staff recommends consideration of approval of Memorandum of Understandings for Law Enforcement Labor Services Sergeants Unit and IUOE, Local 70 General Unit regarding change of Post Employment Health Plan benefit with Nationwide to Health Care Savings Plan with Minnesota State Retirement System.