



POLICIES AND PROCEDURES MANUAL

SUBJECT 2020- 2021 Reduction in Workforce Plan	DEPARTMENT Human Resources	DEPARTMENT IDENTIFICATION 1400		
	SECTION 1408	PAGES	EFFECTIVE DATE	REVISION DATE(S)

PURPOSE

To describe the policies and procedures for City of West Allis regarding the 2020-2021 Reduction in Workforce Plan.

ORGANIZATIONS AND PERSONS AFFECTED

Certain former City of West Allis non-represented and non-sworn employee who retire between December 1, 2019, and December 31, 2021, if those former employees' are eligible for retiree health care and their positions are eliminated, consolidated with another position, or reclassified.

POLICY

It is the policy of the City to follow a uniform set of procedures regarding the 2020-2021 Reduction in Workforce Plan.

REFERENCES

IRS Publication 969 Health Savings Accounts and Other Tax-Favored Health Plans
 Health Retirement Account Third Party Administrator Contract
 Common Council File #2020-0386
[State of Wisconsin Local Annuitant Health Plan](#)

DEFINITIONS

Premium Only Health Reimbursement Account (HRA): Allows employers to provide their employees with tax-free money to pay for health care premiums incurred during retirement.

Eligible Employee:

- 1) A former non-represented, non-sworn employee who is eligible for retiree health care and who retired on or after December 1, 2019, only if the position they held is not filled after that person's retirement and is eliminated in the 2021 Budget.
- or
- 2) A former non-represented, non-sworn employees who is eligible for retiree health care and who retired between the effective date of this policy and December 31, 2021, only if the position they held has been identified for a) elimination in the same calendar year, b) consolidation with another position within 6 months after that employee's retirement, or c) reclassification within the same calendar year resulting in a minimum of 30% annual payroll savings (calculated between the current employee's salary and the 3rd Step of the reclassified position).

Third Party Administrator (TPA):

Company which handles the administration of the HRA on behalf of the City and participants.

City's Self-funded Health Insurance Plan:

The health insurance plan funded by the City for certain current employees and eligible retirees.

Eliminated Position:

Position is not be filled and removed from the organization chart in subsequent budgets.

Consolidated Position:

A position that will be combined with position(s) and likely reclassified to a higher salary position which recognizes the additional responsibilities.

Reclassified Position:

A position that will be reclassified to a lower salary based on the reallocated resulting in a minimum of 30% payroll cost savings.

GOALS OF THE PLAN

Decrease the Structural Deficit by reducing payroll and health insurance budgets.

RESPONSIBILITIES

Department Heads

- Identify positions for elimination, consolidation, or reclassification.
- Identify the time frame for employees who hold the identified positions to terminate employment.
- Work with the Administration and Finance Departments to implement program.

Eligible Employees

- Document in the Standard Operating Procedure Template the duties and responsibilities of their position in a manner approved by the Department Head prior to termination of employment.
- Terminate employment with the City by the date established
- Cease participation in the City's Self-Insured Health Insurance Plan upon termination or when COBRA eligibility has ended.

City Council

Approve and provide funding for implementation and maintenance of the program.

PROCEDURES/TIMELINE

Department Heads and City Administrator will identify positions whose employees would be eligible for participation in this program in August, 2020.

Department Heads will provide written information to employees in identified positions and the date for employees to terminate employment.

Employees' whose positions are identified must provide a provide a response regarding their desire to participate in the program or not.

Employee Benefits

Employees who participate in this program will receive the following:

- An amount which equals the lowest annual premium for a family plan in Milwaukee County offered through State of Wisconsin Local Annuitant Health Plan will be deposited in a Premium Only Health Retirement Account for a period of 5 years or 60 months, prorated by FTE. (Maximum of 2083.33 per month.)
- Participants may choose to use the HRA deposits to pay for the State of Wisconsin Local Annuitant Health Plan at the time of retirement or when they become eligible for Medicare or they may choose to find alternative health care.

Participation Guidelines

- Participants in the program will no longer participate in the City's Self-funded Health Insurance Program, except for COBRA participation if desired.
- Participants may participate in the City's Medicare Advantage or Supplement program, once eligible and if offered, at their full cost.

Exceptions and clarifications needed for the administration of the program will be made with the concurrence of the City Administrator, Assistant City Administrator, and the Finance Director in consultation with the City Attorney and/or the City's Insurance Consultant.