

Resolution to Approve Voluntary 2020-2021 Early Retirement Program

WHEREAS, It is the desire of the City of West Allis to offer a one-time, voluntary early retirement program to assist in meeting the current and future budget shortfalls as expenses continue to rise and revenues continue to fall due to the COVID – 19 Pandemic; and

WHEREAS, the concept of the program was approved by the Administration and Finance Committee on May 19, and staff have reviewed the parameters; and

WHEREAS, it is the responsibility of the Common Council to ensure the short and long term fiscal stability of the City of West Allis; and

WHEREAS, this is a voluntary program and subject to voluntary enrollment in the program by City of West Allis employees and those who retired on or after December 1, 2019.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City of West Allis, does hereby offer a voluntary early retirement incentive program to certain employees working for the City of West Allis during 2020-2021, the details of which are attached.

BE IT FURTHER RESOLVED that City officers are authorized and directed to take the actions necessary including creating and amending guidelines for effective administration of this program.

2020-2021 Early Retirement Incentive Program Details

In order to maintain the appropriate and necessary staffing levels and to provide continuity of services, the City of West Allis reserves the right to coordinate and identify the employees eligible to participate in this program.

Timing

Employees voluntarily choosing to participate in the program must provide written retirement notice by the date in the voluntary retirement incentive program notice and retire by the date provided in the voluntary retirement incentive program notice.

Eligible Employees

Non-represented and non-sworn employees who have worked a minimum 10 years for the City of West Allis, and are eligible to retire under the Wisconsin Retirement System.

Incentives Provided

All Participants (prorated for part-time participants)

- May continue to participate in the City's dental insurance program at their full cost for a maximum of 5 years or age 65 of employee, whichever occurs sooner.
- The employee may participate at their full cost in the Voluntary Vision Insurance Program if offered by the City.
- Any payouts may be credited to participant health care premium contributions.
- Those opting in under the couple options below may enroll in a family plan but will pay the difference between the couple and family plan and forgo 50% of any additional payments.

All Employees Meeting Eligibility Requirements Enrolled with Single Health Insurance Coverage

- Retiree contribution for single coverage remains at the active rate until age 65 or Medicare eligibility, whichever occurs sooner
- Payments of \$3000 immediately and \$2000 in January 2021 if employee voluntarily accepts program by date provided in the employee's particular voluntary retirement incentive program notice; the payments are waived if retire after set date but before September 1, 2021

City's estimated costs in today's rates per participant - Immediately \$3000, \$2000 in 2021, and savings of 724.32 per year; Cost \$2275.68 in year one; \$1275.68 in year two, and \$2172.96 savings in year 3-5; Overall cost if retiree stays on plan for full 5 years = \$1378.40

Employee Gains - \$3000 immediately and \$2000 in January 2020, and savings of \$1936.32 per year; Overall savings of \$14,681.60 if stays on plan for full 5 years

Couple Enrollment - 25 or More Years of Service

Employees with 25 or more years of fulltime service will receive the following contributions by the City to their health care premiums for couple coverage for maximum of 5 years or age 65 of employee (or spouse), whichever occurs sooner.

Time Period	City Contribution	Employee Rate*	Rate group (active or
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			retiree)
60 months	88%	12%*	Active Rate and Premium share

- Immediate payment of \$2500 if voluntarily accept program by date provided in voluntary retirement incentive program notice; waived if retire after set date but before September 1, 2021

City's Estimated cost in today's rates per participant- Total = \$2500 + \$10,485.70 (1st 18 months \$3728.16; 2nd 18 months \$3577.50; 24 months \$3180)

Employee Gains - \$2500 + \$5414.34 (1st 18 months \$1041.84; 2nd 18 months \$1192.50; 24 months \$3180)

Couple Enrollment 15 – less than 25 years of service

Employees with 15 – less than 25 years of fulltime service will receive the following contributions by the City to their health care premiums for couple coverage for maximum of 5 years or age 65 of employee (or spouse)

Time Period	City Contribution	Employee Rate	Rate group (active or retiree)
12 months	88%	12%	Active Rate and Premium share
24 months	75%	25%	Active Rate
24 months	50%	50%	Active Rate

City's Estimated cost in today's rates per participant- Total = \$7183.44 (12 months \$1729.44; 24 months \$3636; 24 months \$1818)

Employee Savings - \$3724.56 (12 months \$694.56; 24 months \$1212; 24 months \$1818)

Couple Enrollment - Less than 15 years of service

Employees with less than 15 years of service will receive the following contributions by the City to their health care premiums for couple coverage for maximum of 5 years or age 65 of employee (or spouse)

Time Period	City Contribution	Employee Rate	Rate group (active or retiree)
60 months	50%	50%	Active Rate

- Immediate payment of \$2000 if voluntarily accept program by date provided in voluntary retirement incentive program notice; waived if retire after set date but before September 1, 2021

City Costs - \$6060 + \$2000; Employee Gains \$2000 + \$6060

Non Retiree Health Care Plan Participants

Employees who waive their ability to participate in the City Sponsored Retiree Health Care Plan are eligible for the following:

\$250 per year of service; maximum \$10,000; 50% payable in 2020; 50% payable in 2021

If provided by the City, participation in Medicare Advantage or Supplement, dental, and vision insurance program with the full costs covered by the participant.

Administrative Guidelines

The administrative guidelines will include, but not be limited to the following:

In the event the participant becomes eligible for health or dental insurance coverage from their own new employer, the City shall have no further obligation to pay for the participant's health insurance under this program.

Remove from eligibility in the program if payments are not made consistent with the guidelines

Those who retire with the total benefit package instead of the legacy package will be eligible for applicable payouts but the change in premium share will occur at the 36 month point after employment if eligibility in the City covered health plan has not ended.

Retirees will pay the same premium share and active rate in effect during their time of participation in the program.