

Report to Council

Report Title: Group Benefits

Prepared By: Trish Serratore, Chief Financial Officer

Department: Finance

Date: June 18, 2019

Report Number: FIN2019-23 **File Number:** C11FIN, H02

Attachments: None.

Recommendation:

That the Council of the Municipality of Brockton hereby approves Report Number FIN2019-23 – Group Benefits, prepared by Trish Serratore, Chief Financial Officer and in doing so authorizes the transfer of the group life, long term disability and extended health and dental benefits to Manulife Financial effective September 1, 2019.

Report:

Background:

The Municipality of Brockton provides benefits to qualifying employees under the Bruce County wide plan, administered by Mosey & Mosey Benefit Consultants. The plan renews annually on July 1st and has been marketed every five years to ensure financial competitiveness. The plan was due for marketing this year and Mosey & Mosey issued a Request for Proposals on behalf of the participants. In order to allow sufficient time for proposals to be received, evaluated and negotiated, the incumbent carriers agreed to extend the current rates until September 1, 2019. The existing providers are Sunlife Financial for life and long term disability, AIG for accidental death and dismemberment and Green Shield for health and dental.

Analysis:

The results of the marketing recommend switching to Manulife Financial for life, long term disability (LTD), health and dental benefits with a combined annual savings of 7.6%. There was no change proposed to the accidental death and dismemberment (AD&D) premiums, therefore AIG will remain as the provider for those benefits.

The rates for life are guaranteed for 39 months, LTD for 27 months and health and dental for 15 months. The incumbent providers were offering rate guarantees of only 12 months for all coverages. Our health and dental benefits have been with Green Shield for decades, however the savings being offered by Manulife are

significant. We have been assured that all existing benefits will be duplicated and the transition process will be as seamless as possible, therefore we recommend proceeding with the transfer.

Our current monthly premium for all benefits is \$32,046, including tax. The proposal to continue with the current providers was an increase of 8.3% to \$34,713 per month. The recommended proposal from Manulife, including the AD&D with AIG, is \$29,611 per month; an overall decrease of 7.6%. For a total change in the annual premium compared to the negotiated renewal costs with Green shield and Sun Life of \$61,221

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- Do the recommendations help move the Municipality closer to its Vision? N/A
- Do the recommendations contribute to achieving Cultural Vibrancy? N/A
- Do the recommendations contribute to achieving Economic Prosperity? N/A
- Do the recommendations contribute to Environmental Integrity? N/A
- Do the recommendations contribute to the Social Equity? N/A

Financial Impacts/Source of Funding:


- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:



Chief Administrative Officer