

TO:	CHAIR AND MEMBERS STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON: NOVEMBER 24, 2014
FROM:	VERONICA MCALEA MAJOR MANAGING DIRECTOR, CORPORATE SERVICES & CHIEF HUMAN RESOURCES OFFICER
SUBJECT	COUNCIL BENEFITS

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and Chief Human Resources Officer, Civic Administration **BE DIRECTED** to amend the long term disability benefit for Council members in accordance with the recommendation outlined in this Report, and,

That, on the recommendation of the Managing Director, Corporate Services and Chief Human Resources Officer, Council's Resolution of March 2, 1998, Section 1. (e) **BE AMENDED** to remove the words "under age 65".

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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October 22, 2013 Final Report of the Council Compensation Review Task Force Report.

BACKGROUND

Long Term Disability Benefits

As a result of the 11th Report of the Council Compensation Review Task Force (Final Report), on October 22, 2013, Council resolved, in part:

e) the following actions be taken with respect to benefits available to Council Members:

- i) NO CHANGE BE MADE to the benefits provided to the Council Members it being noted that they should remain the same as presently provided to Council Members and as generally provided for non-union staff at the City of London, excluding eligibility for any paid leave;
- iii) given the nature of the four-year term served by Council Members, and the uncertainty as to how the long term disability (LTD) benefit should apply after a Council Member's term has expired, the Civic Administration BE ASKED to clarify how to handle situations where a Council Member remains disabled beyond the end of her or his term of office;

In accordance with the above noted resolution, Civic Administration was requested to clarify how to handle situations where a Council Member remains disabled beyond the end of their term of office given the nature of the fixed term served by Council Members, and how the long term disability (LTD) benefit should apply after a Council Member's term has expired.

Long Term Disability benefits at the Corporation of City of London

Generally these benefits contain the following characteristics:

- LTD benefits are provided for under the terms of an insurance policy held by a third party insurer. These benefits are payable if an individual becomes unable to work for a prolonged period of time due to an illness or injury.
- LTD benefits provide a monthly income/ wage loss replacement.
- LTD benefits end at age 65.

LTD benefits for Council Members:

At present Long Term Disability benefits are offered as part of a Council Member's benefit package. Pursuant to Council's direction, Civic Administration undertook a review of the appropriateness of this benefit having regard to the following:

- Council Members are paid an annual stipend,
- Council Members do not have defined or set hours of work per week,
- Council Members do not receive vacation pay or statutory pay, paid sick leave or short-term disability,
- Pursuant to the Municipal Act, the office of a member of council becomes vacant if the member is absent from the meetings of council for three successive months without being authorized to do so by a resolution of council,
- Council Members are elected for a fixed term with a clear start and end date based on election results,
- Council Members do not contribute to Employment Insurance Benefits as they are exempt under legislation and are not considered an "employee",
- A survey conducted by Civic Administration on LTD benefits provided to council members in other municipalities indicated that of the seven respondents only 2 provided a LTD benefit and where such benefit was provided it was limited to the term of office or age 65 whichever occurs first.

Recommendation:

Having regard to the nature of long term disability benefits, the nature of a Councillor's role and fixed term of office, and the Municipal Act, Civic Administration recommends the following in respect of the provision of a long term disability benefit for Council members:

Council Members Long Term Disability policy and contract of insurance be amended to reflect a fixed term benefit which would end on the earlier of:

- Recovered and returns to office (assuming the absence has been authorized by Council)
- Current term of office ends
- Leaves/resigns from office
- Age 65
- Death

It is further recommended that the waiting period for LTD benefits be set at 3 months and eligibility for the benefit be contingent upon resolutions of Council authorizing a Councillor's absence and discontinuing the stipend for the councillor during the approved absence.

All other provisions of the contract of insurance, (qualifications, exclusions limitations etc.) would remain unchanged.

Benefit Continuation for Outgoing Members of Council

On March 2, 1998, Council resolved in part:

...in the future, former elected officials under age 65 be permitted to continue their extended health and dental coverage under the City's benefit plan at 100% cost to the individual, for up to the first three months after leaving elected office...

The current insurance coverage for active Council members does not differentiate on the basis of age in respect to the provision of extended health and dental benefits. Accordingly, Civic Administration is recommending that elected officials leaving office who are over the age of 65 and who are currently enrolled in the extended health and dental plans also be permitted to

continue their extended health and dental coverage under the City's benefit plan at 100% cost to the individual for up to the first three months after leaving elected office.

PREPARED BY:	PREPARED AND RECOMMENDED BY:
SUSAN MILLER MANAGER III, REWARDS & RECOGNITION	VERONICA MCALEA MAJOR MANAGING DIRECTOR, CORPORATE SERVICES & CHIEF HUMAN RESOURCES OFFICER