

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-050

SYNOPSIS -

AGENDA:

FEBRUARY 15, 1999

In an effort to reduce the burden of retiree medical costs, FORCE-1 representatives and the Human Resources Department have agreed to separate the dental insurance coverage as a separate core plan. This will permit retirees to elect NOT to buy and pay for the dental insurance. This could save a retiree with single coverage approximately \$235 per year and a retiree with family coverage \$600 per year.

SUBJECT:

RETIREE HEALTH
BENEFITS OPTION

FISCAL IMPACT -

TYPE:

No significant fiscal impact to the City is expected.

RESOLUTION

ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approve the recommendation to NOT require retirees to purchase dental insurance.

SUBMITTED BY:

WILLIAM STOWE
HUMAN RESOURCES
DIRECTOR

BACKGROUND -

FORCE-1 and representatives from the City, including some members of the City Council, have met periodically to seek ways to reduce the cost of medical coverage for retirees. Retirees pay the entire cost of this insurance. One of the options discussed was to allow retirees to elect NOT to have dental coverage. At a recent meeting with FORCE-1, City representatives, and Principal Financial Group, it was agreed to make this change. This does not reduce the benefits to any current employee.

FORCE-1 representatives also desire further amendments to the prescription drug plan. Some of these amendments may require agreement by the bargaining units. Other strategies are being developed to permit the City to offer these changes for

the benefit of retirees to further reduce their costs without impacting or changing current negotiated plans. However, these may not be available until the annual renewal date in October.

Attachment

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