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SEP 11 2014



## MEMORANDUM

**DATE:** September 11, 2014

**TO:** Mayor and Council

**THRU:** Rich Dlugas, City Manager *RD*  
Debra Stapleton, Director of Human Resources Division *DJS*

**FROM:** Rae Lynn Nielsen, Benefits & Labor Relations Administrator *RN*

**SUBJECT:** Recommendation for Approval of Matrix Absence Management, Inc. Agreement

**RECOMMENDATION:** Approve and authorize the Mayor and Council to approve the one (1) year extension to the agreement between the City of Chandler and Matrix Absence Management, Inc. for benefit plan year 2015, effective January 1, 2015.

**BACKGROUND:** City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. Matrix Absence Management, Inc., as a successor to Reliance Standard Life Insurance Company, administers the City's self-funded short term disability income benefit plan. In addition, they assist with the coordination and administration of the City's Family Medical Leave program. There is no rate increase for benefit year 2015.

**PROPOSED MOTION:** Move to approve and authorize the Mayor and Council to approve the one (1) year extension to the agreement between the City of Chandler and Matrix Absence Management, Inc. for benefit plan year 2015, effective January 1, 2015.

**CALENDAR YEAR 2015  
AMENDMENT TO AGREEMENT  
BETWEEN CITY OF CHANDLER AND  
MATRIX ABSENCE MANAGEMENT, INC.  
AS SUCCESSOR TO RELIANCE STANDARD  
LIFE INSURANCE COMPANY FOR SHORT  
TERM DISABILITY BENEFITS ADMINISTRATIVE  
SERVICES AND TO ITS ADDENDUM FOR  
FAMILY MEDICAL LEAVE ACT  
ADMINISTRATIVE SERVICES**

This Amendment ("Calendar Year 2015 Amendment") is made and entered this 22<sup>nd</sup> day of July, 2014 to the *City of Chandler and Matrix Absence Management, Inc. As Successor to Reliance Standard Life Insurance Company for Short-Term Disability Benefits Administrative Services Agreement No. HR1-953-2988*, dated January 6, 2012 ("Short Term Disability Agreement") and to the *Addendum to City of Chandler Administrative Services Agreement for Short Term Disability Benefits Plan Administrative Services Agreement No. HR1-953-2988* dated March 1, 2013 ("Family Medical Leave Act Addendum").

WHEREAS, the City of Chandler ("City") and Reliance Standard Life Insurance Company ("RSLIC") entered the Short Term Disability Agreement, dated January 6, 2012; and

WHEREAS, RSLIC entered an *Agreement and Assumption Agreement*, dated January 6, 2012, assigning its rights and obligations under the Short Term Disability Agreement to Matrix Absence Management, Inc. ("Matrix") and the Chandler City Council approved that agreement through its Resolution No. 4570 on January 12, 2012; and

WHEREAS, the City and Matrix agreed to amend the Short Term Disability Agreement to authorize Matrix to provide absence and disability services for the City's Family Medical Leave Act ("FMLA") policy through the *Addendum to the City of Chandler Services Agreement for Short Term Disability Benefits Plan Administrative Services Agreement No.: HR:-953-2988*, dated March 13, 2013; and

WHEREAS, the City and Matrix desire: 1) to extend the Short-Term Disability Agreement and the Family Medical Leave Act Addendum for the term of January 1, 2015 through December 31, 2015, and 2) to guarantee that the Agreement's and Addendum's respective current rates for Calendar Year 2014 will apply through Calendar Year 2015, and if the City extends these agreements for Calendar Year 2016, these same rates will continue through that year.

NOW THEREFORE, in consideration of the mutual covenants and provisions contained herein and other good and valuable consideration, the parties do agree as follows:

1. The term of the Short Term Disability Agreement is extended for the term of January 1, 2015 through December 31, 2015.
2. The term of the Family Medical Leave Act Addendum is extended for the term of January 1, 2015 through December 31, 2015.
3. The Parties agree that for Calendar Year 2015 Matrix shall provide the short term disability administration services and the Family Medical Leave Act Services at the same fees it charged for those services, respectively, for Calendar Year 2014 and will also continue to provide those services at the same fees, respectively, for Calendar year 2016, provided that the City extends these agreements in Calendar year 2016.
4. Except for the provisions amended by Items 1, 2 and 3 above, the Short Term Disability Agreement, dated January 6, 2012 and the Family Medical Leave Act Addendum, dated March 1, 2013, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2015 Amendment to the Agreement Between the City of Chandler and Matrix Absence Management, Inc. as Successor to Reliance Standard Life Insurance Company for Short-Term Disability Benefits Administrative Services* and to its *Addendum for Family Medical Leave Act Administrative Services* to be duly executed this 22<sup>nd</sup> day of July, 2014.

CITY OF CHANDLER,  
an Arizona municipal corporation,

MATRIX ABSENCE MANAGEMENT,  
INC.

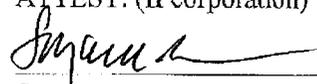
By: \_\_\_\_\_  
Mayor

By:   
Title: \_\_\_\_\_

APPROVED AS TO FORM:

ATTEST: (If corporation)

\_\_\_\_\_  
City Attorney 

\_\_\_\_\_  
Secretary 

ATTEST:

\_\_\_\_\_  
City Clerk