

#29

SEP 11 2014



MEMORANDUM

DATE: September 11, 2014
TO: Mayor and Council
THRU: Rich Dlugas, City Manager [initials]
Debra Stapleton, Director of Human Resources Division [initials]
FROM: Rae Lynn Nielsen, Benefits & Labor Relations Administrator [initials]
SUBJECT: Recommendation for Approval of Reliastar Life Insurance Company d/b/a ING Employee Benefits Agreement

RECOMMENDATION: Approve and authorize the Mayor and Council to approve a one (1) year extension to the agreement between the City of Chandler and Reliastar Life Insurance Company d/b/a ING Employee Benefits (ING) for benefit plan year 2015, effective January 1, 2015.

BACKGROUND: Effective July 11, 2014, ING U.S will now be known as "Voya Financial" (Voya) but will remain with Reliastar Life Insurance Company.

City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. This benefit provides basic life and accidental death and dismemberment insurance and optional life insurance for spouses and dependent children to benefit eligible classes. This agreement will include the approved 2013 Amendment (referred to as Attachment 2 in the agreement) to remove the "age reduction schedule". A new amendment (referred to as Attachment 3 in the agreement) will amend the definition of "dependent child" to include an employee's married and unmarried child(ren) under the age of twenty-six (26) years to align with other City benefits. The rates will not increase in the 2015 plan year, with a three (3) year rate guarantee upon renewal. The basic life and accidental death and dismemberment insurance is funded by the City, all optional coverage is funded by the employee based the benefit selected.

PROPOSED MOTION: Move to approve and authorize the Mayor and Council to approve a one (1) year extension to the agreement between the City of Chandler and Reliastar Life Insurance Company d/b/a ING Employee Benefits (ING) for benefit plan year 2015, effective January 1, 2015.

Council Memo – Recommendation for Approval of 2015 Agreement with Reliastar VOYA

**CALENDAR YEAR 2015 AMENDMENT TO MEMORANDUM OF
AGREEMENT BETWEEN THE CITY OF CHANDLER AND
RELIASTAR LIFE INSURANCE COMPANY d/b/a ING
EMPLOYEE BENEFITS**

This Amendment ("Calendar year 2015 Amendment"), is made and entered this 25th day of August, 2014, to the *Memorandum of Agreement Between the City of Chandler and Reliastar Life Insurance Company d/b/a ING Employee Benefits for Group Life Insurance*.

WHEREAS, the City of Chandler ("City") and Reliastar Life Insurance Company dba ING Employee Benefits ("Company") entered into a Memorandum of Agreement (Agreement) effective January 1, 2012 with an initial term ending December 31, 2014; and

WHEREAS, the City and Company (the parties) want to amend the Agreement to extend it for the term of January 1, 2015 through December 31, 2015; and

WHEREAS, Company has agreed to maintain all rates for basic life insurance, supplemental life insurance, and accidental death and dismemberment insurance at the current rates for calendar years 2015, 2016 and 2017, so long as city continues to renew this Contract each year; and

WHEREAS, through a notice sent to City of Chandler Group Benefit Plan Number: 67475-3 dated July 11, 2014, attached hereto as Attachment 1 and incorporated herein by this reference, City was informed that "ING U.S." is now to have "the brand identity" of "Voya Financial," a trademarked name, as well as continuing to be referred to as "ING U.S.;" and

WHEREAS, the July 11, 2014 notice (Attachment 1) states that Reliastar Life Insurance Company will continue to be the Contractor for this policy, although the company will be doing business as both "ING, U.S." and "Voya Financial" through the end of this year; and

WHEREAS, the parties also want to amend the Agreement pursuant to City's January 1, 2013, Request for Amendment; attached hereto as Attachment 2 and incorporated herein by this reference, as follows:

1. To remove the "Age reduction schedule" for employees' Basic Life and Accidental Death and Dismemberment ("AD&D"), so that employees' basic life and AD&D insurance benefits are not reduced at age 70 or 75, and the City's premiums are also not reduced when employees reach the age of 70 or 75; and

2. To require that reductions to both coverage and premiums for Employees' Optional Insurance under the Employee Age Reduction Schedule shall be effective the day following the last day of the calendar year in which the employee attains the applicable specified age of 70 or 75, rather than the day following the last day of the month in which the employee attains the applicable specified age of 70 or 75; and
3. To require that the amount of the decrease to employees and dependent spouse supplemental coverage, beginning at age 70, will be rounded to the highest multiple of \$10,000.

WHEREAS, the parties also want to amend the Agreement pursuant to City's August 14, 2014, Request for Amendment; attached hereto as Attachment 3 and incorporated herein by this reference, to amend the definition of "Dependent Child" to include an employee's married and unmarried children under the age of twenty-six years.

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 Agreement is extended for the term of January 1, 2015 through December 31, 2015.
2. The Agreement is hereby amended on and after January 1, 2013 pursuant to the January 1, 2013 Request for Amendment (Attachment 2) as follows:
 - a. To remove the "Age reduction schedule" for employees' Basic Life and Accidental Death and Dismemberment ("AD&D"), so that employees' basic life and AD&D insurance benefits are not reduced at age 70 or 75, and the City's premiums are also not reduced when employees reach the age of 70 or 75; and
 - b. To require that reductions to both coverage and premiums for Employees' Optional Insurance under the Employee Age Reduction Schedule shall be effective the day following the last day of the calendar year in which the employee attains the applicable specified age of 70 or 75, rather than the day following the last day of the month in which the employee attains the applicable specified age of 70 or 75.
 - c. To require that the amount of the decrease to employee and dependent spouse supplemental coverage, beginning at age 70, will be rounded to the highest multiple of \$10,000.
3. The Agreement is hereby amended on and after September 1, 2014 pursuant to the August 14, 2014 Request for Amendment (Attachment 3) by amending the definition of "Dependent Child" to include an

employee's married and unmarried children under the age of twenty-six years.

- 4. The Parties agree that Company shall continue to provide these services at the rates set forth in the Agreement for 36 months beginning January 1, 2015 so long as City continues to renew this contract each year.
- 5. The Parties agree that Reliastar Life Insurance Company shall continue as the Contractor under the Agreement, regardless of whether the Contractor does business as "ING Employee Benefits", "ING, U.S." or "Voya Financial", unless and until Contractor obtains prior written consent from City for assignment of services covered by this Agreement, as required by the Agreement.
- 6. Except for the provisions amended by items 1, 2, 3, 4 and 5, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2015 Amendment to the Memorandum of Agreement Between the City of Chandler and Reliastar Life Insurance Company d/b/a ING Employee Benefits* to be duly executed this _____ day of _____, 2014.

CITY OF CHANDLER
an Arizona municipal corporation

RELIASTAR LIFE INSURANCE
COMPANY d/b/a ING Employee
Benefits, ING U.S. and Voya
Financial:

By: MAYOR



By: Erik Rasmussen
Title: Vice President

APPROVED AS TO FORM:

ATTEST: (if corporation):

CITY ATTORNEY *CH*

Shawn Weide, VP

~~SECRETARY~~ Shawn Weide
Vice President

ATTEST:

CITY CLERK