



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

21

2. Council Meeting Date:
September 24, 2015

TO: **MAYOR & COUNCIL**

3. Date Prepared: August 31, 2015

THROUGH: **CITY MANAGER**

4. Requesting Department: Human Resources

5. SUBJECT: Amendment to Agreement for Life Insurance

6. RECOMMENDATION: Staff recommends City Council approve the Amendment to the Agreement with Voya Financial for life insurance in an amount not to exceed \$775,000 for one year.

7. BACKGROUND/DISCUSSION: The City provides a life insurance benefit as a piece of the employee benefits package. The basic life and accidental death and dismemberment (ADD) insurance is funded by the City, and all optional coverage is funded by the employee based on the benefit selected.

8. EVALUATION PROCESS: City staff reviews the employee benefits package each year with the assistance of an employee benefits consulting firm. This benefit provides basic life and ADD insurance and optional life insurance for spouses and dependent children to benefit eligible classes.

Staff recommends extension of this agreement for the term of January 1, 2016, through December 31, 2016. This is the second extension of the agreement.

9. FINANCIAL IMPLICATIONS:

Cost: Not to Exceed \$775,000

Each type of life insurance is funded differently depending on whether it is the City provided benefit or the optional benefit. The City funded Basic, ADD benefit is paid from all cost centers across all Funds where employees reside. The Optional Voluntary Term is paid from the employees earnings that opt for this coverage. In both cases, the funds are collected in the Payroll Clearing liability account to pay the total amount due to the Insurance Company. Retirees can also opt for this coverage and this amount is collected in the General Fund liability account and paid to the Insurance Company.

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>Amount:</u>
901.0000.2452(Basic, ADD)	Payroll Clearing	Employee Benefits	} \$775,000
901.0000.2450 (Vol Term)	Payroll Clearing	Employee Benefits	
101.0000.2417 (Retiree)	General Fund	Employee Benefits	

10. PROPOSED MOTION: Move City Council approve the Amendment to the Agreement with Voya Financial for life insurance in an amount not to exceed \$775,000 for one year.

Attachments: Amendment

APPROVALS

11. Requesting Department

Lynna Soler, Benefit Program Manager

13. Department Head

Debra Stapleton, Human Resources Director

12. Purchasing Manager

Christina Pryor

14. Acting City Manager

Marsha Reed

12. Purchasing Manager

Christina Pryor

14. Acting City Manager

Marsha Reed

CALENDAR YEAR 2016 AMENDMENT TO MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF CHANDLER AND RELIASTAR LIFE INSURANCE COMPANY d/b/a VOYA FINANCIAL (PREVIOUSLY) d/b/a ING EMPLOYEE BENEFITS

This Amendment ("Calendar year 2016 Amendment"), is made and entered this ____ day of _____, 2015, 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 extended the Agreement for the term from January 1, 2015 through December 31, 2015 subject to certain amendments by the *Calendar Year 2015 Amendment to Memorandum of Agreement Between the City of Chandler and Reliastar Life Insurance d/b/a ING Employee Benefits "CY2015 Amendment"*; and

WHEREAS, the Calendar Year 2015 Amendment incorporated a notice which stated that Reliastar Life Insurance Company which had been doing business as both "ING U.S." and "Voya" throughout 2014, would be doing business under the name "Voya Financial," a trademarked name, as of January 1, 2015; and

WHEREAS, the City and Company (the parties) want to amend the Agreement to extend it for the term of January 1, 2016 through December 31, 2016; 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, the parties also want to amend the Agreement pursuant to City's January 1, 2015, Request for Amendment; attached hereto as Attachment 1 and incorporated herein by this reference, as follows:

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, 2016 through December 31, 2016.
2. The Agreement is hereby amended on and after January 1, 2016 pursuant to the January 1, 2016 Request for Amendment (Attachment1) as follows:

Contract Document E, "City of Chandler HR1-953-2988, Basic Life and AD&D Insurance, Employee and Dependent Supplemental Life Insurance, Employee and Dependent Personal Accident Insurance and ASO for Short-Term Disability Income," Exhibit 6-2 at page 5, first paragraph "Eligibility" is removed in its entirety and replaced with the following:

"Eligibility

You are eligible on the later of the following dates:

- The Group Policy's Effective Date, January 1, 2007.
- If the first day of employment occurs on a Monday which is the 1st, 2nd, or 3rd of any month, you will be eligible on the 1st of the following month.
- If the first day of employment occurs on the 4th day of the month or later, you will be eligible the first day of the month on or after the date you complete one month of continuous service with the Policyholder.

You must meet the following conditions to become insured:

- Be eligible for the insurance.
 - Be actively at work.
 - Apply for the insurance, if you have to pay any part of the premium.
 - Give to ReliaStar Life proof of good health, which it approves, as required on the Schedule of Benefits."
3. The Parties agree that Company shall continue to provide these services at the rates set forth in the Agreement for 24 months beginning January 1, 2016 so long as City continues to renew this contract each year.
 4. Except for the provisions amended by items 1, 2 and 3, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this *Calendar Year 2016 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 _____, 2015.

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



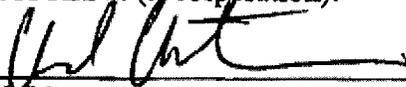
By: Erik J. Rasmussen

APPROVED AS TO FORM:

Title: *SVP*

ATTEST: (if corporation):

CITY ATTORNEY *CH*



SECRETARY

ATTEST:

CITY CLERK

REQUEST FOR AMENDMENT

RELIASTAR LIFE INSURANCE COMPANY
A Member of the ING Family of Companies
Administrative Office: P.O. Box 20 Minneapolis, MN 55440

Please confirm the following information:

Group Name: City of Chandler
Group Number: 674753
Effective Date of Amendment: 01/01/2015

Amendment: Eligibility: If the first day of employment occurs on a Monday which is the 1st, 2nd or 3rd of any month, you will be eligible on the 1st of the following month.

Applies to the following product(s)/coverage(s):

Basic Life/AD&D and Supplemental Life

Account Number: All
Class: All

Signature:



Date:

11-4-14

Printed Name:

Debra Stapleton

Title:

Human Resources Director

Should you have any questions or concerns regarding this request, please feel free to contact me at the telephone number below.

Adam Bessette
Regional Manager
7720 N. 16th Street, Suite 150
Phoenix, AZ 85020
Tel. 602-632-8653

Voya Internal Servicing/Sales Information

Primary Selling Office: PHX
Primary Servicing Office: PHX
Primary Sales Representative: Adam Bessette
Implementation Manager: Josh Hagen