

ENROLLED ORDINANCE 173-048

APPROVE MODIFICATIONS TO RETIREE AND ACTIVE  
EMPLOYEE LIFE INSURANCE PROGRAM

WHEREAS, Waukesha County provides a life insurance benefit for regular full-time and regular part-time employees, and access to dependent life insurance; and

WHEREAS, the County provides retirees the ability to continue with life insurance after they separate from active employment with the County, with the premiums being paid by the retirees until they reach age 65, thereafter the benefits are reduced and County pays the life insurance premiums; and

WHEREAS, the County periodically searches the marketplace to obtain cost effective pricing for the life insurance programs; and

WHEREAS, during recent efforts to obtain life insurance renewals it was determined that the current retiree life insurance program will affect the County's ability to obtain cost effective proposals in the future; and

WHEREAS, it is important that current retirees and those with immediate retirement plans are not adversely affected by any changes to the retiree life insurance program; and

WHEREAS, the County has two different employee-paid dependent life insurance plans and it is desirable to consolidate to one carrier and program; and

WHEREAS, the offering of additional voluntary life and dependent life insurance which is fully paid by the employees will have a positive impact on the future availability and cost of life insurance plans.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA ORDAINS that modifications be made to the retiree and active life insurance program, as outlined below:

I. Any employee who retires on or after January 1, 2019 will have retiree life insurance coverage end upon attaining age 70.

II. Any employee who retires on or after January 1, 2020 will have access to a Retiree Life Insurance program as listed below:

- a. Premiums: Retirees will pay the full cost of retiree life insurance.
- b. Coverage: Upon retirement, the life insurance benefit will be equal to 1x their annual base salary rounded to the nearest thousand, with a cap not to exceed \$75,000.
- c. Coverage Reduction: Coverage reduces based on age. 75% at age 65 with a cap of \$55,000, 50% at age 66 with a cap of \$35,000, and 25% at age 67 until age 70 with a cap of \$20,000.

III. Effective January 1, 2019, the active employee life insurance and dependent life insurance plans will be modified as outlined below:

- a. Eligible employees will have the option to enroll in an alternate level of dependent life insurance coverage of \$10,000 for a dependent and \$20,000 for a spouse. Employees will pay the full cost of the insurance.
- b. Eligible employees will have the option to purchase additional term life insurance in increments of \$25,000 with a maximum coverage amount of \$150,000.

FISCAL NOTE

APPROVE MODIFICATIONS TO RETIREE AND ACTIVE EMPLOYEE LIFE INSURANCE PROGRAM

Currently, the County provides a life insurance program for active regular full-time and part-time employees, including access to dependent life insurance. County retirees are allowed to continue life insurance coverage, with the premiums paid by the retiree until they reach the age of 65; after which the benefits are reduced and the County pays the premiums for the remainder of the retiree's life.

Over time, this practice of providing retirees with free insurance coverage for life has made it increasingly difficult to obtain affordable life coverage for the County as a whole. The high cost of insuring older retirees with no incentive to terminate coverage they do not pay for has a disproportionate impact on the blended active plus retiree rate providers are willing to bid. This ordinance addresses that issue by phasing in reduced coverage caps and implementing a requirement that retirees pay the full cost of retiree life insurance. For employees retiring on or after January 1, 2019, life insurance coverage will terminate upon attaining age 70. While over time these changes will reduce the cost to the County of providing life insurance to retirees to zero, the primary reason for this change is to attract the interest of insurers for all life coverage, which has diminished under the current structure.

In addition to the changes to the retiree life insurance program, this ordinance also modifies the active employee program to purchase dependent life insurance (\$20,000 for a spouse and \$10,000 for other dependents), and up to \$150,000 in additional term life insurance for themselves. The full cost of this insurance will be paid by the employee.

This ordinance requires no additional tax levy.



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Lawrence M. Dahl  
Accounting Services Manager

APPROVE MODIFICATIONS TO RETIREE AND ACTIVE  
EMPLOYEE LIFE INSURANCE PROGRAM

Presented by: *As amended (attached)*  
Human Resources Committee

Approved by:  
Finance Committee

*Larry Nelson*  
Larry Nelson, Chair

*James A. Heinrich*  
James A. Heinrich, Chair

*Michael A. Crowley*  
Michael A. Crowley

*Timothy Dondlinger*  
Timothy Dondlinger

*Joel R. Gaughan*  
Joel R. Gaughan

*Tyler J. Foti*  
Tyler J. Foti

*William A. Mitchell*  
William Mitchell

*Thomas A. Michalski*  
Thomas A. Michalski

*Thomas A. Michalski*  
Thomas A. Michalski

*Richard Morris*  
Richard Morris

*Jeremy Walz*  
Jeremy Walz

*Duane E. Paulson*  
Duane E. Paulson

*Ted Wysocki*  
Ted Wysocki

*Ted Wysocki*  
Ted Wysocki

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 9/25/18, *Kathleen Novack*  
Kathleen Novack, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved: X  
Vetoed: \_\_\_\_\_

Date: 9/28/18, *Paul Farrow*  
Paul Farrow, County Executive



D1 - Foti	AYE	D14 - Wood	AYE
D2 - Zimmermann	AYE	D15 - Mitchell	AYE
D3 - Morris	AYE	D16 - Crowley	AYE
D4 - Batzko	AYE	D17 - Paulson	(2) AYE
D5 - Dondlinger	AYE	D18 - Nelson	(M) AYE
D6 - Walz	AYE	D19 - Cummings	AYE
D7 - Grant	AYE	D20 - Schellinger	AYE
D8 - Michalski	AYE	D21 - Gaughan	AYE
D9 - Heinrich	AYE	D22 - Wysocki	AYE
D10 - Swan	AYE	D23 - Hammitt	AYE
D11 - Howard	AYE	D24 - Whittow	AYE
D12 - Wolff	AYE	D25 - Johnson	AYE
D13 - Decker	AYE		

173-O-048

Passed (25 Y - 0 N - 0 Absent)

Majority Vote >