



Memorandum

DATE: February 22, 2007
TO: Mayor Prussing and the Urbana City Council
FROM: Chief Administrative Officer
RE: Benefit Program Changes

On February 5, 2007, Ordinance 2007-01-018, An Ordinance Amending the City of Urbana Benefits Program was approved. Staff recommends a technical correction to this ordinance to clarify that the termination payment for accrued sick leave will not negatively reduce the employees IMRF pension. This change will match how the City treats this provision in the AFSCME contract.

These benefits apply exclusively to the positions specified and only to employees who occupy benefit eligible non-bargaining unit City positions on a non-temporary basis.

AMENDS THE CITY OF URBANA BENEFITS PROGRAM.

ORDINANCE NO. 2007-02-027

{ An Ordinance Revising the January 2007 Amendments to the Urbana Benefits Program }

WHEREAS, The City of Urbana wishes to provide benefits that attract, reward, and retain highly qualified individuals who will best serve the public;

WHEREAS, the City of Urbana, to the greatest extent possible, seeks to provide a competitive benefit package that is no less than the benefit packages provided for employees who are subject to bargaining-unit agreements;

WHEREAS, on February 5, 2007, Ordinance 2007-01-018, an Ordinance Amending the City of Urbana Benefits Program was approved, however, a technical correction is required to clarify that the termination payment for accrued sick leave will not negatively reduce the employees IMRF pension, which change will match how the City treats this provision in the AFSCME contract.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the City of Urbana Benefits Program is hereby amended to delete the following language which appears in the version approved in Ordinance 2007-01-018 (in the section entitled “Unused Sick Leave”):

Upon separation, an eligible employee who separates in good standing may receive partial payment for his or her sick leave balance. The schedule for such payment is listed below. Eligible Post-Employment Health Savings Plan (PEHSP) participants may voluntarily contribute all or a portion of the sum otherwise due to his or her post-employment health savings plans per the rules of the Plan as permitted by law and IRS regulations. Both cash payments and voluntary employee contributions to a PEHSP will reduce the balance of unpaid, unused sick leave that is used in IMRFF retirement calculations accordingly, e.g. payment of 10% of 500 hours will reduce the unpaid sick leave by 50 hours.

Section 2. That in place of the language deleted in accordance with Section 1 above, the following is enacted:

Upon separation, an eligible employee who separates in good standing will receive a payment for not utilizing sick leave during his or her employment. The schedule for such payment is listed below. Eligible Post-Employment Health Savings Plan (PEHSP) participants may voluntarily contribute all or a portion of this payment to his or her health savings plan per the rules of the plan

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and I.R.S. regulations. This payment shall be considered a form of termination payment and not a payment that reduces the balance of unpaid, unused sick leave. Thus, this payment will not reduce the amount of accrued, unused sick leave that is used in IMRF retirement calculations accordingly.

Section 3. In all other respects, the provisions of the City of Urbana Benefits Program remain unchanged and confirmed.

Section 4. This ordinance shall become effective immediately upon its passage and approval.

PASSED by the City Council this _____ day of _____, _____.

AYES:

NAYS:

PRESENT:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Laurel Prussing, Mayor

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