#### Memorandum



DATE May 17, 2019

Honorable Members of the Government Performance & Financial Management

Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,

<sup>°</sup> Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

#### **SUBJECT Voluntary Employee Benefits & Family and Medical Leave Administration (FMLA)**

On May 20, 2019, Nina Arias, Director of Human Resources will brief the Government Performance & Financial Management Committee on Voluntary Employee Benefits & Family and Medical Leave Administration (FMLA).

Please let me know if you have any questions.

Chief of

Attachment

 Honorable Mayor and Members of City Council T.C. Broadnax, City Manager Chris Caso, City Attorney (Interim) Mark Swann, City Auditor Bilierae Johnson, City Secretary Preston Robinson, Administrative Judge Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager Joey Zapata, Assistant City Manager Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer Michael Mendoza, Chief of Economic Development and Neighborhood Services M. Elizabeth Reich, Chief Financial Officer Laila Alequresh, Chief Innovation Officer Directors and Assistant Directors Voluntary Employee Benefits & Family and Medical Leave Administration (FMLA) Requests for Proposal Overview and Recommendations

### Government Performance & Financial Management Committee May 20, 2019

Nina Arias, (SHRM-CP) Director, Human Resources

Cheryl Mayo-Williams Contracts Manager, Human Resources

**City of Dallas** 



### Agenda

- Definition and current state
- RFP process
- Staff recommendations



## **Voluntary Benefits: Current State**

#### What are Voluntary Benefits?

Employee paid benefits which employees individually select and enroll in for coverages: Supplemental Life Insurance, Short & Long Term Disability, Accident Coverage, Cancer Coverage, and Legal Services Coverage.

### **Voluntary Insurance Products Currently Offered**

Insurance Offered*	Provider	Individual Policies
Accident, Critical Care, Cancer, Hospital Indemnity, Short Term Disability	AFLAC	14,301
Universal Life, Supplemental Life Insurance	Allstate	2,622
Family Legal, Identity Theft, Safeguard for Minors, Prepaid Legal Services	LegalShield	1,700
Long Term Disability	Abacus	2,674

\*New enrollment in coverages is currently frozen until a new vendor is selected



# Family and Medical Leave Administration: Current State

- The Family and Medical Leave Act (**FMLA**) is a federal law that requires covered employers to grant an eligible employee up to a total of 12 workweeks of unpaid leave during any 12-month period for qualified medical and family reasons.
- Over 900 family and medical leave requests each year.
- An RFP was issued to identify a professional resource (third party) to manage the FMLA program.
- Third Party Administration of FMLA allows the City of Dallas to better manage compliance, monitoring and privacy related matters.



### 2018-19 RFP Process and Steps

August 9th and August 16, 2018 - Request for Proposal Advertised

September 27, 2018 - Deadline to Submit Proposals - 12 Proposals Received

**November 7, 2018 -** Procurement Conducted Initial Cost Analysis

**December 19, 2018 -** City of Dallas Hosted Vendor Interviews: AFLAC, Colonial, MetLife, Standard, FMLA Source, Total Administration Services Corporation (TASC)

January 24, 2019 - Requested Best and Final Offer

February 8, 2019 - Conducted Cost Analysis of Best and Final Offer

April - May 2019 - Final Contract Drafted, Negotiated and Presented for Approval



## **Staff Recommendation – Voluntary Benefits**

<u>Vendor</u>: Standard Insurance Company

- Offers a full-service, high quality solution to provide affordable voluntary products, manage administration, quality staffing and technical capabilities that are compatible with Workday.
- Is a leader in providing Voluntary Benefits to many large municipalities.
- Employee costs (deductions) will be lower than current plans.
- Proposed voluntary product plans are group products versus the higher costs individual products currently offered.



## **Staff Recommendation - FMLA**

<u>Vendor</u>: Total Administration Services Corporation (TASC)

- Provides a turn-key solution, at a reasonable cost.
- Reduces risk by enhancing the confidentiality of employee medical information.
- Improves compliance and consistency in FMLA administration.
- Full service vendor package includes:
  - Hold Harmless guarantee.
  - Online FMLA activity reports and leave request functionality.
  - Access to health and legal professionals with expertise in Federal and State leave laws.



Voluntary Employee Benefits & Family and Medical Leave Administration (FMLA) Requests for Proposal Overview and Recommendations

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