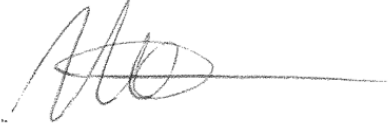




CITY OF HAMILTON
CITY MANAGER'S OFFICE
Human Resources

TO:	Chair and Members Non-Union Compensation Sub-Committee
COMMITTEE DATE:	January 10, 2025
SUBJECT/REPORT NO:	Non-Union Benefit Plan Amendments (HUR25001)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Simmy Aujla, (905) 546-2424 Ext. 2631
SUBMITTED BY:	Nenzi Cocca Executive Director (Acting) Human Resources
SIGNATURE:	

RECOMMENDATION

- (a) That Committee approves amendments to the NU Plus Plan as outlined in Appendix A
- (b) That Committee approves amendments to the Classic plan as outlined in Appendix B.

EXECUTIVE SUMMARY

Human Resources is presenting amendments to the core benefit plan (Health and Dental) for Non-Union employees, along with an increase to the annual Health Care Spending Account (HCSA) entitlement. Having researched industry trends, claims utilization and the benefit survey results, these amendments represent a more comprehensive, modern, and flexible plan design to reward and recognize our employees and to ensure an optimal strategy for attracting and retaining talented staff.

If approved, all Non-Union employees will be notified of the plan changes regardless of their enrolment in the Classic or NU Plus plan. Those enrolled in the Classic Plan will have a one-time opportunity outside the open enrolment window to elect to move into the NU Plus Plan.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Alternatives for Consideration – See Page 3

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

- NU Plus: the annual cost related to these amendments is \$212,181.
- Classic: the annual cost related to these amendments is \$24,039.
- Monthly premiums related to health and dental costs are charged directly to the Departments.
- The 2025 budget recommendation for benefits has already been provided to Finance. The addition of these amendments will not impact the recommended budget.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

The City of Hamilton Non-Union benefits plan redesign was implemented January 1, 2023. This was the first time Human Resources completed a fulsome review of the entire Non-Union benefits program. Human Resources worked with Mercer (third party benefits consultant) and Manulife to better understand industry trends and, conducted internal employee surveys and focus groups to help inform the design of the new plan.

There were a number of reasons to review the Non-Union benefit entitlements, but the three main drivers were:

- changing demographics,
- employee-centric approach, and
- best practice and modernization.

Eligible Non-Union employees were given the choice to enroll in the Classic plan or the NU Plus plan. On January 1, 2023, 63% of employees were enrolled in the Classic plan and 37% in the NU Plus plan. As of January 1, 2024, the enrolment statistics remained the same as 2023. Employees enrolled in the NU Plus plan following the 2024 election are locked into the NU Plus plan for the duration of their employment in a Non-Union position.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

N/A

RELEVANT CONSULTATION

To validate and support the proposed plan amendments, Human Resources surveyed approximately 1,000 benefits eligible Non-Union employees in February 2024.

Manulife (the City's Benefits Provider) was consulted on industry trends and cost projections associated with the recommended amendments.

SLT has approved the recommendations, and subject to approval by Council, Human Resources will initiate a communication plan, which includes leveraging Howi to share and distribute information, initiate the open enrolment window and oversee any PeopleSoft updates and enrolments. The plan amendments will be effective April 1, 2025.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

In February 2024 a survey was issued to approximately 1,000 Non-Union employees. The goal was to learn about the Non-Union benefit experience and to continue to provide a comprehensive benefit plan that meets the needs of most Non-Union employees. The survey had a 20% response rate (which was likely impacted by the Cyber Incident). Appendix C provides a summary of the survey results.

A review of claims data (excluding administrative fees) demonstrates that the NU Plus plan has incurred lower paid claims on a per capita basis. The total claims dollars for Non-Union employees for 2023 was \$5,060,686. 56% of this can be attributed to the Classic plan and 44% is from the NU Plus plan. The average annual spend per entitled Non-Union employee was \$4,736 for the Classic Plan and \$4,356 for the NU Plus plan, resulting in lower costs per eligible employee in the NU Plus plan.

ALTERNATIVES FOR CONSIDERATION

Alternatively, the Committee may decide to maintain current entitlements and plan provisions or approve some, but not all the plan amendments proposed.

By not proceeding with the staff recommendation, the City is at risk of not maintaining a competitive edge in the attraction and retention of key staff, as well as not adequately recognizing and addressing the increasing diverse needs of our employees. As such, this alternative is not recommended.

APPENDICES AND SCHEDULES ATTACHED

- Appendix 'A' to Report HUR25001 – 2025 Plan Amendments – NU Plus
- Appendix 'B' to Report HUR25001 – 2025 Plan Amendments – Classic