



# City of Broken Arrow

## Request for Action

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**File #: 17-2631, Version: 1**

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**Broken Arrow City Council  
Meeting of: 09-05-2017**

**To: Mayor and City Council  
From: Office of the City Manager  
Title:**

**Approval of and authorization to ratify benefit renewal from Unum  
to provide long-term disability insurance to City employees**

**Background:**

As part of the employee benefit program, the City of Broken Arrow provides long term disability insurance to all full-time employees, except for those covered by a collective bargaining agreement.

The long-term disability benefit provides financial protection for employees by paying 60% of the employee's monthly earnings while disabled. The City pays 100% of the cost for this coverage.

Staff received a benefit renewal letter from Unum confirming adjustments to the existing rates were needed to better align premiums with the current costs and risks. Beginning September 1, 2017, the rate increased from 0.50% to 0.55% of gross wages. It is estimated, this will result in an annual increase in premiums of \$9,700.

Unum has been excellent to work with and provides exceptional customer service. Staff recommends approval of the benefit renewal. The funds are budgeted in the fiscal year 2017-18 Budget within departmental salaries and benefits.

**Cost: \$106,500.00**

**Prepared By: Jannette McCormick, Human Resources Director**

**Reviewed By: Finance Department  
Assistant City Manager - Administration  
Legal Department**

**Approved By: Michael L. Spurgeon, City Manager**

**Attachments: Unum Benefit Renewal**

**Recommendation:**

Approve and authorize the benefit renewal from Unum.