



Legislation Text

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DATE: September 18, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kevin Townsel, Human Resources Director
Shauna Billingsley, City Attorney

SUBJECT:

Consideration of Resolution 2018-66, A Resolution To Authorize The City To Pay One-Half Of An Employee's Portion Of The City's Health Insurance Premium When The Employee Is On Disability Leave With The City Due To An On The Job Injury. (09/25/18 WS)

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a proposed change in City policy related to health insurance premiums for employees that are on disability due to an on-the-job injury.

Background

Currently, when a City employee is injured on the job and is unable to work for an extended period, the employee is first provided with full base pay for seven days paid for by the City of Franklin. After this period, the employee will receive disability pay through the City's insurance provider at a rate of 66.67% of their average wages (overtime is included in the calculation). This disability pay is not subject to tax withholding.

While the injured employee is on disability pay, he/she remains on City health insurance, but insurance premium contributions by the employee are not being withheld since they are not receiving a City paycheck. The City does provide notice that this obligation exists and offers to make payment arrangement, but the payment of employee health insurance premiums is still an obligation of the employee. Given the reduced pay received by the employee due to an on-the-job injury, it is proposed that the City contribute half of the employee health insurance premium on behalf of the employee during the time they are on disability pay and unable to work due to their on-the-job injury.

Financial Impact

The financial impact of paying half of the employee health insurance premium for workers of disability leave due to an on-the-job injury would be relatively small. Had this policy been in place in calendar years 2016 and

2017 it would have cost the City \$500 and \$300 respectively.

Recommendation

Staff recommends approval of Resolution 2018-66 Authorizing the City to pay One-Half of an employee's portion of the City's Health Insurance Premium when the Employee is Disability Leave with the City due to an on-the-job injury.