



Illinois Heartland Library System

TO: Board of Directors
 FROM: Leslie Bednar
 DATE: September 19, 2018
 RE: Benefits Proposal for Part-Time Staff

This spring/summer IHLS worked diligently to bring benefit insurance proposals to the table that are affordable to the organization and will provide a benefit equal to or better than the current one available to full-time staff. We selected vendors we believe will serve our needs well into the near future, and also allow us to leverage our agency's size to our advantage. We will realize a significant savings in FY2019 compared to the approved budgeted estimate. Annualized, that savings is approximately \$32,240.00.

We recommend utilizing a portion of the savings to provide life insurance for part-time staff. The immediate benefits in providing to our staff include:

- building staff investment in our organization when we demonstrate they are highly valued team members
- part-time staff receiving paid life insurance are able to purchase employee-paid health insurance benefits similar to full-time staff (albeit in a separate group insurance pool)

This proposal is brought to the board following concurrence with the Budget and Finance, and Executive Committees. It requires board approval as it is over \$2,500.00 and was not included specifically in the FY2019 budget proposal.

The tables below outline a cost/benefit analysis of current and new health insurance for full-time staff plus the rate for life insurance for part-time staff.

Current IHLS health insurance benefits for full-time staff

IHLS currently contracts with United HealthCare for health insurance, and MetLife for dental, vision, AD&D, and life insurance:

FY2019 Approved Budget (42 FTE)			
	<u>Individual Rate</u>	<u>Monthly</u>	<u>Annually</u>
Health	\$743.64	\$31,232.88	\$374,794.56
Dental	\$25.39	\$1,066.38	\$12,796.56
Vison, AD&D, and Life	\$13.47	\$565.74	\$6,788.88
Total			\$394,380.00

IMAGINING TOMORROW ~ DELIVERING POSSIBILITIES TODAY!

New IHLS health insurance benefits for full-time staff

Effective 1 October, our full-time colleagues will have BlueCross BlueShield for health insurance, Principal for dental, vision, AD&D, and life insurance:

FY2019 Cost Effective 1 October (42 FTE)			
	<u>Individual Rate</u>	<u>Monthly</u>	<u>Annually</u>
Health	\$659.37	\$27,693.54	\$332,322.48
Dental	\$37.03	\$1,555.26	\$18,663.12
Vision, AD&D, and Life	\$22.13	\$929.46	\$11,153.52
Total			\$362,139.12

Significant savings with new vendor

When we move to a new health insurance provider IHLS will realize a significant savings, even though the savings is offset a bit by increased dental and vision insurance rates. This savings allows us to consider extending benefits without additional cost to our part-time staff:

FY2019 Proposed Savings (42 FTE)			
	<u>Individual Rate</u>	<u>Monthly</u>	<u>Annualized Difference/Savings</u>
Health	\$84.27	\$3,539.34	\$42,472.08
Dental	-\$11.64	-\$488.88	-\$5,866.56
Vision, AD&D, and Life	-\$8.66	-\$363.72	-\$4,364.64
Total			\$32,240.88

Proposed life insurance benefit for part-time staff

We propose life insurance for part-time staff at a \$25,000.00 coverage amount for \$12.95/person, monthly. The annual rate for all 68 part-time staff is \$10,567.20.

Recommendation

We recommend board approval of life insurance benefit for part-time IHLS staff:

--Of our core member services we are perhaps best known for the significant improvements in library materials delivery. By and large our delivery and operations staff are part-time employees and extending benefits to our truly front-line colleagues makes human and common sense.

--IHLS will realize an annual budgeted savings of approximately \$21,672.00 based on the difference in health insurance premiums and the inclusion of life insurance premiums for part-time staff.

Thank you for your consideration, and I look forward to the discussion at o