



# City of Chicago



O2016-1706

Office of the City Clerk

## Document Tracking Sheet

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| <b>Meeting Date:</b>            | 3/16/2016  |
| <b>Sponsor(s):</b>              | Austin (34)  |
| <b>Type:</b>                    | Ordinance  |
| <b>Title:</b>                   | Amendment of Municipal Code Chapter 2-32 by adding new Section 2-32-087 concerning voluntary supplemental health or life insurance payroll deductions for City employees |
| <b>Committee(s) Assignment:</b> | Committee on Workforce Development and Audit   |

**ORDINANCE**

**WHEREAS**, the City of Chicago is a home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

**WHEREAS**, City employees should be permitted to voluntarily elect to purchase supplemental health insurance products through voluntary payroll deductions; and

**WHEREAS**, City employees who retire or leave City employment should remain eligible to keep their current policies and coverages at no increased cost over payroll deducted premiums; and

**WHEREAS**, Insurers must agree that City employees who retire or leave City employment would remain eligible to keep their current policies and coverages at no increased cost over payroll deducted premiums; and

**WHEREAS**, insurers must agree to hold the City of Chicago harmless for any claim that may arise directly or indirectly from the insurers' participation in the program, or from endorsing or sponsoring any and all products provided by the insurer; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:**

**SECTION 1.** The above recitals are expressly incorporated herein and made part hereof as though fully set forth herein.

**SECTION 2.** Chapter 2-32 of the Municipal Code of Chicago is hereby amended by adding a new Section 2-32-087, as follows:

**2-32-087 Voluntary supplemental health or life insurance payroll deductions.**

(a) For purposes of this section:

- (1) "Insurer" means any entity that provides supplemental health or life insurance coverage pursuant to an agreement entered into between the entity and a city employee.
- (2) "program" means the voluntary supplemental health or life insurance payroll deductions program created pursuant to this section.
- (3) "Supplemental health or life insurance" means any health or life insurance coverage that a city employee acquires in order to supplement the health or life insurance coverage that the city provides to the employee and his eligible dependents.

(b) The comptroller shall authorize voluntary payroll deductions for employees of the City who elect to make payments to insurers designated pursuant to subsection (d).

(c) An employee may authorize the withholding of a portion of his or her salary or wages for payments to a maximum number of 2 insurers designated under this section.

(d) In addition to the insurers specified in subsection (g), the City Council may designate by ordinance insurers with assets in excess of \$100,000,000,000 as eligible for participation. Likewise, the City Council may by ordinance remove the designation of an insurer at any time.

(e) Insurers shall be eligible to participate provided that: (1) City employees who retire or leave City employment would remain eligible to keep their current policies and coverages at no increased cost over payroll deducted premiums; (2) such participating insurers reimburse the City for any and all costs associated with establishing and operating this program, and must otherwise adjust their systems and processes to conform to the City's payroll process; and (3) they hold the City of Chicago harmless for any claim that may arise directly or indirectly from the insurers' participation in the program.

(f) The comptroller is authorized to promulgate reasonable rules relating to the administration of this section.

(g) The following insurers are eligible to participate in the program because they have been found to meet the qualifications of this section:

American Family Life Assurance Company

**SECTION 3.** This ordinance shall be in full force and effect 30 days after its passage and publication.



**Carrie Austin**  
**Alderman, 34<sup>th</sup> Ward**