



# Office of the City Clerk

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## Legislation Details (With Text)

**File #:** R2018-413  
**Type:** Resolution                      **Status:** Failed to Pass  
**File created:** 4/18/2018              **In control:** City Council  
**Final action:**  
**Title:** Call for hearing(s) on identity theft protection benefits for City of Chicago employees  
**Sponsors:** Burke, Edward M.  
**Indexes:** Committee on Finance  
**Attachments:** 1. R2018-413.pdf

Date	Ver.	Action By	Action	Result
5/29/2019	1	City Council	Failed to Pass	
4/18/2018	1	City Council	Referred	

### RESOLUTION

WHEREAS, data breaches are becoming a frequent occurrence among companies as society shifts into a culture that is predominantly driven by the use of technology in people's daily lives; and

WHEREAS, cyber-attacks are at an all-time high and in today's world, no consumer is safe from having their personal information hacked; and

WHEREAS, former Vice President of the United States Al Gore stated "[I]n digital era, privacy must be a priority" and some companies are beginning to do just that, by offering identity theft protection benefits to employees; and

WHEREAS, according to Willis Towers Watson, a global advisory firm, about 35 percent of companies offered identify-theft protection in 2015, and 70 percent have said it could be an option by 2018; and

WHEREAS, interest in adding an identity theft protection benefit started after a data breach occurred at Anthem, a health insurance plan provider, in 2015; and

WHEREAS, the massive data breach at Equifax affecting over 150 million consumers has accelerated companies' interests in providing identify theft protection benefits for employees; and

WHEREAS, employers are beginning to offer this type of protection as it is low cost and considered a significant benefit for consumers, giving them peace of mind in the event a breach occurs; and

WHEREAS, in 2016, the Internal Revenue Service announced the "Federal Tax Treatment of Identity Protection Service" which allows all employers to offer identity theft protection as a tax deductible benefit, regardless of whether they have experienced a data breach; and

WHEREAS, employers have a strong interest in protecting their employees against identity theft as attempting to recover from a breach can result in time and productivity lost during the workday, as most service companies

are only open during regular work hours of 8am and 5pm: and

WHEREAS, a 2003 study conducted by the United States Federal Trade Commission found that identity theft victims, on average, spend 30 hours resolving the issue; and

WHEREAS, in 2016, Identity Theft Resource Center, a company that helps victim of identity theft, reported that nearly 56 percent of victims surveyed had to take time off work to deal with the issue; and

WHEREAS, victims of identity theft also suffer mental stress, as the process to resolve the issue is time consuming and can have a lasting impact on a person due to the pressing fear that their information is out on the black market; and

WHEREAS, in 2014, the Department of Justice found that 36 percent of people whose personal information was stolen "reported moderate or severe emotional distress as a result of the incident;" and

WHEREAS, with a possibility that data breaches may continue to occur in the future, having adequate identity theft protection should be a standard option for employee benefits; and

WHEREAS, the City has always offered superior benefits to its employees, which has helped recruitment and talent acquisition; and

WHEREAS, benefits provide an added level of protection and increase physical and mental health and boosts overall productivity; and

WHEREAS, it would be in the City's interest to offer identity theft protection benefits to its employees, giving them peace of mind should a data breach occur: now, therefore,

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

That representatives from the Department of Finance and Chicago Benefits Office shall appear before the Committee on Finance to discuss options for offering identity theft protection benefits to City of Chicago employees.

Edward M. Burke Alderman, 14<sup>th</sup> Ward