

August 27, 2012

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City of Hamilton
Responses to Questions from Bill Tufts
2011 City of Hamilton Consolidated Financial Statements
Liabilities: Employee Future Benefits

Sick leave benefits

Q1 How many employees received this benefit last year?

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A1 Number of employees with sick leave accumulation plan as at December 31, 2011, was 2,068.

Comment [A1]: Barb H. updated for 2011 data

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Currently only Police and Fire accrue sick bank credits which they draw from to continue their salary during periods of non-work related illnesses or injury. There are some non Police and Fire employees who no longer accrue credits but still have unpaid credits that were accrued prior to the implementation of our Short Term Disability Plan. No employee accrues benefits under both types of plan. Upon termination, those employees with sick bank credits would receive a payout of 50% of the credits accrued in their sick bank up to a maximum of 1/2 a years' salary. The remaining City employees have an income protection plan consisting of a short term disability plan and long term disability plan.

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Comment [h2]: Are these police officers or firefighters, or both?

Comment [A3]: (from Barb H) Both.. The lowest one is Police, the other 4 are Fire. Police does not include the 3%/6%/9% seniority pay in their payout

Q2 What was the total value of payouts for this benefit to terminating employees last year?

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A2 The amount of accrued sick bank credits paid at termination in 2011 was \$2.45 million.

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Q3 What were the top five payouts by amount for this benefit?

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A3. The top five 2011 payouts made to employees who terminated or retired in 2011 was:

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\$53,394.64

\$53,746.42

\$53,746.42

\$57,913.31

\$60,653.74

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Q4 What was the average payout per employee or retiree for this benefit?

A4. \$19,440.55 was the average payout for employees who had a sick bank at the time they retired or separated from the City

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Vacation Benefits

Q1 How many employees received this benefit last year?

A1 All full time employees receive vacation entitlement weeks based on their collective agreements which is taken in time off. Active employees do not receive a vacation payout unless there are extenuating circumstances as per policy. Upon termination, full time employees will receive a payout of all vacation accrued to the date of termination. All part time employees receive a payout based on a % of earnings of at least the minimum percentage provided under the Employment Standard Act or a greater benefit if provided under their collective agreement.

Comment [h4]: These payouts must be to unionized staff as they are all in excess of what was paid out to non-union staff...I need to get the background on who these payouts were to so we can explain

Q2 What was the total value of payouts for this benefit to terminating employees last year?

A2 The amount of accrued vacation paid at termination in 2011 was \$2.652 million.

Q3 What were the top five payouts by amount for this benefit?

A3. The top five 2011 payouts made to employees who terminated or retired in 2011 was:

Comment [A5]: (from Barb H) The first 4 were Police payouts. The last was a non union pre- 1980 Director with 40 days entitlement plus 10 carryover but only used 5 days. So essentially he received approx 2 yrs worth of vacation. If I change my answer to "the following is a list of the 5 largest payouts made to employees who terminated/retired in 2011" then I can drop him since he retired Dec 31/10 but the payout was in 2011. Helen I'll send you a list of the employees that this represents.

\$29,911.99

\$31,994.02

\$32,775.18

\$34,270.75

\$38,148.65

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Q4 What was the average payout per employee or retiree for this benefit?

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A4 \$6,533 was the average payout of employees who separated from the City or retired

Retirement Health, Dental and Life Insurance Benefits

Q1 What was the total cost of retirement benefits paid last year?

A1 \$7,764,000 Estimated total payments for retirement benefits for 2011
\$7,406,000 Total payments for retirement benefits for 2010
(Total includes retirement benefits for health, dental, life insurance and health care spending accounts.)

Q2 How many retirees are currently enrolled in this benefit?

A2 The number of retirees with these benefits as at December 31, 2010 was 2,141. The number of retirees as at December 31, 2011 would be similar.

Note: The majority of retired employees receive post retirement benefits only to age 65

Q3 What is the premium paid by retirees in this plan?

A3 Retirees do not pay premiums for health and dental benefit programs. Retirees may have to pay out-of-pocket costs as not all health care costs and dental procedures are covered 100% by their benefit plans.
Retirees do not pay premiums on health care spending accounts. Retirees may have to pay out-of-pocket costs if costs for health care and dental procedures exceed the maximum allowable amount in the plan.

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Q4 What was the average payout per employee or retiree for this benefit?

A4 The average claims cost/retiree is approximately \$3,626/year.

Comment [h6]: Barb B – are we able to get this data from Manulife?

Deleted: This question is difficult to answer. The City pays a third party provider for the cost of our health and dental benefit programs for active employees and retirees. Total payments reported in A1 above include amounts reimbursed to retirees by the third party provider plus fees and applicable taxes. <<< I DON'T LIKE THIS ANSWER. WE MUST BE ABLE TO KNOW HOW MANY CLAIMS WERE PAID AGAINST THE \$7.7 M. AT A MINIMUM WE SHOULD GIVE THE AVERAGE COST PER RETIREE IE \$7.764M / 2,141 OR \$3,626 PER RETIREE