

## **Action Item**

**Lincoln Trail Libraries System  
December 18, 2006**

**Action Item No.:** 2007-12

**Subject:** Intergovernmental Agreement-Group Insurance Pool

**Recommended by:** Staff

**Adopted:**

Lincoln Trail Libraries System currently pays for unemployment insurance coverage directly to the Illinois Director of Employment Security (IDES). LTLS reports wages and pays premiums due on a quarterly basis. Rates for employers that pay directly are determined based on the employer's history and are adjusted annually. The rate for LTLS for 2006 is 2.7% of all wages on the first \$11,000 per employee. LTLS has received notice that our rate for 2007 will be 1%.

A joint insurance program managed by Metropolitan Library System on behalf of Illinois libraries is available to meet the unemployment insurance obligations of Illinois libraries. The program, Unemployment Compensation Group Account (UCGA), is part of the Library Insurance Management and Risk Control Combination (LIMRiCC) joint insurance program.

Participating libraries submit their unemployment insurance payments directly to LIMRiCC rather than to the Illinois Director of Employment Security (IDES). The LIMRiCC rate is computed yearly based on the three year history of claims and taxable payroll for each participating library with a maximum rate of 5%. Currently 102 Illinois libraries participate in the UCGA insurance pool. The current rate for new participants for the first 3 years of participation is .57%. The current ongoing member rate for participants in the program for 3 years or more is .37%.

It is recommended that Lincoln Trail Libraries System Board of Directors authorize the participation of LTLS in the Library Insurance Management and Risk Control Combination (LIMRiCC) Unemployment Compensation Group Account (UCGA), effective the first quarter of calendar year 2007.

The following documents comprise the application for LTLS to participate in the LIMRiCC Unemployment Compensation Group Account (UGCA):

1. Intergovernmental Agreement Providing For Risk Management and Authorizing Membership in the Library Insurance Management and Risk Control Combination (LIMRiCC).
2. Resolution Providing for the Execution of an Intergovernmental Agreement with the Library Insurance Management and Risk Control Combination (LILMMRiCC).
3. Memorandum Amending the UGCA Agreement of LIMRiCC dated July 26, 2002.