




TOWN OF PALM BEACH

People & Culture Department

MEMORANDUM

TO: Mayor and Town Council

VIA: Kirk Blouin, Town Manager 

FROM: Gillian Barth, Director of People & Culture

RE: Request for Approval of Payment under Town's Supplemental Life Insurance Program- Valerie Tonge

DATE: December 2, 2022

STAFF RECOMMENDATION

Staff recommends that the Town Council approve a payment of \$49,200 from the Health Insurance Fund Contingency account to the daughter of former Town Employee Valerie Tonge who passed away on October 2, 2022. Ms. Jennifer Mattatall, is the sole appointed beneficiary of Ms. Tonge in the Town's supplemental life insurance program.

GENERAL INFORMATION

As part of the benefit improvement suggested in the WMS study conducted in FY2005, staff proposed offering life insurance for all employees in the amount of \$100,000. Thankfully, it is a rare occurrence that an employee dies while still in service with the Town. Therefore, it was decided by Town Council to self-insure the program rather than purchase a fully insured package at an additional approximate cost of \$55,500 per year. This program is self-insured for the difference between the employee's salary and \$100,000.

On October 2, 2022, Ms. Valerie Tonge, a Parking Enforcement Officer within the Police Department passed away. Val was a valued member of our team and is greatly missed by all of her colleagues.

The differential between Ms. Tonge's salary and \$100,000 is \$41,000. The Town is required to withhold Federal Tax on this distribution in the amount of 20% and report it as income on a 1099R form. In keeping with past practice, and to ensure that Ms. Mattatall receives the full \$100,000 that the Town Council intended, we will "gross up" the differential from \$41,000 to \$49,200 to cover the tax payment.

FUNDING/FISCAL IMPACT

The cost to the Town for the supplemental life insurance payment to Ms. Mattatall is \$49,200. Funding for the payment will come from the Health Insurance Fund Contingency Account.

GB/jj

cc: Nicholas Caristo, Chief of Police

Jane Le Clainche, Director of Finance