



AFSCME Employee Benefits

Eff 1/1/2022

MEDICAL INSURANCE – Two options

Employees are eligible for coverage on the 1st of the month following 30 days of employment.

Blue Cross Blue Shield Custom Community Blue PPO (Preferred Provider Organization):

- \$650/\$1,300 annual deductible (in-network)
- 80%/20% co-insurance with annual maximums of \$3,900/\$7,800 (in-network)
- \$25 office visit co-pay, \$50 co-pay for emergency room
- Four-tiered drug plan with in-network copays of:
 \$10-generic, \$30-preferred brand, \$60 brand and \$150 for specialty drugs

Employees contribute: \$106.92/month **(\$53.46/pay) for Single** coverage
 \$256.61/month **(\$128.31/pay) for Two-Party** coverage
 \$320.77/month **(\$160.39/pay) for Family** coverage

The contribution is tax exempt under the City's Section 125 plan.

Blue Cross Blue Shield Simply Blue PPO High Deductible Health Plan (HDHP) with Health Equity Health Savings Account (HSA):

- \$2,000/\$4,000 annual deductible (in-network)
- 80%/20% co-insurance with annual maximums of \$3,000/\$6,000 (in-network)
- Four-tiered drug plan with in-network co-pays **after** deductible is met of:
 \$10 generic, \$30 preferred brand, \$60 brand (non-preferred),
 and 20% of Rx cost (\$150 min-\$300 max) for specialty drugs

Employees contribute: \$90.64/month **(\$45.32/pay) for Single** coverage
 \$217.54/month **(\$108.77/pay) for Two-Party** coverage
 \$271.92/month **(\$135.96/pay) for Family** coverage

The contribution is tax exempt under the City's Section 125 plan.

For plan year 2022, the City will contribute to the employee's HSA account:

\$1,000 for Single (employee only)
\$1,500 for Two-Party
\$2,000 for Family

Employees may contribute additional pre-tax funds into their HSA account, up to the **2022 IRS maximums of \$3,650 for Single and \$7,300 for Two-Party or Family.** *Employer contributions are counted toward the annual maximums. **Employee contributions must be renewed each year you wish to participate.***

Employees may **waive their medical coverage**, if covered on another *qualified* plan, for an annual payment of **\$2,000** (prorated for new hires after January 1st). If the employee leaves the City's employment during the 12-month period, the employee must reimburse the City the prorated portion of the annual payment. ***MUST re-certify waiver annually!***

DENTAL INSURANCE

New full-time AFSCME employees are eligible for coverage on the 1st of the month following 30 days after hire.

Delta Dental Plan PPO coverage includes 100% payment on preventive services twice in 12 consecutive months & 50% on other services.

There is a \$1,000 annual maximum for each covered member on the contract January 1 through December 31.

There is also a \$1,000 lifetime orthodontic benefit for children under age 19.

The cost is **\$3.00/pay** for any/all coverage levels. The contribution is tax exempt under the City's Section 125 plan.

VISION INSURANCE

New full-time AFSCME employees are eligible for coverage on the 1st of the month following 30 days after hire.

VSP (Vision Service Plan) coverage includes \$10 eye exam copays, \$25 glasses copay, \$130/\$180 frame allowances (bi-annually), \$130 contact lens allowance (annually), and KidsCare coverage added benefits for children (exams 2x/year, annual frames).

The cost varies depending on coverage level:

Employee only	\$6.61/month (\$3.05/pay)
Employee + Spouse	\$13.22/month (\$6.10/pay)
Employee + Child(ren)	\$14.13/month (\$6.52/pay)
Employee + Spouse & Child(ren)	\$22.60/month (\$10.43/pay)

The contribution is tax exempt under the City's Section 125 plan.

FLEXIBLE SPENDING ACCOUNTS – MEDICAL & DEPENDENT CARE REIMBURSEMENT

New full-time AFSCME employees are eligible for coverage on the 1st of the month following 30 days after hire.

BASIC administers our FSA plans. For 2022, Medical FSAs have a \$2,850 maximum annual election & Dependent Care FSAs have a \$5,000 maximum annual election. All FSA payroll deductions are pre-tax. *NOTE—if you enroll in the HDHP with HSA, your medical FSA can only be limited purpose. **A new FSA election is required each year you wish to participate.***

GROUP LIFE INSURANCE

Full-time AFSCME employees are eligible for coverage on the day after you have completed 9 months.

Group life insurance is provided by **MetLife**.

There is no cost to employees. The premium is fully paid by the City.

The face amount of the policy is \$30,000 term life with a \$30,000 Accidental Death & Dismemberment benefit. There is no coverage for dependents.

VOLUNTARY BENEFITS

AFLAC offers additional benefit options under a Section 125 plan: Hospital Indemnity, Critical Illness insurance & Accident insurance. **MetLife** offers voluntary life insurance and Accidental Death & Dismemberment (AD & D) insurance for employee, spouse and child. Election is voluntary and at employee expense.

CRITICAL ILLNESS LEAVE

Leave for the critical illness of a then current spouse, child, step-child, parent, step-parent or parent-in-law for a period not to exceed three (3) regularly scheduled working days at any one time.

FUNERAL/BEREAVEMENT LEAVE

Paid leave for the death of then current spouse, child, step-child, brother, sister, parent or step-parent, grandparent, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparent-in-law or grandchild.

The leave is not to exceed three (3) consecutive calendar days if within 300 miles of Kalamazoo or five (5) days if beyond 300 miles. The employee must attend the funeral.

SICK LEAVE

Employees accumulate one day of sick leave (accrued at a rate of 3.7 hours for each pay period of continuous service). New employees are not eligible for paid sick leave during their first six (6) months of employment, but if they are still employed after completing six (6) months, they will be credited with six (6) days of paid sick leave credits to be used going forward. There is no limit on accumulation of sick leave and at retirement, payment is made for one-half of the unused sick leave balance.

VACATIONS

Employees, who, as of December 31, have completed one or more months of service, shall have vacation with pay according to the following schedule:

Less than 1 year	pro rata
1 but less than 5 years	10 days
5 but less than 11 years	15 days
11 years	16 days
12 years	17 days
13 years	18 days
14 years	19 days
15 years	20 days
16 years	21 days
17 years	22 days
18 years	23 days
19 years	24 days
20 years	25 days

HOLIDAYS

There are 12 paid holidays including one (1) floating holiday each calendar year. Floating holiday is "use it or lose it" by the end of the calendar year and cannot be carried over.

New Year's Day	Veterans' Day (November 11th)
Good Friday	Thanksgiving Day
Memorial Day	The day after Thanksgiving Day
Juneteenth	Christmas Eve Day
Independence Day	Christmas Day
Labor Day	

PENSION BENEFITS

Participation and mandatory deductions begin upon hire. Vesting for AFSCME employees is after ten (10) years of continuous service.

All employees participate in the City of Kalamazoo Employees' Retirement System. AFSCME employees contribute **1% of their annual compensation** on a pre-tax basis for the defined benefit plan. The City contributes an actuarial determined amount to the retirement system.

Members may retire with unreduced benefits at age 62 with at least 10 years of service, age 60 with at least 20 years of service or at age 57 with at least 25 years of service. Early retirement (reduced benefit) is available beginning at age 55 with at least 15 years of service.

The defined benefit is calculated at 2.1% of final average compensation times the years of credited service. In addition, a 1% Post Retirement Adjustment (PRA), compounded annually is provided one (1) year after the member's retirement date and each year thereafter until the member reaches age 75, then the PRA increases to 2% annually.

DEFERRED COMPENSATION (IRS Code 457) – through Nationwide Retirement Solutions

Employees may **voluntarily** contribute via payroll deduction on a tax-deferred basis into a supplemental retirement savings program. The City contributes an amount equal to fifty percent (50%) of the employee's contribution up to a maximum City contribution of one-and one-half percent (1.5%)

Need a 3% employee contribution to get full 1.5% match by City

The maximum allowable contribution for 2022, established by the IRS is \$20,500. In addition, employees over age 50 may contribute an additional \$6,500 over the maximum. Under a Catch-up provision of the IRS code, employees, who are in their last three years prior to retirement, may elect to contribute up to **\$41,000** for years in which they did not contribute the maximum amount.

Employees must complete a **Nationwide Participation Agreement** form upon hire. Amount of contribution & changes to beneficiary designations can be made at any time. A Nationwide Retirement Specialist visits the City quarterly to meet with employees who may have questions.

RETIREMENT HEALTH SAVINGS PROGRAM – through MERS

Participation and mandatory deductions begin upon hire.

Employees participate in a Retirement Health Savings Account (RHS) and contribute **1% of their annual compensation** (tax exempt) into the plan. The City contributes \$75 per pay period (\$1,950 per year) into the RHS. Contributions are invested and grow tax free. Employees may also make additional contributions into the fund. Voluntary contributions are made on an after-tax basis, but the investment earnings are tax-free upon use. Upon retirement or separation from the City, employees have access to their RHS funds to pay for qualified healthcare expenses.

Below is the vesting schedule for receiving the City portion of contributions in the RHCSF.

Vesting Schedule

< 10 years = 0% of employer portion	15 years = 75% of employer portion
10 years = 50% of employer portion	16 years = 80% of employer portion
11 years = 55% of employer portion	17 years = 85% of employer portion
12 years = 60% of employer portion	18 years = 90% of employer portion
13 years = 65% of employer portion	19 years = 95% of employer portion
14 years = 70% of employer portion	20 years = 100% of employer portion

Amount of post-tax contribution & changes to beneficiary designations can be made at any time.

The above benefits, policies & procedures are a summary provided by the City of Kalamazoo, and each are subject to City of Kalamazoo Policies & Procedures, Administrative Orders, and/or applicable union contracts.

CONTACT INFORMATION

Also refer to your AFSCME union contract for additional information.

City of Kalamazoo PAYROLL: Nicole Crissinger, Financial Specialist, (269) 337-8461, payroll@kalamazoocity.org for inquiries about W-4s, taxes, direct deposit, payroll deductions & leave balances.

City of Kalamazoo BENEFITS & RETIREMENT: Lisa Brown, Benefits & Retirement Services Manager (269) 337-8180, pension@kalamazoocity.org for inquiries about current employees' health, dental, vision, flex spending, & optional insurance plans, as well as retirement, pension benefits & retirement health care savings program.

Benefit vendors contact info:

Blue Cross Blue Shield of MI (888) 288-1726, www.bcbsm.com

Delta Dental Plan of MI (800) 524-0149, www.benefitmanagertoolkit.com/delta/login

VSP Vision - Customer Service (800) 877-7195, www.vsp.com

BASIC – Flexible Spending Accounts (800) 372-3539, www.cda.basiconline.com/login
e-mail: Flex-HRASupport@basiconline.com

Nationwide Retirement Solutions (877) 677-3678, www.nrsforu.com

Municipal Employees Retirement System of Michigan (MERS) (800)-767-6377,
www.mersofmich.com

For more information, please contact Shelly Dusek, Human Resources/Labor Relations Director, at (269) 337-8848 or duseks@kalamazoocity.org.