



# AFSCME Employee Benefits

Eff 1/1/2025

## MEDICAL INSURANCE – Two options

Employees are eligible for coverage on the 1<sup>st</sup> 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: \$109.32/month **(\$54.66/pay) for Single** coverage  
\$262.38/month **(\$131.19/pay) for Two-Party** coverage  
\$327.97/month **(\$163.99/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: \$101.23/month **(\$50.62/pay) for Single** coverage  
\$242.95/month **(\$121.48/pay) for Two-Party** coverage  
\$303.68/month **(\$151.84/pay) for Family** coverage

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

For plan year 2025, 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 **2025 IRS maximums of \$4,300 for Single and \$8,550 for Two-Party or Family.** *Employer contributions are counted toward the annual maximums.*  
**Employee contributions must be renewed each year you wish to participate.**

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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 1<sup>st</sup> of the month following 30 days of employment.

**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 of employment.

**VSP (Vision Service Plan)** coverage includes \$10 eye exam copays, \$25 glasses copay, \$200/\$250 frame allowances (bi-annually), \$130 contact lens allowance (annually), Lightcare, and KidsCare coverage added benefits for children (exams 2x/year, annual frames).

The cost varies depending on coverage level:

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

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 of employment.

**BASIC** administers our FSA plans. For 2025, Medical FSAs have a \$3,300 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 for dental & vision expenses only.* **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 1st of the month following 30 days of employment. 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. **LegalEASE** offers a voluntary legal insurance plan that provides support and protection for the employee, spouse, and dependents. **The Standard** offers short-term disability insurance.

## **CRITICAL ILLNESS LEAVE**

Leave for the critical illness (life-threatening) of the employee's current spouse, employee's child (including step-child), parent, parent in-law, step-parent, brother, sister, step-sibling, grandchild, legal guardian, or a child for whom the employee is in loco parentis shall be granted for a period not to exceed three (3) regularly scheduled working days at one time.

## **FUNERAL/BEREAVEMENT LEAVE**

Paid leave for the death of the employee's current spouse, the employee's child or a person for whom the employee is a legal guardian, parent, brother, sister, aunt, uncle, grandchild, grandparent, grandparents-in-law, mother-in-law, father-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law, step-parent, step-sibling, step-child (provided they resided in a parental relationship for at least six (6) months), aunt or uncle.

The leave is not to exceed three (3) consecutive regularly scheduled working days if the service subsequent to such death occurs within a radius of three hundred (300) miles of Kalamazoo or five (5) consecutive regularly scheduled working days if beyond three hundred (300) miles for the death of all individuals mentioned above with the exception of step-sibling, aunt or uncle, which would provide for only one (1) day of funeral leave regardless of distance.

## **SICK LEAVE**

Employees accumulate one day of sick leave (accrued at a rate of 3.7 hours for each pay period of continuous service). 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 13 paid holidays including two (2) floating holidays each calendar year. Floating holidays are "use it or lose it" by the end of the calendar year and cannot be carried over.

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

## PARENTAL LEAVE

Paid Parental Leave is for eligible employees, due to the birth of an employee's child or the placement within an employee's home of an adopted child. The benefit will run concurrently with eligible leave under the Family and Medical Leave Act (FMLA). The purpose of the Paid Parental Leave policy is to give parents additional flexibility and time to bond with their new child, adjust to their new family situation, and balance their work obligations.

A. Paid Parental Leave is available to permanent employees who are FMLA eligible. An employee is FMLA eligible if they have been employed with the City for at least twelve (12) months and has worked a minimum of 1,250 hours during the 12-month period prior to the leave.

B. Eligible parents will receive up to four (4) weeks of leave with pay. Paid Parental Leave is in addition to any other leave for which an employee is eligible. The fact that a multiple birth or adoption occurs (for example, the birth or adoption of twins) does not increase the length of Paid Parental Leave. If both parents are eligible employees, each will be able to utilize the benefit. Paid Parental Leave must be utilized within six (6) months following the birth or adoption of a child. If this benefit is not used within the timeframe mentioned above, the benefit will be lost.

C. Vacation and sick leave benefits will continue to accrue during the period of Paid Parental Leave. The eligible employee's share of the health care premium will be deducted from the eligible employee's pay in accordance with normal practices.

D. An eligible employee must submit a completed Leave Request Form, requesting FMLA leave, to the Employee Health Services Manager at least thirty (30) days prior to the anticipated date of the leave. To the extent the 30-day notice is not possible; the employee must submit a Leave Request Form to the Employee Health Services Manager as soon as possible.

E. An eligible employee will be required to furnish medical documentation for the birth of a child. The medical documentation must be completed and signed by the individual's health care provider. An eligible employee will be required to furnish appropriate adoption documentation, such as a letter from an adoption agency, or from the attorney in cases of private adoptions.

## 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.

**MILITARY SERVICE BUYBACK:** Up to 3 years of active-duty service can be bought back if elected within 1 year of hire (Application & DD-214 required). Payment must be completed within 5 years (via payroll deduction only). Completed buyback time is applied as years of service.

Employees will name a pension beneficiary during the online benefits enrollment process. Active employees can make changes to beneficiary designations at any time.

## **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 established by the IRS for 2025 is \$23,500.**

Employees over age 50 may contribute an additional \$7,500 over the annual maximum. In addition, 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 \$47,000 or 50% of eligible wages, whichever is lesser for years in which they did not contribute the maximum amount.

## **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:** Christy Charles, Financial Specialist, (269) 337-8476, [payroll@kalamazoocity.org](mailto: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](mailto: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](http://www.bcbsm.com)

**Delta Dental Plan of MI** (800) 524-0149, [www.deltadentalmi.com](http://www.deltadentalmi.com)

**VSP Vision** - Customer Service (800) 877-7195, [www.vsp.com](http://www.vsp.com)

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

**Nationwide Retirement Solutions** (877) 677-3678, [www.nrsforu.com](http://www.nrsforu.com)

**Municipal Employees Retirement System of Michigan (MERS)** (800)-767-6377,  
[www.mersofmich.com](http://www.mersofmich.com)