



# Kalamazoo Public Safety Officers' Association (KPSOA sworn) Employee Benefits

eff 1/1/2022

## MEDICAL INSURANCE – Two options

New full-time KPSOA (sworn) employees are eligible for coverage the first day of the month following 30 days after their date of hire.

### **Option #1: Blue Cross Blue Shield Community Blue PPO** (Preferred Provider Organization):

- \$950/\$1,900 annual deductible (in-network)
- 80%/20% co-insurance with annual maximums of \$4,500/\$9,000 (in-network)
- \$25 office visit co-pay, \$100 co-pay for emergency room
- Four-tiered drug plan with in-network copays of:  
  - \$20 generic, \$40 preferred brand, \$100 brand (non-preferred),
  - and 20% of Rx cost (\$150 min-\$300 max) 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.

### **Option #2: 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.*

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 KPSOA (sworn) employees are eligible for coverage the first day of the month following 30 days after their date of hire.

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

There is an \$800 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 \$6.00 per month (**\$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 KPSOA (sworn) employees are eligible for coverage the first day of the month following 30 days after their date of 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 ( <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 KPSOA (sworn) employees are eligible for coverage the first day of the month following 30 days after their date of 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.*

## GROUP LIFE INSURANCE

Full-time KPSOA (sworn) employees are eligible for coverage the day after they 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 \$20,000** term life with a \$20,000 Accidental Death & Dismemberment benefit. There is no coverage for dependents.

## VOLUNTARY BEEFITS

**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.

## VACATION TIME

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

Completed Years of Service	40 Hour Employee	42 Hour Employee	56 Hour Employee
Less than 1 year	pro rata	pro rata	pro rata
1 to less than 5	88	96	144
5 to less than 11	128	138	240
11 to less than 12	136	144	240
12 to less than 13	144	156	264
13 to less than 14	152	162	264
14 to less than 15	160	168	264
15 or more	168	180	288
<i>Carryover maximum</i>	<i>132</i>	<i>138</i>	<i>180</i>

See KPSOA contract for annual vacation use requirements and cash out provision.

## HOLIDAYS

There are 12 paid holidays each calendar year:

New Year's Day	The day celebrated as Veterans' Day (November 11th)
Martin Luther King Jr Day	Thanksgiving Day
Good Friday	The day after Thanksgiving Day
Memorial Day	Christmas Eve Day
Independence Day	Christmas Day
Labor Day	New Year's Eve Day

Those who are required to work are paid double time and a half for all hours worked on the holiday. This shall not apply to employees volunteering for work on a holiday. Employees other than those assigned to the PSO/EO classification not regularly scheduled to work on a day celebrated as a holiday shall receive holiday pay at their regular scheduled rate for that day. 56-hour employees receive lump sum pay of 144 hours paid in last paycheck prior to July 1<sup>st</sup> each year.

## SICK LEAVE

Regular, full-time employees accumulate 3.7 hours sick leave for each pay period. 56-hour employees are credited sick leave at 5.54 hours per pay period.

There is no limit on accumulation of sick leave and at retirement, payment is made for one-half of the unused sick leave balance in a lump sum payment.

## CRITICAL ILLNESS LEAVE

Paid leave for the critical illness of a current spouse, child, step-child, parent or step-parent for a period not to exceed three (3) regularly scheduled working days at any one time. One regularly scheduled working day for 56-hour employees. Available after 6 months of service.

## BEREAVEMENT LEAVE

Paid funeral leaves for the death of a member of an employee's immediate family shall be available in the event of the death of the employee's then current spouse or child, step-child, brother, sister, parent, step-parent, grandparent, grandparent-in-law, grandchild, mother-in-law, father-in-law, brother-in-law or sister-in-law. Relatives other than those herein designated shall not be considered members of the immediate family.

The leave is not to exceed four (4) consecutive calendar days, or up to five (5) days if attending the funeral that is beyond 300 miles from Kalamazoo.

## LONGEVITY

Employees who, during the calendar year, complete six (6) years of continuous service shall receive a lump sum longevity payment in December computed as follows:

6-10 years of service	2% of \$40,000 base pay=\$800
11-14 years of service	4% of \$40,000 base pay=\$1,600
15+ years of service	6% of \$40,000 base pay=\$2,400

Longevity is prorated at retirement unless the retirement is after the month and day of the last hiring date. In that case, payment is made in the amount they would have received had they not retired.

## PENSION BENEFIT

Participation and mandatory deductions begin upon hire. KPSOA (sworn) employees are vested after 10 years of continuous service.

**Sworn KPSOA members:** The employee contribution to the retirement system is 4.50% of gross wages. Members are exempt from the FICA portion (6.2%) of the social security system. The pension contributions have been made on a pre-tax basis since 10/1/87.

Members may retire after 25 years of service with full retirement benefits calculated at 2.7% of Final Average Compensation (highest 3 years average in last ten) with a maximum benefit of 70.2% of FAC. In addition, a 2% PRA (post-retirement adjustment) is provided each year, compounded annually. Members may also retire at age 50 with ten (10) years of credited service at 2.7% of FAC, but the 2% PRA is not included.

**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)

**Nationwide Retirement Solutions** provides a supplemental retirement savings program for employees to contribute (either voluntarily or mandatorily—see below) via payroll deduction on a tax-deferred basis up to the maximum allowable under the plan.

**Sworn KPSOA members** may voluntarily contribute to this program. There are no matching funds provided. ***Contributions must be provided as a fixed dollar amount (per payroll).***

**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.

A completed **Nationwide Participation Agreement** must be submitted to participate. Amount of contribution & changes to beneficiary designations can be made at any time. Our Nationwide Retirement Specialist, **Angia McGeorge**, visits the City quarterly to meet with employees who may have questions.

## **RETIREMENT HEALTH CARE SAVINGS PROGRAM**

Participation and mandatory deductions begin upon hire.

Employees participate in a Retirement Health Care Savings Account (HCSP), currently provided by **Municipal Employees' Retirement System of Michigan (MERS)**.

The City contributes **\$100 per pay period (\$2,600 per year)** into the HCSP (prorated for new hires after January 1st). 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 from the City, employees have access to their HCSP account funds to pay for qualified healthcare expenses.

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

### **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.

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*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.*

*Also refer to your KPSOA union contract for additional information.*

## **CONTACT INFORMATION**

**City of Kalamazoo PAYROLL:** *Nicole Crissinger, Financial Specialist (269) 337-8461, [payroll@kalamazoo-city.org](mailto:payroll@kalamazoo-city.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@kalamazoo-city.org](mailto:pension@kalamazoo-city.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.benefitmanagertoolkit.com/delta/login](http://www.benefitmanagertoolkit.com/delta/login)

**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)

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