



## Non-Bargaining Unit (NBU) Employee Benefits

effective 1/1/2021

### MEDICAL INSURANCE – Two options

NBU employees are eligible for coverage on the [date of hire](#).

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

- \$800/\$1,600 annual deductible (in-network)
- 80%/20% co-insurance with annual maximums of \$4,000/\$8,000 (in-network)
- \$25 office visit co-pay, \$150 co-pay for emergency room
- Four-tiered drug plan with in-network copays of:
  - \$15 generic, \$35 preferred brand, \$80 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.

#### **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 2021, 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 **2021 IRS maximums** of **\$3,550 for Single** and **\$7,100 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

Employees are eligible for coverage on the date of hire at a cost of **\$6.00/mo. (\$3.00/pay)**

**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 a \$1,000 maximum childhood and adult orthodontic benefit per person per lifetime.

## VISION INSURANCE

Employees are eligible for coverage on the date of hire.

**VSP (Vision Service Plan)** coverage includes \$10 eye exam copays, \$130/\$180 frame allowances (bi-annually), KidsCare coverage added benefits for children.

The cost varies depending on coverage level:

Employee only	<b>\$3.21/pay</b>
Employee + Spouse	<b>\$6.42/pay</b>
Employee + Child(ren)	<b>\$6.86/pay</b>
Employee + Spouse & Child(ren)	<b>\$10.98/pay</b>

## FLEXIBLE SPENDING ACCOUNTS—MEDICAL & DEPENDENT CARE REIMBURSEMENT

Employees are eligible for coverage on the date of hire.

**BASIC** administers our FSA plans. For 2021, Medical FSAs have a \$2,700 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

Insurance is provided by **MetLife**. Employees are eligible for coverage on the date of hire.

The premium is fully paid by the City of Kalamazoo.

The face amount of the policy is 2 x employee's annual salary up to \$100,000 term life with the same amount for Accidental Death & Dismemberment benefit. Dependents are not covered.

## **LONG-TERM DISABILITY**

Employees are eligible for coverage on the [date of hire](#).

The premium is fully paid by the City of Kalamazoo.

## **VOLUNTARY BENEFITS**

**AFLAC** offers additional benefit options under a Section 125 plan: Cancer insurance, Critical Illness insurance & Accident insurance. Election is voluntary and at employee expense, however, most premiums are tax exempt.

## **CRITICAL ILLNESS LEAVE**

Leave for the critical illness (emergent/life threatening) of a current spouse, child, or parent for a period not to exceed three (3) regularly scheduled working days at any one time.

## **BEREAVEMENT LEAVE**

Employees are eligible for paid leave for the death of the current spouse, 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.

The leave is not to exceed three (3) consecutive regularly scheduled work days if within 300 miles of Kalamazoo, or five (5) days if beyond 300 miles. Leave is not required to be consecutive days if arrangements are spread out.

## **SICK LEAVE**

Employees must complete 30 days of employment before sick leave is accrued.

Sick leave accumulates at eight (8) hours for each month of continuous service. Unused accumulated sick leave credits are carried over year after year.

Employees are allowed to use sick leave for care of their sick dependents. In addition, employees may use up to ten days of sick leave per calendar year for the care of parents and parents-in-law and non-dependent children.

At retirement, payment is made for one-half the accumulated unused sick leave in a lump sum payment.

## HOLIDAYS

There are 10 paid holidays a year which includes one floating holiday that can be taken any time during the year as long as it doesn't create a workload problem. If a holiday falls on Saturday, the preceding Friday is recognized; if the holiday is on Sunday, the following Monday is observed. Employees must work the regularly scheduled shift before and after the holiday to be eligible for holiday pay.

## VACATIONS

Employees accrue vacation each pay period and may use it immediately. Employees may carry over their annual accrual amount (maximum) into the following calendar year.

Employee Salary Band:	<u>A &amp; B</u>	<u>C &amp; D</u>	<u>E</u>
0-4 years of service	80 hours	120 hours	160 hours
5-9 years of service	120 hours	160 hours	
10-14 years of service	160 hours	200 hours	200 hours
15+ years of service	200 hours		

## PERSONAL LEAVE

Employees may use two (2) personal days each calendar year that cannot be carried over to the next year. Employees are eligible for one (1) day after the first 30 days of employment and two (2) days after two (2) months or more of continuous service.

## PENSION BENEFITS

All employees participate in the City of Kalamazoo Employees' Retiree System. **Employees contribute 3% of their annual compensation** on a pre-tax basis for the defined benefit plan.

Employees are vested after 5 years of continuous service.

Active military duty may be purchased for up to 36 months toward credited service—must be requested within 1 year of hire & paid off within 5 years.

Normal retirement (unreduced) is at age 62 with at least 5 years of service. Early retirement (reduced benefit) is available beginning at age 55 with at least 15 years of service.

The annual pension benefit is computed at 2.3% of Final Average Compensation (FAC) times the years of credited service up to a maximum of 70% of FAC.

## DEFERRED COMPENSATION

Employees contribute to an IRS code 457 deferred compensation plan provided by **Nationwide Retirement Solutions**. Each employee contributes a **mandatory amount of 1.5% of salary** into this retirement savings program each year. In addition, the City contributes 1.5% into the plan. Beyond this 3% contribution, employees may contribute up to the annual maximum allowed by the Internal Revenue Service.

The **2021 maximum allowable is the lesser of 25% of salary or \$19,000**. Employees over age 50 may contribute an additional \$6,000 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 \$38,000 or 50% of eligible wages, whichever is lesser for years in which they did not contribute the maximum amount.

## RETIREMENT HEALTH CARE SAVINGS PROGRAM

Employees participate in a Retirement Health Care Savings Program (HCSP) administered 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. Listed below is the vesting schedule for the City portion of contributions in the HCSP:

**Vesting Schedule** <5years = 0% of employer portion      5 years = 100% of employer portion

## Contact Information

**City of Kalamazoo PAYROLL:** *Kristin Fischer, Payroll Supervisor (269) 337-8435, [payroll@kalamazoo.org](mailto:payroll@kalamazoo.org)* for inquiries about W-4s, taxes, direct deposit, payroll deductions & leave balances.

**City of Kalamazoo BENEFITS:** *Shelly Dusek, Human Resources/Labor Relations Director, Benefits Administration (269) 337-8848, or, [hrdocs@kalamazoo.org](mailto:hrdocs@kalamazoo.org)* for inquiries about current employees health, dental, vision, flex spending, & optional insurance plans.

**City of Kalamazoo RETIREMENT:** *Lisa Brown, Retirement Services Manager (269) 337-8180, [pension@kalamazoo.org](mailto:pension@kalamazoo.org)* for inquiries about retirement, pension benefits & retirement health care savings program.

**Benefit vendors contact info:**

**Blue Cross Blue Shield of MI** 1-877-671-2583, [www.bcbsm.com](http://www.bcbsm.com)

**Delta Dental Plan of MI** 1-800-524-0149, [www.deltadentalmi.com](http://www.deltadentalmi.com) (go to consumer toolkit)

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

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

**Nationwide Retirement Solutions** 1-877-677-3678, [www.nrsforu.com](http://www.nrsforu.com)

**Municipal Employees Retirement System of Michigan (MERS)** 1-800-767-6377,  
[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).**

*The benefits, policies & procedures included in this document 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. In the event of conflicting benefit information, the actual benefit plan document takes precedence.*