



Non-Bargaining Unit (NBU) Employee Benefits

effective 1/1/2018

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):

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

Employees contribute: \$102.58/month **(\$51.29/pay) for Single** coverage
\$246.18/month **(\$123.09/pay) for Two-Party** coverage
\$307.73/month **(\$153.87/pay) for Family** coverage

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

Simply Blue PPO Plan with Health Equity HSA

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

Employees contribute: \$88.97/month **(\$44.49/pay) for Single** coverage
\$213.54/month **(\$106.77/pay) for Two-Party** coverage
\$266.92/month **(\$133.46/pay) for Family** coverage

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

For plan year 2018, 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 **2018 IRS maximums** of **\$3,450 for Single** and **\$6,850 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 **\$1,750** (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.

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.

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 \$50,000 term life with a \$50,000 Accidental Death & Dismemberment benefit. There is no coverage for dependents.

VOLUNTARY BENEFITS

American Fidelity Assurance Company offers eight benefit options under a Section 125 plan: Vision insurance by **AlwaysCare**, two Flexible Spending reimbursement accounts (dependent childcare and unreimbursed medical claims), Long-term disability, Life insurance by **Texas Life**, 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 & B</u>	<u>C & 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.

Normal retirement (unreduced) is at age 62 with at least 10 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 **2018 maximum allowable is the lesser of 25% of salary or \$18,500**. 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 \$37,000 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

10 years =	60% of employer portion
11 years =	64% of employer portion
12 years =	68% of employer portion
13 years =	72% of employer portion
14 years =	76% of employer portion
15 years =	80% of employer portion
16 years =	84% of employer portion
17 years =	88% of employer portion
18 years =	92% of employer portion
19 years =	96% of employer portion
20 years =	100% of employer portion

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.

For more information, please contact Michelle Mater, Benefits Specialist, in Human Resources, at (269) 337-8472 or materm@kalamazoo.org.