



Benefits Plan

**For
Administrative / Appointee Employees**

Prepared by:
Office of Administration / Human Resources

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The Administrative/ Appointee staff shall receive those benefits listed hereafter. Part Time Appointee positions shall receive no benefits as outlined in this Plan. All Administrative/Appointee employees must identify a financial institution for Direct Deposits of all forms of compensation.

This document does not establish a contract of employment. All benefits set forth in this document are subject to change.

PART I: LEAVES

A. VACATIONS

- a. **Vacation Time.** Vacations shall be afforded on the basis of the following schedule:
- | | | |
|------|-----------------------|-----------------|
| i. | 1 st year | Three (3) weeks |
| ii. | 5 th year | Four (4) weeks |
| iii. | 20 th year | Five (5) weeks |
| iv. | 25 th year | Six (6) weeks |
- b. On July 1 of each year all Employees shall be credited their vacation based upon the number of years seniority they would be entitled to during the coming fiscal year.
- c. Employees terminating or retiring during the fiscal year will be paid for earned vacation time. Earned vacation time is based on anniversary date in accordance with above schedule.
- d. Newly hired employees are entitled to the pro-rate vacation until completion of one year of service.

B. SICK LEAVE

Sick Leave:

- i. Eligible employees shall be entitled to twelve (12) sick days per year to be accumulated at the rate of one (1) per month. Sick leave shall be accumulated and shall be unlimited. Effective April 1, 2013 current eligible employees shall receive an upfront bank of twelve (12) days.
- ii. Employees exercising sick leave shall, whenever possible, notify the Emergency Financial Manager or his/her designee of the intent to be absent prior to the beginning of his or her work day. Personal illness and illness of an immediate family member shall be reason for sick leave.
- iii. Employees upon retirement from city service or in event of their death, shall receive fifty per cent (50%) compensation for accrued but unused sick leave to their credit. This pay out shall be capped at fifty (50) days.

C. HOLIDAYS

- a. All Full-Time Employees shall have time off with full salary payment on the following holidays:

- i. January 1st,
 - ii. Martin Luther King Jr. Day
 - iii. President's Day,
 - iv. Good Friday,
 - v. Memorial Day,
 - vi. July 4th,
 - vii. Labor Day,
 - viii. Veteran's Day,
 - ix. Thanksgiving Day,
 - x. the day after Thanksgiving,
 - xi. December 24th,
 - xii. December 25th,
 - xiii. December 31st.
- b. Whenever one of the designated holidays falls on a Saturday, then the preceding Friday shall be designated as the official holiday; and whenever one of the designated holidays falls on a Sunday, then the following Monday shall be designated as the official holiday.
 - c. Whenever Christmas or New Year's Day falls on a Saturday, then Thursday and Friday shall be designated as the official holidays for December 24 and Christmas or December 31 and New Year's Day, respectively.
 - d. Whenever Christmas or New Year's Day falls on a Sunday or Monday, then Friday and Monday shall be designated as the official holiday for December 24 and Christmas or December 31 and New Year's Day, respectively.
 - e. An employee required to work on a scheduled holiday may be granted eight (8) hours of time off with pay at a later date to be scheduled and approved by the Department Head.

D. MILITARY LEAVE

- a. All employees covered by the Plan shall be granted military leave. In the event that war is declared and a staff member under this plan is activated to full duty, the difference in their total combined military *salary (to include but not limited to base pay, hazard pay, dangerous flight deck pay, housing pay and other forms of military financial compensation)* and average City of Allen Park base income (*calculated as hourly rate multiplied by forty labor hours*) shall be made up by the City of Allen Park until such time that the employee completes their tour of duty and is discharged from the military, or maximum of five (5) years.

E. PERSONAL BUSINESS

- a. After one (1) year continuous service, each Employee shall be entitled to three (3) personal business days with pay which may be taken at the discretion of the Employee provided said personal business days are taken in one (1) hour increments. Employees will be allowed to return to work if there is at least two (2) hours of work remaining in the employee's shift.
- b. The time for these days may not be accumulated.

F. DEATH IN FAMILY

- a. Each regular Employee shall be entitled to five (5) days with pay at his/her regular rate of pay in the event of the death of his or her spouse, parent, spouse's parent, child, brother or sister, step children and blood relative residing in the home.
- b. The City may require proof of funeral attendance or medical certification that the Employee was not able to attend the funeral.
- c. If the burial is out of the metropolitan Detroit area, the Employee, at his/her option, may take two (2) additional days leave provided he/she has those days in his/her vacation bank, or personal business bank.
- d. In the case of stepparents of either Employee or spouse, the death of a son-in-law or daughter-in-law or grandparent, the Employee shall be allowed three (3) days off.
- e. An additional two (2) days shall be permitted and charged against his/her Personal Business or vacation days, provided he/she has accumulated Personal Business or vacation time.
- f. Upon the death of an employee, one-half day off with pay may be granted to City Employees who attend the funeral, except that a skeleton crew will be maintained in each department. Department Heads with approval of City Administrator will determine what a skeleton crew consists of. This may vary based upon the department involved and the time of year (season).

PART II: INSURANCE

A. HEALTH INSURANCE BENEFIT

a) Appointed employees shall be responsible for not less than 20 percent of the total annual costs of all medical benefit plans offered under this benefits plan, pursuant to P.A. 152 of 2011, MCL 15.261, et seq.

b) The City will offer the Blue Cross Blue Shield Community Blue PPO 3 plan or comparable plan, inclusive of a \$30 office visit copay, \$150 emergency room copay, \$250 Individual annual deductible and \$500 Family annual deductible. Eligible employees shall be required to contribute 20% of the monthly premium via payroll deduction.

c) The City shall also provide a prescription drug plan with the co-pay at ten (\$10.00) dollars for generic drugs and twenty (\$20.00) dollars for brand name formulary drugs and thirty (\$30.00) dollars for non-formulary brand name drugs.

B. RETIREE HEALTH INSURANCE OR ALTERNATIVE PLAN

A Health Retirement Savings Account will be provided by the employer to replace retiree health, optical, and dental insurance for any employee hired after July 1, 2011, since the employer will no longer provide retiree health benefits.

These accounts may be used by the employee, their spouse, or eligible dependents to help offset the cost of health care after the employee retires or separates from service. The employee does not pay taxes on the contributions, investment earnings, or distributions for medical reimbursements. The administrator for the plan is MERS.

The City, at its sole discretion, can determine which plan will be provided and the same plan will be provided to all non-union employees. A sum of forty (\$40.00) dollars a month will be contributed by the City which will be provided to the employees' accounts. After death, any remaining account balance may be used by the employee's surviving spouse or surviving dependents for the reimbursement of qualified medical expenses. Vesting will be seven (7) years under this plan. Employees will be allowed, upon retirement, to buy into the City's healthcare group plan at their own cost.

For current active Employees hired before 7/01/2011 who are eligible for retiree healthcare the City will provide health insurance coverage at the same levels as provided for current active employees covered by this or in any future agreements.

Eligible retirees hired prior to 7/01/2011 over the age of 65 shall be required to enroll in Medicare.

Retirees must enroll in Medicare Parts A and B when they become eligible, at the retiree's sole expense.

Any employee eligible for retiree healthcare will not receive any monies paid into a healthcare savings plan.

Should the healthcare benefits provided to the AFSCME Non-supervisory bargaining unit change, those benefits will automatically apply to the Appointees and be incorporated into this manual.

D. DENTAL INSURANCE BENEFIT

- a. Effective upon the signing of Agreement, the City shall provide for Employees and eligible members of Employee's family the following Blue Cross Blue Shield Traditional Plus Dental plan, or comparable plan, full family coverage:

Class I Preventative and diagnostic services and emergency palliative treatment—100%; the balance of Class I benefits, including radiographs—70%.

Class II Surgery, Endodonic, Periodonic—70%.

Class III Prosthodontics--70%

Class IV Orthodontic---50%

Maximum Payment--\$1,500 per person total per contract year on Class I Class II, Class III and Class IV Benefits.

- b. Retired Employees shall continue to be covered by this plan; cost sustained by the City, until the Retired Employee reaches age 65 or is eligible for Medicare.
- c. Retired Employees who obtain employment from an employer who provided this type of insurance shall not be covered by the City's plan for duration of such employment.
- d. Should an active Employee become deceased, said Employee's spouse and eligible dependents under the plan shall continue to be covered by said insurance, provided the spouse remains unmarried.

E. OPTICAL BENEFIT

- a. The City shall provide for Employees and eligible members of Employees' families an optical plan as provided by the Blue Cross Blue Shield Blue Vision plan or comparable plan.
- b. The Plan in general provides for every Employee, spouse and all dependent children to the end of the year that they turn the age of nineteen (19), an eye exam, and lenses and frames, if needed, once every twenty-four months. The plan details the type of frames and lenses available.
- c. Retired Employees shall continue to be covered by this plan; cost sustained by the City, until the Retired Employee reaches the age of 65 or is eligible for Medicare. Retired Employees who obtain employment from an employer who provides this type of insurance shall not be covered by the City's plan for duration of such employment.

F. LIFE INSURANCE BENEFIT

- a. The City will provide for Administrative/Appointee staff Group Life Insurance coverage at a rate of one and one-half the base salary to the nearest \$1,000.00. Coverage will be equal to the Employees annual salary or \$100,000 maximum coverage, whichever is less.
- b. A life insurance policy in the amount of \$10,000 shall be paid for by the City for each employees retiring after June 30, 1989.
- c. Employees who wish to upgrade to higher level of Life Insurance Coverage may do so at their own expense via payroll deduction.

G. HEALTH INSURANCE OPT-OUT PROGRAM

- a. Appointed Employees who have comparable health insurance outside of the City's health insurance program either through a spouse, as part of retirement benefits package, or are provided health insurance in any other manner, shall not be eligible for the City's health insurance benefits as provided herein, but shall be eligible for the City's Opt-Out Program as described further in this Paragraph, Paragraph E. However, Appointed Employees who have a spouse who has health insurance benefits from the City, by either participating in the various employee health care programs, or by participating in the City's retirement health care program, shall not be entitled to the Opt-Out Program as provided in this paragraph.
- b. For the Opt-Out Program as described below; the Employee must provide written proof of insurance elsewhere. For eligible Opt-Out employees, two options have been made available. The option are:

- i. Cash rebate for opting out of coverage would equal \$2,400 (pre-tax) paid in a lump sum amount within ninety (90) days after receipt of the notice of option selection and prorated to the next open enrollment effective date, or
 - ii. One week (40 Hours) of vacation time added to vacation bank.
 - c. Employees who are considering selecting the Opt-Out provision should carefully read the following provisions:
 - i. Upon the hiring into the Plan, annual open enrollment, or initial coverage by other health insurance, an Employee may elect to Opt-Out of health insurance plans offered by Allen Park.
 - ii. Only Employees who are covered by other health insurance may Opt-Out. "Other health insurance" means another employer's sponsored plan of group health insurance which provides primary coverage to the Employee as a spouse of an active Employee or another employer, or as a retiree.
 - iii. Once elected in writing by the Employee, the Opt-Out is irrevocable until the next annual open enrollment, unless the other health coverage is lost. If an Employee re-elects Allen Park coverage due to loss of other coverage as allowed in below, they will be automatically placed in the medical plan previously selected by the Employee, if any, or the health care option plan of Allen Park's choice, until the open enrollment.
 - iv. An Employee who wishes to Opt-Out shall certify to the City in writing that he or she is covered by other health insurance, the name of the group health plan, the other employer, in what capacity he or she is covered, and the name of the insurer or payor of the other plan. Allen Park's coverage shall terminate as of the end of the month following receipt of the notice.
 - v. An Employee who loses the other health insurance must notify the City in writing of the reason why coverage was lost. Following re-enrollment, coverage provided by the City shall be effective on the first day of the month following notice. Re-payment of the Opt-Out rebate (prorated) must be made prior to re-enrollment.
 - vi. Employees interested in choosing a health care option shall submit their request on a form authorized for this purpose to the Department of Administration/Human Resources. Copies of the form are available in the Department of Human Resources.

G. GENERAL PROVISIONS

- a. An open enrollment for medical benefits will be held once each calendar year, whereby employees can elect various coverage for the subsequent calendar year, and enroll new dependents for both medical and dental plans. Newly acquired dependents (i.e., by birth, adoption, marriage, or court order) must be enrolled within thirty (30) days from the date of birth, adoption, marriage or court order for both medical and dental coverage. Dependents not enrolled within thirty (30) days may be enrolled at the next open enrollment period.
- b. The Employer will continue to coordinate hospital, medical and dental benefits with insurance carriers of spouses or dependents of Allen Park active employees and retirees. It is a requirement that all employees and retirees provide the Human Resource Department with current information as to changes in marital, employment and insurance status.
- c. Benefits paid under insurance programs or self-funded programs for basic, master medical, prescription drugs, dental and life insurance shall be subject to the policy provisions of the carriers or third-party administrative service organizations selected to insure or provide administrative claims service for the various plans.
- d. If the terms of the Appointee Benefit Plan conflict with the terms of an appointee's Personal Service Contract, language of the Personal Services Contract will control.

G. HEALTH CARE BENEFIT LIMITATIONS

- a. Employees will provide only one health care benefit option per family. This applies to all coverage provided by Allen Park regardless of the source of coverage.

H. OTHER PLANS

- a. The City Administrator shall have the exclusive authority to change any and/or all insurance carriers, administrators, providers and/or plan(s), as well as benefit levels, contributions and co-pays at anytime for employees and retirees with thirty (30) days notice to those affected employees and retirees.

PART III: RETIREMENT

A. PLAN #1 – DEFINED BENEFIT

1. Under this Appointee Benefits Plan, membership in this retirement plan is limited to appointee employees who were employed prior to December 31, 2007.

2. Employees hired on or after January 1, 2008 shall be eligible for Plan #2, Defined Compensation.
3. Plan #1 is a contributory plan providing a monthly retirement allowance of 2.9% of average final compensation multiplied by years of credited service.
4. The amount of City of Allen Park financed portion shall not exceed 75% of average final compensation.
5. Final average compensation is to be computed on the average of the highest three (3) consecutive years of service. (Effective July 1, 1993).
6. Appointee Employees in the Plan will be covered by the Allen Park Employees Retirement System regarding General Employees.
7. Final average, compensation is to be computed on the average of the highest three (3) consecutive years of service of their last ten (10) years. (Effective 7/1/93).
8. Rights vested upon attaining eight (8) years of service. Multiplier shall be 2.9% per year, to a maximum of 75%. For all eligible members, effective July 1, 2013 prospectively only, the multiplier will be reduced to 2.5% for all years of service.
9. Eligibility For Retirement
 - i. Any age with twenty-five (25) years of credited service.
 - ii. Age fifty-three (53) with eight (8) or more years of credited service.
10. Members Contribution
 - i. An individual Employee's contribution to the Retirement System shall be seven (7%) percent on all wages.
11. Vesting
 - i. Eight (8) or more years of credited service.
 - ii. Employees, who elect to receive deferred retirement option upon separation from City service, shall be eligible to receive insurance and health benefits upon satisfying normal age requirements (53 years of age) and service requirement (8 years) for a deferred retirement pension.
12. Non-Duty Disability
 - i. Eight (8) years or more of credited service.
13. Duty-Disability
 - i. Receipt of Workers Compensation for injury related to disability.
14.
 - i. The City may elect to transfer the pension system to Michigan Employees Retirement System (MERS) maintaining benefits comparable to those

currently provided to members by the City of Allen Park pension System.

15. The benefits in this defined benefit plan are more specifically set forth in the City's Pension Ordinance except as specifically modified herein.

B. PLAN #2 - DEFINED CONTRIBUTION

1. Employees hired on or after January 1, 2008, shall contribute 5% of base wages to a trust established within the Retirement System. The employee contributions and earnings thereon shall be accounted for individually.
2. The City shall contribute 7% of base wages for the maximum of 5% contributed by the employee to the trust. Employer contributions on behalf of each employee shall be accounted for individually.
3. Funds in the trust shall be invested and administered through MERS or another carrier at the City's sole discretion.
4. Employees Hired Prior to July 1, 2014: Employees leaving City service with less than two (2) years of total service shall receive a return of the employee's own contributions plus earnings, if any, in accordance with the provisions of the Retirement plan.
5. Employee Hired prior to July 1, 2014: Employees leaving City Service after two (2) years or upon permanent layoff shall be permitted to withdraw both employee and Employer contributions, plus earnings, if any, in accordance with the provisions of the Retirement plan.
6. Employees Hired on or After July, 1 2014: Employees leaving City service with less than five (5) years of total service shall receive a return of the employee's own contributions plus earnings, if any, in accordance with the provisions of the Retirement plan.
7. Eligibility for Retirement.
 - i. Age fifty-five (55) with twenty-five years of credited service.
 - ii. Age sixty (60) with fifteen (15) years of credited service.
 - iii. Age (65) with eight (8) or more years of credited service.
8. Vesting – Eight (8) or more years of credited service
9. Employees, who elect to receive a deferred retirement option upon separation from City service, shall not be eligible to receive insurance and health care benefits upon satisfying normal age and service requirements for a deferred retirement pension.

10. Non-Duty Disability
 - i. Eight (8) years or more of credited service.
11. Duty-Disability
 - i. Receipt of Workers Compensation for injury related to disability.
12. Transfer Options
 - i. None

PART IV. OTHER BENEFITS

A. OVERTIME

- a. The City will allow, when approved in advance by the Supervisor, overtime payment at a rate of one and one-half times regular hourly rate for work performed beyond normal working schedule for staff in the following positions: Deputy City Clerk, and Administrative Assistants.
- b. The City will allow the City Administrator to arrange for compensatory time off in lieu of overtime payments for non-exempt Administrative/ Appointee staff when circumstances warrant same and they agree. Compensation Time must be used within one (1) year of date earned or it will be forfeited.

B. CITY VEHICLE ASSIGNMENT

- a. The City will allow the City Administrator to assign City vehicles with seals to Administrative/Appointee staff, on an as needed basis.

C. MILEAGE

- a. Employees shall be eligible to receive payment for actual mileage when required to use their personal vehicles in connection with their City employment.
- b. The rate for mileage shall be determined by the published rate issued by the Federal government in regard to mileage reimbursement. This rate is updated annually and may be reviewed by visiting: <http://www.irs.gov/taxpros/article/0,,id=156624,00.html>
- c. Payment of mileage will be in accordance with “Uniform Travel Expense Reimbursement Procedures” as issued by the City of Allen Park.

D. SOCIAL SECURITY BENEFITS

- a. The City of Allen Park and its employees participate in the Federal Social Security program. Employees' rights under the system are those provided for by law and regulations.

E. UNEMPLOYMENT COMPENSATION

- a. The City of Allen Park is covered by the Michigan Employment Security Act with regard to unemployment compensation. Employee eligibility and the level of benefits upon separation from City service are determined by the Michigan Department of Consumer and Industry Services Unemployment Agency.

F. INDEMNIFICATION

- a. If you believe that you may need defense and indemnification in a lawsuit, or for action you have taken, witnessed, etc., please inform the City Administrator in writing immediately. Failure to contact the City Attorney prior to obtaining other counsel may result in loss of these rights.

G. JURY DUTY

An Employee called for jury duty shall be granted leave of absence for the time spent in such service and shall be paid a sum equal to the difference between his/her normal salary and payment for jury duty.

Any Employee subpoenaed as a witness in any court case involving the City of Allen Park shall be paid his/her regular rate of pay for the time spent in court, excepting, however, that no Employee shall be paid more than one time for the same period.

H. DISABILITY

An employee who becomes injured or ill on duty as per Worker's Compensation law shall be carried on the City payroll at no loss of take-home pay for a period not to exceed one year from date of injury. The Employee shall continue to earn sick leave, vacation leave, hospitalization and life insurance.

The Employer agrees that during this one (1) year period, the Employee shall receive, in addition to his/her Worker's Compensation income, an amount to be paid by the Employer, sufficient to make up the difference between Worker's Compensation and his/her regular income based upon thirty-five (35) hours.

Should an Employee settle a compensation claim with the Employer's Worker's Compensation Carrier for less than the maximum benefits entitled to be received by said Employee, the obligation of the Employer, under the provisions of this section, shall be reduced proportionately based on a ratio equal to that of the maximum amount

recoverable under the applicable Worker's Compensation laws and that actually received in settlement by the Employee.

The City will further agree to a disability pension of two-thirds (2/3) of base salary of an Employee for a total disability. This disability pension shall continue until the disability is removed or the Employee reached normal retirement age. At normal retirement age, the Employee shall receive his/her normal retirement. Appropriate language shall be adopted as to medical examinations and operational details.

J. FAMILY MEDICAL LEAVE ACT (FMLA)

In accordance with the Family Medical Leave Act of 1993 (FMLA), the City of Allen Park has adopted a Family Medical Leave Policy. Use of the FMLA is specified in this policy.

K. SEVERANCE BENEFITS

The Severance Benefits plan has been discontinued effective April 1, 2013. For eligible employees severance benefits accrued through March 31, 2013 shall be frozen and payable upon separation from service.

a. Life insurance

The City will continue its contribution toward group life insurance for the remainder of the month in which the appointee employee was involuntarily separated plus one month.

PART V. BENEFIT PLAN AMENDMENTS

A. AMENDMENTS

- a. The City Administrator shall have exclusive authority to amend, modify or terminate all of the benefits provided by this Plan for active employees and retirees, including but not limited to medical coverages, holiday and leave provisions, sick and disability coverage, retirement plans and provisions which do not increase the City's budget without appropriate approval.

PART VI. EMPLOYMENT RIGHTS

A. APPOINTEE EMPLOYEES

- a. Employees in the appointee positions who are covered by the Plan serve at the will and pleasure of the City Administrator.
- b. Employees holding positions covered by a collective bargaining agreement who receive appointments to appointee positions shall be placed on leaves of absence from the classified service. Upon termination of the appointee position, these employees shall have rights to return to the classified service as provided by existing agreements with the union.
- c. Disciplinary and For Cause Procedure
 - i. Once an appointment has been successfully granted to an individual by a majority vote of the mayor and council or appointed by the Emergency Manger, the appointee staff member shall then become subject to the City of Allen Park, Human Resource Policy, HR 1.1 Disciplinary & For Cause Procedure which is a guide and advisory in nature only and, does not establish a contract and may be changed by the City at its sole discretion.
 - ii. The City will continue its contribution toward the employee's health insurance premium for the remainder of the month should the appointee employee be involuntarily separated plus one month. (Part III K vi)
 - iii. The City will continue its contribution toward group life insurance for the remainder of the month in which the appointee employee was involuntarily separated plus one month. (Part III K v)

PART VII. EFFECTIVE DATE OF THE BENEFIT PLAN

This Plan will be effective December 2, 2014.

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