

# City of Lansing

## Executive Management Plan Fringe Benefits

Fringe benefits provided to executives shall be in accordance with provisions provided to other City employees. In recognition of the fact that these are senior management positions and that employees within them supervise other employees who have varying fringe benefit provisions, the Mayor or designee shall be authorized to offer fringe benefits commensurate with education experience and at a level appropriate to their position. The City will furnish a current copy of the fringe benefits to all employees covered under these rules.

**Health Insurance:** The City of Lansing shall offer at the time of hire or during an annual open enrollment period the following choice of medical insurances. Coverage will be effective the first (1<sup>st</sup>) day of the month following the date of hire. If an employee chooses the non-base plan, they will be required to pay the difference between the base and non-base plan, in addition to any premium share.

Effective September 1, 2012:

- **Base** - includes a \$40.00 co-pay for office visits. Prescription drug co-pays are \$10/\$40/\$80. This plan includes a \$1000/single and \$2000/ family in network deductible and 80% co-insurance. Emergency room services have a \$250 co-pay and Urgent Care visits have a \$60 co-pay.
- **Option 1** - includes a \$30.00 co-pay for office visits. Prescription drug co-pays are \$10/\$40/\$80. This plan includes a \$500/single and \$1000/ family in network deductible and 80% co-insurance. Emergency room services have a \$150 co-pay and Urgent Care visits have a \$50 co-pay.
- **Option 2** - includes a \$20.00 co-pay for office visits. Prescription drug co-pays are \$10/\$20/\$40 or \$15/\$25/\$50 for Physician's Health Plan. This plan includes a \$500 calendar year limit on preventative services, emergency room services with a \$50 co-pay, and a 50% co-pay for mental health and substance abuse services.

For employees hired on or after July 1, 2007 double coverage for spouses employed by the City of Lansing will not be permitted. A waiver payment (opt-out program) for the spouse not receiving coverage will be made.

The Base Plan is as provided above. If the employee chooses to "buy up" to an optional plan (either Option 1 or Option 2) the employee will be responsible for any cost differential between the Base Plan premium and the premium of the selected optional plan chosen. Benefit summaries and rate sheets are available in the Department of Human Resources.

**Vision Insurance:** Employees are eligible for vision coverage under the VSP 12/12/12 plan. This plan provides vision exams, lenses and frames, and contact lenses with a co-pay. Benefit summaries are available in the Department of Human Resources.

**Medical Insurance Opt out Program:** Pursuant to the City of Lansing 125 Cafeteria Plan, employees may choose to opt-out of the City's health care plan annually, during an open enrollment period. An employee who opts-out of the City's health care plan will be eligible to receive \$1800.00 annually, in accordance with the procedures of the Medical Insurance Opt-Out Program.

**Dental Insurance:** The City pays the full premium costs for the Dental plan provided by the City, coverage includes the employee and family members. Coverage includes 100% coverage for cleaning; 50% coverage for treatment costs with an \$800 maximum per person per contract year. Employees and dependents will also receive orthodontic coverage which provides fifty percent (50%) of treatment costs with a \$1,500.00 lifetime maximum per person. Coverage is effective the first day of the month following thirty calendar days of service. Booklets and summaries are available in the Department of Human Resources.

**Life Insurance:** The City pays the premium for a base \$50,000 of group life and \$50,000 Accidental Death and Dismemberment Insurance for full-time regular employees. Life insurance coverage for dependents is available for a reasonable cost to the employee, in accordance with the following schedule:

<b>Spouse</b>	<b>\$25,000</b>
<b>Unmarried child, age 14 days to 6 months</b>	<b>\$500</b>
<b>6 months to 23 years</b>	<b>\$2,000</b>

Coverage is effective one (1) month and one (1) day following the date of hire. Summaries are available in the Department of Human Resources.

**Longevity Bonus:** Longevity bonuses shall be paid to employees as follows:

<b>5 but less than 10 years service</b>	<b>2% bonus</b>
<b>10 but less than 15 years service</b>	<b>4% bonus</b>
<b>15 but less than 20 years service</b>	<b>6% bonus</b>
<b>20 but less than 25 years service</b>	<b>8% bonus</b>
<b>25 or more years</b>	<b>10% bonus</b>

Following completion of five (5) years of continuous full time service by October 1 of any

year and continuing in subsequent years of such service, each employee shall receive annual longevity payments as provided in the schedule. Payments to employees who become eligible by October 1 of any year shall be due the subsequent December 1.

No longevity payment as above scheduled shall be made for that portion of an employee's regular salary or wage which is in excess of the negotiated maximum base wage, which is currently \$20,000.00.

**Vacation:** Effective immediately at the point of hire, any new appointment shall be credited with eighty (80) hours to one hundred twenty hours (120) vacation which is immediately available for use. Thereafter, employees will receive an additional eight (8) hours vacation for each year of additional full-time service, not to exceed a maximum vacation leave of 160 hours accrued in any given year, with a maximum corresponding accumulation of 400 hours per pay period. Upon separation from City service, the employee shall be paid for unused accrued vacation time up to a maximum of 400 hours, except in cases when fraud, theft, or embezzlement has resulted in discharge.

**Sick Leave:** Employees shall be credited with 3.7 hours of sick leave each pay ending (Approximately (1) one day per month without cap). Employees may use sick leave for absences due to his/her illness or injury, including pregnancy, or an illness or injury in his/her immediate family. No sick leave credit shall be accrued by an employee during an unpaid leave of absence. Upon separation from the City, the employees shall be paid 50% of accrued sick leave up to a maximum of 680 hours, except in cases when fraud, theft, or embezzlement has resulted in discharge.

An employee is eligible for a \$150.00 sick leave reimbursement should an employee use eight hours or less of sick leave between October 1 and September 30 of any year. Payment shall be made no later than December 15 each year.

**Personal Leave:** Employees receive two (2) personal leave days annually on January 1 or at time of hire. Personal days must be used by December 31 or they shall be forfeited.

**Holidays:**

- New Year's Day
- Martin Luther King Birthday
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Friday after Thanksgiving Day
- Day before Christmas
- Christmas Day
- Day before New Year's Day

**Bereavement:** At the time of the death of a spouse, child, step-child, parent, step-parent and parent of a current or deceased spouse, an employee will be entitled to use a maximum of the next five (5) working days with pay, not to be deducted from the accumulated sick leave, to arrange for and/or attend a funeral or memorial service. Additional time may be taken off with the approval of the department head and charged

to vacation, personal leave or compensatory time.

An employee will be entitled to use a maximum of three (3) working days with pay, not to be deducted from the accumulated sick leave to make arrangements and attend a funeral or memorial service for any other immediate family member. "Other immediate family" shall mean niece, nephew, brother, sister, brother-in-law, sister-in-law, grandparents, grandparents-in-law and grandchild.

**Moving Expenses:** Moving expenses for employees required to move more than 50 miles may be paid if it is deemed necessary to ensure the recruitment of a highly qualified applicant. This payment shall be limited to a maximum of up to \$4,000. Authorization of such payment shall be contingent on availability of budget appropriation, and on the move being made to within the corporate City limits of Lansing.

**Education Reimbursement:** Employees covered herein shall be eligible for educational cost reimbursement benefits up to \$500.00 annually for job related courses. Such courses must have prior approval in writing and must be taken on personal time to be eligible for reimbursement. All requests must be made in writing and courses must be satisfactorily completed with a grade of 2.5 or better.

**Parking/Transportation Subsidy:** Employees covered herein shall have parking provided at no cost.

**City of Lansing 125 Cafeteria Plan:**

Medical and Dependent Care Reimbursement: Employees have the opportunity to pay for unreimbursed medical expenses, and dependent care costs with pretax dollars through AFLAC. AFLAC also offers supplemental insurances that may purchased on a pretax basis through payroll deduction. Unreimbursed medical will be limited to \$2,500 per plan year.

**Retirement Plans**

**Deferred Compensation Plan:** Employees shall be eligible to participate in the City's deferred compensation plan as may be offered by the City. Currently this plan includes investment options from VOYA & Annuity and T. Rowe Price. The employee may contribute up the maximum as allowed by law annually through payroll deduction or as revised by the Deferred Compensation Committee. For a bi-weekly employee the minimum contribution is \$25.00 per pay period. Summaries are available in the Department of Human Resources.

**Defined Benefit Retirement Plan:** Employees hired prior to August 26<sup>th</sup>,2019 will belong to the City of Lansing General Employees Retirement System (ERS) except for current Police and Fire Chiefs who shall belong to the Police and Fire Retirement System. Vesting, retirement factor multipliers and effective dates for calculation are all governed by Ordinance Chapter 292. Commencing October 1, 2003, the retirement factor for full time members will be one and six tenths percent (1.60%). Employee contributions for retirement will be six and five-tenths percent (6.50%) and deducted on a pretax basis.

As provided by ordinance; for service after September 30, 2003 the annual retirement amount is calculated at 1.6 times the final average compensation for the first 35 years of credited service. The maximum pension allowance will be equal to 100% of an employee's final average compensation. Eligibility, for regular retirement, will be age 50 with 25 or more years of service or age 58 with 8 or more years of service.

Vesting, retirement factor multipliers, and employee contribution for employees hired prior to October 29, 1990, shall be as provided in the ERS Ordinance Chapter 292.

**Police and Fire Retirement Plan:** An employee hired into a position subject to the Executive Management Plan Personnel Rules who was a member of the Police and Fire Retirement System or the Employee Retirement System (ERS) on the day before his/her date of hire into the Executive Management Plan position shall remain a member of the Police and Fire Retirement System or the Employee Retirement System (ERS), whichever is applicable.

**Defined Contribution Retirement Plan**

New Executive Management Employees hired on or after August 26<sup>th</sup>, 2019 who were not members of the ERS Plan or the Police and Fire Retirement System Plan prior to being hired – will only become eligible for retirement benefits under the City's Defined Contribution Plan.

The Defined Contribution Plan retirement benefits for the new Executive Management employees will include the following provisions:

1. Mandatory pretax pickup employee contribution of 3%;
2. Mandatory employer pickup contribution of 3%;
3. A one-time pretax voluntary irrevocable pickup election of 0%-5%.
4. An employer match of the voluntary one-time pickup election up to a maximum of 3% of compensation;
5. 100% of employer contribution account vesting upon completion of three (3) Defined Contribution Plan years of service.

**Retirement Health Care:** For all employees hired after October 29, 1990 and before July 1, 2007, the City agrees to provide retirement health care coverage of 55% of the designated base plan premium after completing 8 years of full time service, 75% of the premium after 12 years of service, and 100% of the premium after 15 years of service. Retirement health coverage shall begin at the date of termination of employment with the City provided the employee is age 55.

For all employees hired on or after July 1, 2007, the City agrees to provide retirement health care coverage after completion of 15 years of service provided the employee is age 55. Coverage will include the eligible employee and no coverage for spouse and/or dependants. Coverage for spouse and/or dependants can be purchased, if desired.

Employees shall become eligible retirees for the purpose of retirement health care coverage when they are eligible to receive age and service retirement benefit payments

(deferred or immediate) or a disability retirement under the terms of the General Employees' Retirement System or Police and Fire Retirement System ordinance, whichever is applicable, consistent with the practice then in effect, provided that the employee works at least 15 years or otherwise qualified under these Executive Management Plan Fringe Benefits.

Retirement health care will be consistent with the health care plan designs available to active Executive Management Plan employees. For retirees on or after July 1, 2007, the cost for insurance coverage paid by active Executive Management Plan employees, will also be paid by the retiree, including premium share, "buy up" differential costs, deductibles, co-pays, etc. Retirees shall convert to complimentary coverage at their Medicare eligibility date.

Summary information regarding the Plan is available in the Department of Human Resources.

**Mileage Reimbursement:** Subject to the discretion of the Mayor, and pursuant to City Policy, Employee may receive mileage reimbursement.

**Sworn Employee Provision:**

Fire Chief - As provided to L.F.D. employees who are on a forty hour week schedule and are required to wear a uniform, the Fire Chief will receive an annual uniform maintenance allowance.

Police Chief - As provided to F.O.P. Supervisors, the Police Chief will receive a clothing allowance of two percent (2%) of his/her base wage.

**Classification/Compensation:** Compensation and classification shall be administered by the Department of Human Resources and established through job content evaluation and wage line administration pursuant to the City's adopted classification/compensation plan.

Subsequent increases in compensation levels for Executive Management Plan employees shall be determined by the Mayor in accordance with provisions at the same level and date provided to other City employees.

Upon separation from City service employee shall receive a lump sum payment for 100% of accrued vacation (to a maximum of 400 hours), 50% of accrued sick leave (to a maximum of 680 hours), and 100% of accrued personal leave.

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Lansing MI 48933. Phone: 483-4014

Rev. 08/26/2019 Defined Contribution Plan eligibility  
Rev. 11/17/2017 Severance  
Rev. 9/1/2012 health care base plan/buy ups  
Rev. 9/1/2011  
(Rev. 11/25/2007  
(Rev. July 1, 2007)  
(Rev. April 13, 2007)  
(Rev. January 12, 2002)  
Rev. January 1, 2001)