

## BENEFITS PACKAGE SUMMARY SHEETS

(Effective 07/01/16)

### **Pay Range**

A salary range has been established for each position, with a minimum, midpoint, and maximum salary established for each range. A salary can be set at any point within the range, however Council approval is needed if it is requested to be set at midpoint or above. There are 50 ranges with a 5% difference between the midpoints of each range. Each range has a 75% spread from the minimum salary to the maximum salary within the range.

### **Merit Pay Program**

Merit increases are not automatic, but are based on individual performance. The merit program is based on a one-year performance period that ends on the anniversary date of an employee's most recent position assignment. An employee may be able to receive a 3%, 4%, or 5% increase based on the scores of the performance evaluation. Newly hired employees, or those who have just been placed in a new position, may be eligible for a merit increase after six months and again at one year. The amount will be one-half of the percentage an annual increase would be in both the six month and one year evaluations.

### **Medical, Prescription Drug, Dental & Life**

*Note: Insurance coverage becomes effective the 1<sup>st</sup> of the month after employment begins.*

Medical & Dental insurance coverage is provided at no cost to full-time employees. Dependent or domestic partner coverage will be the same plan you choose. (NOTE: Employee must pay full cost for domestic partner coverage.) Dependent Medical coverage will be a payroll deduction based on the dependents per family: employee and children 20%, employee and spouse 30%, employee and family 40% of the City's cost of the plan. The designation "children" includes dependent children through the month your child reaches age 26.

**Core Plan:** There is a \$500 annual deductible per person, \$1,000 per family of 2, and \$1,500 per family of 3+ In-Network, and \$1,000/\$2,000/\$3,000 annual Out-of-Network, embedded deductible. After the annual In-Network deductible is met, coverage is 80% by insurance carrier and 20% by the employee, with an embedded annual out-of-pocket max. of \$4,500/person or \$9,000/family. After the annual Out-of-Network deductible is met, the plan pays 50% and does not have an annual out-of-pocket maximum.

**Copay Plan:** This plan offers a \$20 copay with Primary Care Physician and \$40 copay with Specialist and Urgent Care (does NOT include emergency room). Copay amounts are not included in the deductible. There is a \$750 annual deductible per person, \$1,500 per family of 2, and \$2,250 per family of 3+ In-Network, and \$1,500/\$3,000/\$4,500 annual Out-of-Network, embedded deductible. After the annual In-Network deductible is met, coverage is 80% by insurance carrier and 20% by the employee, with an embedded out-of-pocket max. of \$5,000/person or \$10,000/family. After the annual Out-of-Network deductible is met, the plan pays 50% and does not have an annual out-of-pocket maximum.

### ***High Deductible Plans with Health Savings Accounts:***

The City puts the difference between the total cost of the Core Plan and the cost for these plans into a Health Savings Account for the employee. These plans are non-embedded (with the exception of the third HDHP which is embedded), which means the family deductible must be met before claims are paid for any member of the family.

The first HDHP plan has a \$1,500 annual deductible per person or \$3,000 per family of 2+ In-Network, and a \$3,000 per person or \$5,000 per family of 2+ annual deductible Out-of-Network. After the deductible, coverage is 80% by insurance carrier and 20% by the employee In-Network, with an annual out-of-pocket max. of \$3,500/person or \$6,550/family of 2+. After the annual Out-of-Network deductible is met, the plan pays 50% and does not have an annual out-of-pocket maximum. With this plan the City will put \$183.00 a month into a Health Savings Account for the employee.

The second HDHP plan has a \$2,500 annual deductible per person or \$5,000 per family of 2+ In-Network, and a \$5,000 per person or \$10,000 per family of 2+ annual deductible Out-of Network. After the deductible, coverage is 80% by insurance carrier and 20% by the employee In-Network, with an annual out-of-pocket max. of \$3,450/person or \$6,550/family of 2+. After the annual Out-of-Network deductible is met, the plan pays 50% and does not have an annual out-of-pocket maximum. With this plan the City will put \$233.00 a month into a Health Savings Account for the employee.

The third HDHP plan has a \$5,000 annual embedded deductible per person or \$10,000 per family of 2+ In-Network, and a \$10,000 per person or \$20,000 per family of 2+ annual embedded deductible Out-of Network. After the deductible, coverage is 80% by insurance carrier and 20% by the employee In-Network, with an annual embedded out-of-pocket max. of \$6,450/person or \$12,900/family of 2+. After the annual Out-of-Network deductible is met, the plan pays 50% and does not have an annual out-of-pocket maximum. With this plan the City will put \$279.16 a month into a Health Savings Account for the employee.

The Health Savings Account will be a tax-deferred account available to any employee who enrolls in a High Deductible Plan. The Health Savings account has a maximum yearly contribution that is set by the IRS. A Health Savings Account can be used for all medical expenses per IRS Publication 502. This Account can also be carried over year to year and can be inherited.

### ***Prescription Drugs:***

Prescription drug benefits are paid based on a formulary. A formulary is a list of drugs that are covered under the plan. Employee co-pay amounts depend on whether you purchase generic, preferred brand name, or non-preferred brand name prescriptions, and whether you purchase a 30-day or a 90-day supply.

Under the high deductible plans, you must meet the annual medical plan deductible before the plan pays a prescription drug benefit, with the exception of certain preventive medicines and medical services not subject to the deductible.

### ***Dental Plan:***

The dental insurance covers an annual maximum of \$1,500 per person with a \$50 per person annual deductible. After the deductible is met, services are covered either 80% / 20% or 50% / 50%, depending on the service. Two annual cleanings and one set of x-rays are covered at 100% every year without meeting your deductible. Children under age 17 are eligible for \$1,500 lifetime maximum of orthodontics.

The City provides this plan at no cost to the employee. Rates: Self+Family = \$26.00/month, Self+Child(ren) = \$5.40/month, or Self+Spouse = \$12.60/month. Dentist must be a provider in the Delta Dental Premier Network.

### ***Wellness Benefits:***

*Employee Assistance Program (EAP)* – Confidential counseling service to help employees and their family members deal with problems which interfere with their work and/or home life. Up to six (6) free counseling sessions per situation per year are provided through the insurance company. The EAP offers a variety of other services as well such as legal counseling, financial counseling, elder/child care, etc.

*APEHP also offers wellness benefits* – examples: annual flu shot, well child exam, well child physical exam for sports, adult physical exam and annual well woman exams. Refer to the annual open enrollment brochure for more information and a complete listing of all wellness benefits included. Wellness benefits are covered at 100% but are not counted towards your deductible.

### **Vision**

*A voluntary program* that covers an annual eye exam, spectacle lenses (including progressive lenses) or contact lenses every 12 months, frames every 24 months. Rates: Self Only = \$10.77/month, Self+Family = \$27.82/month, Self+Child(ren) = \$17.41/month, or Self+Spouse = \$16.26/month. Doctor needs to participate in VSP network.

## **Life Insurance**

The City provides two separate life insurance policies at no cost to eligible, full-time employees.

The first life insurance policy provided to employees is through Assurant. It covers the amount of one year's annual salary in even thousand dollar amounts. (Example: \$13,300/yr = life amount \$14,000 or \$14,001 = \$15,000 [rounded to next \$1,000]).

### *Voluntary life insurance available through Assurant for dependents-*

Employee Spouse = \$5,000.00 for \$2.29/month

Employee dependent children = \$2,000 for \$2.29/month

(Dependent children are from 14 days old to 19 years unless a full-time student, then is covered until age 25.)

The second life insurance policy is for a flat \$50,000 of basic group life insurance and \$50,000 of AD&D insurance included with the medical plan for employees.

Supplemental life insurance is available through this policy in \$10,000 increments to employee & spouse to a maximum guaranteed issue amount of \$30,000 for spouse with coverage terminating at age 70, and maximum \$150,000 for employees with coverage decreases starting at age 70 (67%) and 75 (50%). Rates are dependent on age. Children's supplemental life insurance is .70¢ per \$5,000 or \$1.39 per \$10,000 of coverage. If you purchase life insurance for your children, it covers all children listed.

NOTE: The maximum amount of allowed premium paid by any entity shall be for coverage not to exceed \$50,000 before some tax implications are imposed. Currently, the City of Cottonwood has \$50,000 coverage through the Arizona Public Employers Health Pool as part of its Health Plan. The City of Cottonwood also maintains a policy equal to your annual salary at the City's expense. This latter amount will now be taxed based on a schedule provided under IRS regulations. The liability amount is so minimal that it will be deducted biweekly.

## **Commuter Insurance**

The City provides accidental death and dismemberment commuter insurance for all full-time employees, with a principal amount of \$200,000. This covers injury or death resulting from an accident which occurs while the employee is commuting directly between his/her residence and place of regular employment, either as a pedestrian, or while traveling in or on, boarding, or alighting from a conveyance, on a regularly scheduled workday.

The policy also covers injury or death resulting from an accident which occurs during a hijacking anywhere in the world while the employee is on a business trip.

More details on this Commuter Insurance Coverage may be requested from the Human Resources Department.

## **Vacation**

2 weeks in first year for non-exempt employees, 3 weeks in first year for exempt employees. Vacation days cannot be used until employee has completed his/her orientation period (min. of six months), or at the discretion of the department head. After five (5) years of service an additional one (1) week of vacation is added to an employee's accrual rate with a cap of hours allowed on books.

## **Sick Leave**

Accumulates at the rate of one (1) day per month. There is no cap on hours, and when employee leaves employment with the City, reimbursement will be made for hours accumulated in excess of 480 hours, up to a maximum of 1,040 hours.

## **Holidays**

Eleven (11) paid holidays per year: Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Friday after Thanksgiving Day, Christmas Day, New Years Day and Employee's Birthday. Employee's Birthday does not have to be taken on the birthday date, but it must be taken in the calendar year it is granted.

## **Education**

There are two tuition and books reimbursement programs, depending on availability and budgeted funds in your department.

The first is a 100% payback for tuition and books for courses deemed pertinent and related to the job being performed. Prior approval of the Department Head and City Manager is required. The requesting employee shall pay for tuition and books upon enrollment, and then be reimbursed if budgeted funds are available and the course taken is passed with a "C" or better for undergraduate work and "B" or better for graduate work.

The second program is for an employee who wants to pursue a Degree Program. An employee wanting to attain a degree that is job related and is reimbursed for that effort by the City must first complete and obtain approval on a Tuition Reimbursement Application. They shall also sign a Tuition Reimbursement Agreement requiring the Employee to remain employed with the City for two (2) years after completion of the Degree Program. The City has the right to recover any reimbursement made to the employee plus other administrative costs if the employee fails to fulfill this requirement.

*NOTE: The maximum amount of reimbursement that the City of Cottonwood is allowed to offer as an educational expense reimbursement is \$5,000 in any one given year. Any amounts over the limit will be taxed through the City's payroll system. Any educational expense reimbursements received over this threshold should be reported to your tax accountant for proper liability calculation.*

## **Retirement**

Most eligible full-time or part-time employees (except Police Officers and Firefighters) will be enrolled in the Arizona State Retirement System. The rate of contribution is controlled by the State legislature and is set at 11.48% (11.34% retirement, 0.14% long-term disability) for this fiscal year. The contribution to Social Security is 7.65%.

Police Officers and Firefighters are enrolled in the Public Safety Retirement System at 11.65%. (ARS 38-843)

## **Recreation Center Membership**

Full-time employees may join the Cottonwood Recreation Center at no charge. Family members may join at half the regular price starting at the three month plan option and above. Full-time employees also may receive a 50% discount for child care at the Cottonwood Youth Center and a 50% discount for other recreational activities such as youth basketball, swim lessons, etc. Ask the Recreation Center Front Desk about complete discounts when signing up for a membership or activity.

## **Optional Benefits**

*Deferred Compensation* (457 plan), you may choose from two providers –VOYA and Nationwide.

## **CONDITIONS OF EMPLOYMENT – IF OFFERED THE POSITION**

The successful candidate must pass a physical examination, which is paid for by the City, and will be fingerprinted if the physical examination is successful.

Full time employees, (except for Police and Fire Department employees) are placed on a six (6) month orientation period and are evaluated on the 6<sup>th</sup> month during this period. An orientation employee is an at-will employee and can be terminated without cause. A Police or Fire Department employee is placed on a twelve (12) month orientation period.

Classified part-time employees are at-will employees and can be terminated at any time without cause and do not receive benefits.

Pre-employment and random drug testing may be required, depending on the position.

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