

## City of Lansing

# ELECTED OFFICIALS FRINGE BENEFITS

## Summary of Fringe Benefits 2009

Elected officials shall be eligible for City-provided health, dental, and life insurance coverage, and for participation in any deferred compensation program, as summarized below. Unless otherwise noted, this Summary of Fringe Benefits is effective on JULY 1, 2009. The 2007 Summary of Fringe Benefits remains effective until that date.

### I. FOR THE MAYOR AND CITY CLERK ONLY:

**Health Insurance:** The elected official shall pay 10% of the cost of the premium, with the City paying the balance, for medical insurance. Coverage will be effective the first (1st) day of the month following the date the elected official is sworn in (commencement of service). Current plans offered are:

- < Blue Cross/Blue Shield Community Blue PPO - Office visits are covered with a \$20.00 co-pay. Urgent Care visits copay is \$20.00. Prescription drugs co-pays are \$10/20/40, with a mandatory generic rider. This plan includes \$50.00 co-pay for emergency room services, no maximum for preventive services, and 50% co-pay for mental health and substance abuse. Summary booklets are available in the Department of Human Resources.
- < Physicians Health Plan - includes \$20.00 co-payment for office visits. Urgent Care visits co-payment is \$20.00. Emergency room visits co-payment is \$50.00. Prescription drug coverage with \$15/25/50 co-payment, with a mandatory generic rider. Optical (vision) coverage, for exam only, with \$20.00 co-payment. Summaries are available in the Department of Human Resources.

**Vision Plan:** Effective July 1, 2007 elected officials will be eligible to purchase the Blue Cross Blue Shield VSP 12/12/12 Vision Plan. This plan provides vision exams, lenses and frames, and contact lenses with co-pays.

**Opt out:** Elected officials will be allowed to opt out of the City's health care plan annually, during the City's open enrollment period provided the elected official provides written proof of coverage from another source. Any elected official who opts out of the City's health care plan will be eligible to receive \$1800 in any year in which they receive coverage from another source. In addition, such payments will be made twice a year, by separate check, following the period of time the elected official had alternate coverage.

**Dental Insurance:** The City pays the full premium costs for the Dental plan provided by the City, coverage includes the elected official and family members. Coverage includes 100% coverage for cleaning; 50% coverage for treatment costs with an \$800 maximum per person per contract year. Elected officials and dependents will also receive orthodontic coverage which provides fifty percent (50%) of treatment costs with a

\$1,000.00 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.

**Retiree Dental Insurance:** Eligible retirees shall be covered by the same insurance as active elected officials. The elected official shall become eligible for retiree dental insurance beginning at the date of termination of employment with the City, or at age fifty-five (55), whichever is later; provided the elected official has at least fifteen (15) years of service with the City.

**AFLAC:** Elected officials will have the opportunity to pay for medical insurance premiums, unreimbursed medical expenses, and dependent care costs with pretax dollars through AFLAC. AFLAC also offers supplemental insurances that may be purchased on a pretax basis through payroll deduction. The maximum benefit for AFLAC shall be Two Thousand Five Hundred and 00/100 (\$2,500.00) Dollars.

**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 elected officials. Life insurance coverage for dependents is available for a reasonable cost to the elected official, in accordance with the following schedule:

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

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

**Vacation:** No accrued time for sick leave, vacation, or personal time shall exist or be required.

**Parking/Transportation:** All elected officials shall have designated parking in the basement of City Hall.

**Deferred Compensation:** Elected officials shall be eligible to participate in the City's deferred compensation plans as may be offered by the City. Currently those plans include ING and T. Rowe Price. The elected officials will be able to contribute up to the maximum allowed by the IRS annually (e.g., for 2009, \$16,500.00) through payroll deduction. Summaries are available in the Department of Human Resources.

**Defined Contribution Retirement System:** In accordance with the City Charter, officials elected on or after October 1, 1990 shall belong to the City of Lansing Defined Contribution Money Purchase Pension Plan. The Plan provides for:

- 1) A City contribution totaling 6% of the elected official's gross salary. The Plan is administered by Comerica Bank.

- 2) The elected official becomes eligible for City contributions following six (6) months of service and must be enrolled in the Plan prior to completion of six (6) months of service in order to self direct the investment options of their retirement account. Failure to enroll prior to completion of six (6) months of service shall result in the City transferring monies into the Plan which shall default to the GIC (Guaranteed Investment Contract) Fund.
- 3) The elected official will be notified by the Department of Human Resources of the next quarterly enrollment session in order to receive their enrollment packet to facilitate timely enrollment and self direction of the elected official's investment decisions. Enrollment is initiated following the quarterly enrollment session.
- 4) The elected official has the option of contributing up to five percent (5%) of their compensation each Plan Year, subject to certain limits imposed by law.
- 5) At the end of three full years of service the elected official will be vested for all City contributions. Should the elected official leave at the end of three full years the elected official will have the following options:
  - Lump sum payment subject to applicable taxes;
  - Rollover monies into another tax deferred investment option; or
  - Leave monies in the plan and continue to be invested tax deferred.
- 6) The elected official is also eligible for a City paid long-term disability policy which is administered by the selected vendor following the completion of six (6) months of service. The elected official shall receive information pertaining to the long-term disability policy at the quarterly enrollment session.

**Retirement Health Care:** Optional: This is a one-time only option that must be made in writing within thirty (30) days after being officially sworn in or having elected to qualify on or before July 1, 2001. For all officials elected after October 29, 1990, the City agrees to provide retirement health care coverage up to 100% of the premium for the current base plan health care coverage provided to active elected officials. Retirement health coverage shall begin at the date of termination of employment with the City, provided the elected official has at least 15 years of service with the City and age 55. This coverage is available at a cost of 3.25% of the elected official's gross pay. This coverage shall be the same insurance coverage provided to the active Mayor and Clerk. Retirees shall convert to complimentary coverage at their Medicare eligibility date. Retiree health benefits shall not include spouse or family coverage for a Mayor or City Clerk first elected after July 1, 2009.

## **II. FOR CITY COUNCILMEMBERS NOW SERVING:**

The fringe benefits designated in this Section II shall terminate for all City Councilmembers now serving on JANUARY 1, 2010, unless otherwise noted in this Section.

**Health Insurance:** The elected official shall pay 10% of the cost of the premium, with the City paying the balance, for medical insurance. Coverage will be effective the first (1st) day of the month following the date the elected official is sworn in (commencement of service). Current plans offered are:

- < Blue Cross/Blue Shield Community Blue PPO - Office visits are covered with a \$20.00 co-pay. Urgent Care visits copay is \$20.00. Prescription drugs co-pays are \$10/20/40, with a mandatory generic rider. This plan includes \$50.00 co-pay for emergency room services, no maximum for preventive services, and 50% co-pay for mental health and substance abuse. Summary booklets are available in the Department of Human Resources.
- < Physicians Health Plan - includes \$20.00 co-payment for office visits. Urgent Care visits co-payment is \$20.00. Emergency room visits co-payment is \$50.00. Prescription drug coverage with \$15/25/50 co-payment, with a mandatory generic rider. Optical (vision) coverage, for exam only, with \$20.00 co-payment. Summaries are available in the Department of Human Resources.

This benefit terminates on January 1, 2010. On and after the date of termination of this benefit, Councilmembers shall have the option to purchase health care insurance, at their own expense, on the same terms and at the same rate as other part-time employees of the City for whom such coverage is available.

**Vision Plan:** Effective July 1, 2007 elected officials will be eligible to purchase the Blue Cross Blue Shield VSP 12/12/12 Vision Plan. This plan provides vision exams, lenses and frames, and contact lenses with co-pays.

This benefit does not terminate.

**Opt out:** Elected officials will be allowed to opt out of the City's health care plan annually, during the City's open enrollment period provided the elected official provides written proof of coverage from another source. Any elected official who opts out of the City's health care plan will be eligible to receive \$1800 in any year in which they receive coverage from another source. In addition, such payments will be made twice a year, by separate check, following the period of time the elected official had alternate coverage.

This benefit terminates on January 1, 2010. However, this provision shall continue to apply only to those Councilmembers who receive retiree health care insurance.

**Dental Insurance:** The City pays the full premium costs for the Dental plan provided by the City, coverage includes the elected official and family members. Coverage includes 100% coverage for cleaning; 50% coverage for treatment costs with an \$800 maximum per person per contract year. Elected officials and dependents will also receive orthodontic coverage which provides fifty percent (50%) of treatment costs with a \$1,000.00 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.

This benefit terminates on January 1, 2010. On and after the date of termination of this

benefit, Councilmembers shall have the option to purchase this dental insurance, at their own expense, on the same terms and at the same rate as other part-time employees of the City for whom such coverage is available.

**Retiree Dental Insurance:** Eligible retirees shall be covered by the same insurance as active elected officials. The elected official shall become eligible for retiree dental insurance beginning at the date of termination of employment with the City, or at age fifty-five (55), whichever is later; provided the elected official has at least fifteen (15) years of service with the City. Eligibility for this coverage does not terminate for current Councilmembers.

**AFLAC:** Elected officials will have the opportunity to pay for medical insurance premiums, unreimbursed medical expenses, and dependent care costs with pretax dollars through AFLAC. AFLAC also offers supplemental insurances that may be purchased on a pretax basis through payroll deduction. The maximum limit for AFLAC shall be Two Thousand Five Hundred and 00/100 (\$2,500.00) Dollars. Eligibility for this provision does not terminate for current Councilmembers.

**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 elected officials. Life insurance coverage for dependents is available for a reasonable cost to the elected official, in accordance with the following schedule:

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

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

This benefit terminates on January 1, 2010, for current Councilmembers.

**Vacation:** No accrued time for sick leave, vacation, or personal time shall exist or be required.

**Parking/Transportation:** All elected officials shall have designated parking as provided by the Rules adopted by City Council. This provision does not terminate.

**Deferred Compensation:** Elected officials shall be eligible to participate in the City's deferred compensation plans as may be offered by the City. Currently those plans include ING and T. Rowe Price. The elected officials will be able to contribute up to the maximum allowed by the IRS annually (e.g., for 2009, \$16,500.00) through payroll deduction. Summaries are available in the Department of Human Resources. This provision does not terminate for current Councilmembers.

**Defined Contribution Retirement System:** In accordance with the City Charter, officials elected on or after October 1, 1990 shall belong to the City of Lansing Defined

Contribution Money Purchase Pension Plan. The Plan provides for:

- 1) A City contribution totaling 6% of the elected official's gross salary. The Plan is administered by Comerica Bank.
- 2) The elected official becomes eligible for City contributions following six (6) months of service and must be enrolled in the Plan prior to completion of six (6) months of service in order to self direct the investment options of their retirement account. Failure to enroll prior to completion of six (6) months of service shall result in the City transferring monies into the Plan which shall default to the GIC (Guaranteed Investment Contract) Fund.
- 3) The elected official will be notified by the Department of Human Resources of the next quarterly enrollment session in order to receive their enrollment packet to facilitate timely enrollment and self direction of the elected official's investment decisions. Enrollment is initiated following the quarterly enrollment session.
- 4) The elected official has the option of contributing up to five percent (5%) of their compensation each Plan Year, subject to certain limits imposed by law.
- 5) At the end of three full years of service the elected official will be vested for all City contributions. Should the elected official leave at the end of three full years the elected official will have the following options:
  - Lump sum payment subject to applicable taxes;
  - Rollover monies into another tax deferred investment option; or
  - Leave monies in the plan and continue to be invested tax deferred.
- 6) The elected official is also eligible for a City paid long-term disability policy which is administered by the selected vendor following the completion of six (6) months of service. The elected official shall receive information pertaining to the long-term disability policy at the quarterly enrollment session.

This coverage does not terminate for current Councilmembers.

**Retirement Health Care:** Optional: This is a one-time only option that must be made in writing within thirty (30) days after being officially sworn in or have been made on or before July 1, 2001. For all officials elected after October 29, 1990 who exercised the option, the City will provide retirement health care coverage up to 100% of the premium for the current base plan health care coverage provided to active elected officials. Retirement health coverage shall begin at the date of termination of employment with the City, provided the elected official has at least 15 years of service with the City and age 55. This coverage is available at a cost of 3.25% of the Council member's gross pay. This coverage shall be the same insurance coverage provided to the active elected officials who receive it (Mayor and Clerk). Retirees shall convert to complimentary coverage at their Medicare eligibility date.

This coverage does not terminate for those members of City Council who have elected to participate and paid the required contribution as of the date of adoption of this Summary of Fringe Benefits by the EOCC.

### III. FOR FUTURE CITY COUNCILMEMBERS:

Future City Councilmembers shall be entitled to the following fringe benefits only:

**Health Insurance and Dental Insurance:** Future Councilmembers shall have the option to purchase current health and current dental, at their own expense, on the same terms and at the same rate as other part-time employees of the City for whom such coverage is available. Co-payments for services and prescriptions shall be the same as provided in Section II.

**Vision Plan:** Effective July 1, 2007 elected officials will be eligible to purchase the Blue Cross Blue Shield VSP 12/12/12 Vision Plan. This plan provides vision exams, lenses and frames, and contact lenses with co-pays.

**Deferred Compensation:** Elected officials shall be eligible to participate in the City's deferred compensation plans as may be offered by the City. Currently those plans include ING and T. Rowe Price. The elected officials will be able to contribute up to the maximum allowed by the IRS annually (e.g., for 2009, \$16,500.00) through payroll deduction. Summaries are available in the Department of Human Resources.

**Parking/Transportation:** All elected officials shall have designated parking as provided by the Rules adopted by City Council.

**Vacation:** No accrued time for sick leave, vacation, or personal time shall exist or be required.

Future City Councilmembers are not entitled to any other fringe benefit.

*For purposes of this Summary of Fringe Benefits, Future City Councilmembers are those members who are first elected after the EOCC adopts this Summary of Fringe Benefits.*

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EQUAL OPPORTUNITY EMPLOYER

Revised 4/21/04: Retiree dental

Revised 03/28/2007: Vision

Revised 03/30/09: Phased elimination of benefits  
for Councilmembers