Professional, Administrative, Confidential and Technical (PACT) Employee Benefits and Personnel Policies

Revised and Approved by
City Commission Action on October 25, 2021
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PURPOSE AND INTENT

The City of Mt. Pleasant is a forward-thinking organization, which, in adopting a culture of organizational development, seeks to continuously improve its work processes through the use of team concepts.

The Employees and Employer, as equal partners in this effort, are committed to forming a strong, amicable working relationship, based on the principles of organizational development. We are dedicated to combining the most creative efforts to all team members to assure the long-term health of the organization, service excellence for Mt. Pleasant's citizen, the betterment of the community, and a beneficial working climate for all employees.

The following is a compilation of Human Resource policies and fringe benefits applicable to Professional, Administrative, Confidential and Technical (PACT) employees of the City of Mt. Pleasant. Primary emphasis of this document is the enumeration of benefits that when combined with salaries or wages, constitute compensation packages for these employees.

This document, when coordinated with other City policies outlines the guidelines under which PACT employees will operate and basic employee policies significant to the positions considered herein. A job description outlining the duties and responsibilities of each job is available for all PACT job classifications in the Human Resources Department.

Please note that all employees covered by these employee policies serve at the appointment of the City Manager or the City Commission and at the discretion of the City Commission or City Manager. Accordingly, employees are not employed for any definite period of time and employment can be terminated by either the City or the employee at any time regardless of reason, and the basis of employment (and any other Human Resource matters) cannot be changed or altered in any way, except in writing signed by the City Manager, enacted by the City Commission or executed in writing by the Human Resources Director on behalf of the City Manager or City Commission.

The employees affected by the policies contained in this document are as follows:

- appointees of the City Manager or City Commission
- professional and computer employees
- administrative employees
- confidential employees
- technical employees

The employees covered herein may be either exempt or non-exempt employees as defined by the Fair Labor Standards Act, (FLSA) in accordance with individual job duties and job descriptions.
Article I. FAIR LABOR STANDARDS ACT (FLSA) REQUIREMENTS

Section 1.01 Salary Status According to the FLSA

(a) Exempt Employees According to FLSA

The FLSA lists certain criteria that identify those employees who are exempt from coverage under certain provisions of the Act. Among the qualifiers for exempt employees are: salary levels, discretion and independent judgment; hiring, training and supervision of other employees and impact on management policies or general business operations.

Division Directors, Department Heads and additional personnel who meet the definition of executive, administrative, professional or computer-related occupations according to FLSA are classified as exempt employees.

(b) Non-Exempt Employees According to FLSA

Non-exempt employees are those employees covered by FLSA rules and shall generally include all non-supervisory staff members covered by these policies.

Section 1.02 Classification

(a) Executive, Administrative, Professional and Computer-Related Occupation Employees

Executive, Administrative, Professional and Computer-Related employees are those salaried employees who, by virtue of their job duties fulfill the FLSA exemption criteria for Executive, Administrative, Professional and Computer-Related occupations as defined in the Code of Federal Regulations Pertaining to ESA, 29CFR, Part 541; Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Computer and Outside Sales Employees. You may review the regulations at the following website: http://www.dol.gov/dol/cfr/title_29/chapter_v.htm.

(b) Confidential Employees

Confidential personnel have unrestricted access to confidential City files and confidential Human Resource files. These employees are charged with maintenance of those records as outlined by the job description and possess knowledge pertinent to labor relations and other City negotiations. Generally, confidential employees directly assist those individuals who effectuate management policy with regard to labor relations.
(c) Technical Employees

These employees staff occupations requiring advanced knowledge in a field of science or learning and perform production-oriented tasks related to those skills. Technical employees have specific and specialized training and may carry a recognized certification or degree. Project-oriented, technical employees exercise discretionary and independent judgment in a defined field of operation.

Article II. RESIDENCY REQUIREMENTS

The City of Mt. Pleasant will comply with all State residency requirements as directed by law, “The Residency Act of 1999.” It is expected that PACT employees will live within 20 miles from the nearest Mt. Pleasant City limit, as allowed by Michigan law.

Article III. FRINGE BENEFITS

Section 3.01 Part-Time Employees

A part-time employee is defined as an employee who is regularly scheduled to work twenty (20) or more hours per week but less than forty (40) hours per week.

A statement of benefits will be provided to a part-time employee at the time of hire. Part-time employees shall be entitled to vacation, sick leave, holiday pay, funeral leave, wellness benefits, deferred compensation programs, the Health Care Savings Program and flexible spending accounts. Vacation and sick leave accruals (maximum accumulations and payout) will be pro-rated based on the average number of straight-time hours worked a month. In an emergency, the City Manager may grant additional leave without pay.

Section 3.02 Annual Vacation Leave

Unless otherwise specified, each full-time employee will accrue annual vacation leave from the date of employment. Leave accumulates each month in which the full-time employee is on payroll fifteen (15) days, or more than 120 hours per month from the date of employment.

An eligible employee may take vacation leave in no less than 1-hour increments, any fraction of an hour will be charged as a full hour.

<table>
<thead>
<tr>
<th>Years of Employment</th>
<th>Full-Time Vacation Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year through 6</td>
<td>80 hours</td>
</tr>
<tr>
<td>7 years through 12</td>
<td>120 hours</td>
</tr>
<tr>
<td>13 years through 20</td>
<td>160 hours</td>
</tr>
<tr>
<td>21 years and more</td>
<td>200 hours</td>
</tr>
</tbody>
</table>
The maximum amount of unused vacation leave, which may be accumulated in a calendar year and carried into the following calendar year, is 280 hours for full-time employees hired prior to January 1, 2016. Employees hired on or after January 1, 2016, in a full-time capacity may accrue a maximum of 240 hours of vacation leave.

Upon voluntary termination of employment for other than a leave of absence, an employee will be paid for unused vacation leave earned up to the time of termination, provided that two (2) weeks prior written notice of the separation is given. Upon retirement, the Retirement Notification section of this document must be satisfied to receive payment for unused vacation leave.

All full-time employees covered by these policies that have unused vacation days at year end may receive payment for a maximum of 80 hours in any given year in the month of December provided:

1. At least 80 hours of vacation leave has been used in the current year.
2. Payment was assumed and budgeted for.
3. The sell back of vacation time is approved by the appropriate supervisor. Refer to Section 3.07 (b) Health Care Savings Program for options.

Employees are asked to notify their supervisor of proposed vacation leave as far in advance as possible.

At hire, an employee with significant years of service and experience in a job classification substantially equivalent to that of the City’s position may be granted additional vacation time. The Division Director may offer vacation leave equal to but not to exceed 120 hours for a full-time employee. For existing employees, additional vacation time may be granted at time of promotion or re-organization with Division Director and City Manager approval.

Section 3.03 **Sick Leave**

Full-time employees will accrue eight (8) hours of sick leave from the date of employment. Leave accumulates each month in which the full-time employee is on payroll fifteen (15) days or more than 120 hours per month from the date of employment.

All employees may use sick leave in hourly increments with each fraction of an hour charged as a full hour.

Leave may be used in hourly increments for the following purposes:
1. Personal illness

2. Extension of worker's compensation benefits for job-related illness or injury

3. Illness or medical appointments for the employee's immediate household and/or family, as defined below.
   - Immediate family shall be defined as spouse, child, parent, parent of a current spouse, sister, brother, grandparent or any step-family member in any of the categories identified previously.

4. In hourly units of one (1) hour or more for the purpose of medical appointments with any fraction of an hour to be charged as a full hour.

An employee who is ill and notifies his/her supervisor prior to or within a reasonable time following his/her normal starting time will be granted sick leave.

The maximum accumulation of sick leave is 200 days or 1,600 hours for full-time employees hired prior to January 1, 2016. Employees hired on or after January 1, 2016, in a full-time capacity may accrue a maximum of 130 days or 1,040 hours of sick leave.

For an active employee, on an annual basis one-half (1/2) of the value of all sick leave hours in excess of 1,600 or 1,040 (depending on date of hire) on December 31 will be contributed to the employee’s Health Care Savings Program (HCSP) in January of the following year.

Upon retirement (refer to the Retirement Notification section of this document), the employee is entitled to payment of one-half (1/2) of the accumulated sick leave up to a maximum of 800 or 520 hours (depending on date of hire) for full-time employees, computed at the employee’s rate of pay at the time employment ceases. A retiring employee may elect to have one half (1/2) of any sick leave hours in excess of 1,600 or 1040 (depending on date of hire) contributed to their HCSP. To meet the timelines defined by the MERS HCSP, the retiring employee must make this voluntarily election no less than two weeks prior to his/her retirement date and complete the required paperwork as provided by Human Resources. The form authorizes the City to increase the employee’s final pre-tax HCSP deposit in the amount of the eligible excess sick leave hours. If the retiring employee does not complete the form within the time required the employee will be ineligible for the benefit.

In the event of death, the employee’s estate shall be compensated for one-half (1/2) the employee’s accumulated sick leave up to a maximum of 800 or 520 (depending on date of hire) hours for full-time employees. Payment shall be
based upon the employee’s rate of pay at the time employment ceased. One half (1/2) of any hours in excess of 1,600 or 1,040 (depending on date of hire) will be contributed to the Health Care Saving Program.

Section 3.04 **Personal Leave**

On January 1, each full-time employee shall be credited with 32 hours of personal leave. Such leave may be used for personal business in multiple units of one (1) hour. All full-time employees who begin employment with the City after January 1 shall be credited with prorated personal leave hours as follows:

<table>
<thead>
<tr>
<th>Days of Service</th>
<th>Full-time</th>
</tr>
</thead>
<tbody>
<tr>
<td>270 +</td>
<td>32 hours</td>
</tr>
<tr>
<td>204 - 269</td>
<td>24 hours</td>
</tr>
<tr>
<td>136 - 203</td>
<td>16 hours</td>
</tr>
<tr>
<td>68 - 136</td>
<td>8 hours</td>
</tr>
</tbody>
</table>

Such leave may not be accumulated, carried over past December 31 of each year or paid for upon termination of employment. Personal leave must be approved in advance by the Division Director or Department Head.

Section 3.05 **Holidays**

The following days shall be considered paid holidays for time that would otherwise have been worked.

1. New Year's Day
2. Memorial Day
3. Fourth of July
4. Labor Day
5. Thanksgiving Day
6. Day following Thanksgiving Day
7. Day before Christmas
8. Christmas Day
9. One-half (1/2) day on Good Friday

Full-time and part-time employees shall be entitled to pay for days off on recognized holidays immediately upon employment. Part-time employees will be paid only for scheduled hours on an observed Holiday. Example: four (4) hours scheduled on a day that falls on the holiday, will result in the employee receiving four (4) hours paid holiday time.

A salaried non-exempt or hourly PACT employee required to work on a City recognized holiday will be compensated at an overtime rate (time and one-half)
for all hours worked, in addition to being paid the standard holiday pay.

A salaried person required to work on a holiday will be paid their holiday time for the recognized holiday and will be provided flexibility in their work schedule during the remainder of the holiday week, based on advance approval by the Supervisor.

When a holiday falls on a Saturday or Sunday, the preceding or following weekday will usually be observed as the holiday.

Other Leave Provisions

(a) Military Leave

Employees who belong to the National Guard, Officers Reserve Corps or similar military organization will be allowed the normal fifteen (15) days leave of absence without pay when ordered to active duty for training. The City will pay the difference between the employee’s military pay and regular pay if the military pay is less. If the employee takes vacation time for his/her service time, he/she will receive full vacation pay.

Federal guidelines will be followed when employees belonging to the National Guard, Officers Reserve Corps or similar military organization are called to active duty.

(b) Extended Personal Leave

A leave of absence without pay may be granted by the City Manager for personal reasons up to ninety (90) days.

(c) Education Leave

The City Manager may authorize an unpaid educational leave of not more than one (1) year.

(d) Jury Duty Leave

An employee who is summoned and reports for jury duty shall be granted a jury leave of absence with pay for such period. An employee granted a leave of absence under this section that reports for jury duty on a day the employee is otherwise scheduled to work shall be paid for time spent performing jury duty at the employee’s straight time regular rate of pay for up to the number of straight time hours the employee was otherwise scheduled to work. In order to receive payment under this section an employee must give the Employer prior notice as far in advance as possible that the employee had been summoned for jury duty and the employee must furnish satisfactory evidence that jury duty was
performed at the summons of the Court on the days the employee claims jury
duty pay. An employee who is summoned by the Court for jury duty but who does
not serve as a juror must report for work promptly after being excused.
Immediately upon payment from the court for jury duty attendance, the employee
will bring the payment to the City Treasurer. The City Treasurer will retain the
per diem portion of the payment and reimburse the employee for the mileage
portion of the payment.

(e) Funeral Leave

Upon request, full-time and part-time employees may be granted one-half (1/2)
day leave with pay to attend the funeral of a co-worker.

In the event of a death in a full-time or part-time employee’s and/or spouse’s
immediate family including; wife, husband, children, mother, father, grandparent,
sister, brother, sister-in-law, brother-in-law, any member of the employee’s
immediate household or any step-family member in any of the categories
identified previously. An employee will be granted up to three (3) work days with
pay (not to be deducted from sick leave) to take care of necessary arrangements.
Additional paid leave may be granted with the approval of the City Manager,
which shall be charged against the sick leave record of the employee.

(f) Family Medical Leave Act (FMLA) Leave

The Family and Medical Leave Act (FMLA) is a federal law that grants up to a
maximum total of 12 workweeks of unpaid, job-protected leave within a 12-month
period of time to eligible employees for certain defined family and medical
reasons. This law also grants up to a maximum total of 26 workweeks of unpaid,
job protected leave within a single 12-month period of time to eligible employees
in order to care for a family member with a serious injury or illness incurred during
active military service. Leaves granted under the law are referred to as FMLA
leaves.

There are two main categories of FMLA leave: General FMLA Leave and Military
Caregiver FMLA leave.

(i) General FMLA Leave

Reasons for Leave: The following is a list of valid reasons for purposes of taking
general FMLA leave. If the reason for leave falls under one or more of the
following sub-categories and if an employee is eligible, FMLA leave will be
applied and run concurrently with paid or non-paid leave, including donated time.

1. Birth and care of the employee’s newborn child.
2. Placement of a child with the employee for adoption or foster care.

3. A serious health condition affecting the employee’s spouse, son, daughter or parent, for which the employee is needed to provide care.

4. A serious health condition that makes the employee unable to perform the essential functions of the employee’s job.

5. A qualifying exigency (emergency, crisis, circumstance, difficulty, hardship) arising as a result of the employee’s spouse, son, daughter or parent being on active duty (or having been notified of an impending call or order to active duty) in the Armed Forces, National Guard or Reserve in support of a “contingency operation.”

The maximum amount of general FMLA leave available to eligible employees is up to a total of 12 workweeks during a 12-month period of time. The 12-month period of time for determining the amount of general FMLA leave the employee has used is the rolling 12 months immediately preceding the date the employee uses any general FMLA leave. General FMLA leave may be taken for a consecutive period of time or in certain circumstances, it may be taken on an intermittent (taken in blocks of time) basis or on a reduced weekly or daily work schedule basis.

(ii) Military Caregiver FMLA Leave

Reason for Leave: To care for a service member who is a current member of the regular Armed Forces, National Guard or Reserve or who is a member of one of those units but on the temporary disability retired list who has a serious injury or illness incurred in the line of duty while on active duty and for which the service member is undergoing medical treatment, recuperation or therapy; or is otherwise in outpatient status; or is otherwise on the temporary disability retired list.

The maximum amount of military caregiver FMLA leave available to eligible employees is up to a total of 26 workweeks during a single 12-month period of time. The “single 12-month” period of time begins on the first day the employee takes military caregiver FMLA leave and ends 12 months after that date. Military caregiver FMLA leave may be taken for a consecutive period of time or in certain circumstances it may be taken on an intermittent (taken in blocks of time) basis or on a reduced weekly or daily work schedule basis.

(iii) Eligibility Requirements

Even though the reason for needing leave qualifies under the general FMLA leave or the military caregiver FMLA leave, an employee must also meet the eligibility requirements established by the law. FMLA leave is available only if an
employee satisfies all of the following three (3) preliminary eligibility requirements.

1. Preliminary Requirement #1: 12 Months of Employment. The employee requesting leave must have been employed by the City for at least 12 months preceding the leave. This is measured as of the date the employee’s requested FMLA leave commences.

2. Preliminary Requirement #2: 1250 Hours of Service. The employee must have been employed for at least 1250 "hours of service" during the 12-month period immediately preceding the leave. “Hours of service” is defined as hours of actual work and does not include non-worked paid or unpaid time off of any kind. This is measured as of the date the employee’s requested FMLA leave commences.

3. Preliminary Requirement #3: Worksite Count. The employee must be employed at a worksite where there are at least 50 employees employed at or within 75 miles of the worksite. This is measured as of the date the employee requests FMLA leave.

If an employee’s spouse is also employed by the City, the total amount of leave available for both the employee and spouse combined together is twelve (12) weeks, subject to certain exceptions.

To review the Federal FMLA Employee Guidance Booklet, click here.

(g) Injury, Medical and Parental Leave

Upon application and approval an unpaid medical leave of absence for an injury, medical or parenting situation may be granted for a period of sixty (60) days, if paid sick time or worker's compensation benefits are either exhausted or not available. An employee may request and receive other accrued paid benefit time to which the employee may be entitled.

An extension of up to thirty (30) days of time may be granted upon application and approval of the City Manager and subject to the Employer's right to require medical proof or other verification acceptable to the Employer.

Depending on the nature of the leave, a modified work schedule may be approved, provided the employee's and/or Employer selected physician recommends such action.

1. For an injury or medical leave of absence not covered by worker's compensation benefits, an employee may be on leave under this section for a period of not more than twelve (12) months after which time the employment relationship shall terminate. The twelve (12) months shall be
defined as commencing on the first date of the leave that the employee
does not receive pay in the form of accrued benefit time.

2. For a medical leave of absence due to injury on the job, covered by
worker's compensation, the injured employee will receive health and life
insurance up to a maximum period of two (2) years.

Employees are required to notify the Human Resources Department of any
condition which will require an injury, medical or parental leave of absence under
this section supported by a physician's certificate, showing the date for
commencement of such leave and the required return to work date. This notice
shall be given to the Human Resources Department by the employee as soon as
the employee is first aware of the condition. Employees who are anticipating a
medical leave of absence under this section may be required to present a
physician's certificate to Human Resources, recommending that the employee
continue to work and, in all cases, the employee's attendance, job
responsibilities, personal health needs and safety must be satisfactorily
maintained. An employee desiring to return to work from an injury or medical
leave of absence under this section must present a physician's certificate, and a
completed typical duty listing, indicating that the employee is physically and
medically able to return to work and to satisfactorily perform the employee's job
or present other verification acceptable to the Employer.

In situations where an employee's physical, medical or mental condition raises a
question as to the employee's capabilities to satisfactorily perform the employee's
job, or the safety of the employee or others, the Employer may require a fitness
for duty medical examination and certificate from the employee's physician and/or
require the employee to take a leave of absence; provided, however, that this
right shall not prohibit the Employer from taking any other action as may be
deemed appropriate under the circumstances. If the Employer thereafter still
questions the employee's condition, the Employer may require a second fitness
for duty medical examination and opinion paid for by the Employer by an
Employer selected physician and/or require the employee to take a leave of
absence; provided, however, that this right shall not prohibit the Employer from
taking any other action as may be deemed appropriate under the circumstances.

In any situation involving the granting of a leave of absence under this section or
the continuance of a leave of absence or the return to work from a leave of
absence where medical proof or substantiation or approval is required, the
Employer, in all cases, reserves the right to require a second medical
examination paid for by the Employer by an Employer selected physician.

Failure to provide any statement, certificate, substantiation or notification as may
be required under this section may, as determined by the Employer, disqualify an
employee from consideration for a medical leave of absence.
Any leave of absence time (paid or unpaid) taken by an employee for certain family or medical reasons pursuant to the FMLA (Family Medical Leave Act) section of this document shall be counted as part of and credited against the maximum amounts of leave time set forth in this section.

Section 3.07 Insurance Benefits

(a) Medical and Hospitalization

The Employer agrees to make available a group hospitalization benefit program, approved by the Employer, for eligible employees who are scheduled to work thirty (30) or more hours per week on a continuous basis and who elect to participate covering certain hospitalization, surgical and medical expenses for employee-only coverage and for eligible dependent coverage. The spouse of an employee who has health insurance available through his/her employer must enroll in the health insurance if, as determined by the Employer, the cost to the spouse is not prohibitive. The Employer agrees to provide employee-only and eligible dependent coverage under terms and conditions governing the group benefit program as set forth in the master policy or policies governing the program.

The group benefit program becomes effective for eligible employees on the first (1st) day following completion of thirty-one (31) days of employment. Premium co-share deductions will be taken in equal amounts and will be made on pre-tax basis over the first twenty-four (24) of the twenty-six (26) pays per year.

New employees, whose insurance becomes effective on or before the fifteenth (15th) day of the month, will pay a full month’s premium co-share. (Employees whose insurance becomes effective after the fifteenth (15th) day of the month begin paying the premium co-share the following month.) Premium co-share payments are deducted from the employee’s payroll check beginning with the first pay date following the effective date of benefits on a prorated basis over the remaining pays.

In the event that an employee quits or the employee’s employment with the Employer is otherwise terminated, or in the event that an employee is on layoff, any premium co-share due will be deducted from the employee’s final regular paycheck. The group benefit program and the employee’s obligation for premium co-share shall continue in effect until the end of the last day of the month in which the quit, termination or layoff occurs. In the event that an employee is on leave of absence, the group benefit program shall continue in effect until the end of the last day of the month in which the leave of absence occurs; provided, however, that the group benefit program may be continued thereafter during the leave of absence, provided the employee makes the proper arrangements and the employee makes timely payment of the required cost of the benefit program.
Other specific terms and conditions governing the group benefit program are set forth in the master policy or policies governing the program.

### Traditional Medical Plan

<table>
<thead>
<tr>
<th>Annual Employee Premium Co-Share</th>
<th>Review the Open Enrollment Materials for PACT benefits details and costs, click HERE.</th>
</tr>
</thead>
<tbody>
<tr>
<td>This is a pre-tax deduction from an employee’s paycheck that is prorated over the first 24 pay periods each year.</td>
<td></td>
</tr>
</tbody>
</table>

Going forward the annual premium co-share will change by 10% of the average change in per employee medical insurance costs from the previous two (2) years. For example, in 2018 rates were determined by the increase costs incurred in 2014-2016.

<table>
<thead>
<tr>
<th>Benefit Level</th>
<th>In-Network</th>
<th>Out-of-Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>90/10% unless noted under the plan</td>
<td>70/30% of reasonable and customary (R&amp;C) charges on most services</td>
<td></td>
</tr>
<tr>
<td>Annual Deductible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$150 Individual</td>
<td>$400 Individual</td>
<td></td>
</tr>
<tr>
<td>$300 Family</td>
<td>$700 Family</td>
<td></td>
</tr>
<tr>
<td>Out-of-Pocket Maximums&lt;br&gt;(Does not include the deductible or service fees)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$600 Individual</td>
<td>$2,500 Individual</td>
<td></td>
</tr>
<tr>
<td>$1,200 Family</td>
<td>$5,000 Family</td>
<td></td>
</tr>
</tbody>
</table>

Expenses applied toward the Non-Network out-of-pocket maximum will be used to satisfy the Network out-of-pocket maximum, however, expenses applied to the Network out-of-pocket maximum will not be applied to the Non-Network out-of-pocket maximum.

### Traditional Plan and the Wellness Program

A $250 annual Health Care Flexible Spending account contribution will be provided to Wellness Program participants enrolled in the traditional health care plan and those employees that opt-out of the City’s medical insurance plan. The benefit will be provided to program participants who, following six months enrollment, complete the clinical assessment, if needed, and participate in a six-month health status meeting with the Health Coach. If at enrollment the employee’s clinical values are in the optimal range, the employee will not need to participate in the second clinical assessment, but the employee will be required to have a health status meeting with the Health Coach.

Enrollees may earn an additional $250 annually to be applied to their Health Care Flexible Spending account by earning a minimum of $50 in Wellness Program rewards twice annually in the prior year. A component of the $50 reward must include being tobacco free. The Health Care Flexible Spending account may be used as outlined by the Internal Revenue Service. The use of funds in this account will follow the City’s flex calendar and IRS guidelines. For details on the IRS guidelines visit [http://www.irs.gov/publications/p502/index.html](http://www.irs.gov/publications/p502/index.html).
### Prescription Drug Program

<table>
<thead>
<tr>
<th>Year</th>
<th>Employee Co-Payment</th>
</tr>
</thead>
</table>
|      | ➢ 20% of the cost with a minimum of $15 not to exceed $40 per prescription, regardless if generic or brand name  
➢ $75 co-pay on drugs costing $500 or more  
➢ Mail order: 2 x retail co-pay for a 90-day supply  
  • $150 co-pay on mail order prescriptions costing more than $1,000 for a 90-day supply  
➢ Over the counter incentive – employees will be reimbursed for drugs which are purchased over the counter and are prescribed by a physician.  
➢ Out of Pocket Maximum:  
  • $3,000 annually for single coverage  
  • $9,000 annually for family coverage. |

In lieu of the traditional health insurance and prescription drug program, a consumer driven health insurance with a Health Reimbursement Account (HRA) and prescription drug program (see plan document for details) is available to all employees through the cafeteria plan.

Summary statements of benefits and coverage for such insurance plans and any recognized Section 125 (Cafeteria) Plan are available to each employee through the City’s intranet and the Human Resources Department.

(b) **Health Care Savings Program**

All employees shall participate in the Municipal Employees’ Retirement System (MERS) Health Care Savings Program. Employees must, on a pre-tax basis, contribute the minimum amount for participation.

The Health Care Savings Program will be administered in accordance with the Municipal Employees’ Retirement System Health Care Savings Program plan document and IRS regulations. If a conflict exists between this policy and the IRS regulations, the latter prevails.

(i) **Year End Vacation Payment**

Annually by November 1 an employee desiring to receive payment for vacation leave as outlined in Section 3.02 must complete and submit to the City Payroll Office a leave conversion form indicating the number of eligible vacation leave hours for which the employee would like to receive payment. Any remaining hours of leave conversion after the December payout will be contributed to the MERS Health Care Savings Program during January of the following year.
(ii) Retirement

No less than two weeks prior to an employee’s retirement date, the employee may complete and submit to the City Payroll Office a leave conversion form indicating the number of eligible sick and vacation leave hours the employee desires to receive in a check as a cash out of the eligible balances. At the date of retirement, 100% of the cash value of any remaining and eligible sick and vacation leave balances shall be contributed to the employee’s Health Care Savings Account.

(c) Life Insurance

Full-time employees shall be provided with term life insurance and accidental death and dismemberment insurance equal to twice their annual salary or earnings at straight time rates for 2,080 hours per year, rounded to the nearest $1,000 coverage. Coverage becomes effective for eligible employees the first (1st) day of the month following completion of thirty (30) days of employment.

(d) Dental Insurance

The City of Mt. Pleasant will provide dental insurance for all full-time employees and eligible dependents covered by this policy beginning on the first day following 31 days of employment. The City shall cover the annual enrollment cost for single coverage in the premium plan for each full-time PACT employee. Spouse and dependent coverage may be purchased by the employee at the group rate, paid through payroll deduction.

Full-time employees who retire shall be eligible to participate in the group dental insurance plan. The cost of the retired employee’s and eligible dependents’ coverage is the responsibility of the retiree. Such payments shall be in accordance with procedures established by the City. If a retired employee is removed or discontinues participation in the group dental insurance plan, with the exception of the one-time deferral option, the retired employee shall not be allowed to again become a participant.

(e) Vision Insurance

The City of Mt. Pleasant will provide the opportunity to enroll in vision insurance for all full-time PACT employees and eligible dependents. Coverage will begin on the first day following 31 days of employment. Employees may purchase coverage for individual (the employee), two-person or the family. See the Plan Document for details on the coverage structure.
(f) **Education Benefit**

The Employer will provide education assistance for all full-time employees not to exceed the annual IRS guidance on non-taxable educational benefits, currently $5,250 per year. The assistance amount is evaluated on an annual basis and will follow the IRS exemptions and guidelines. Payment will be made following receipt of a bill from an accredited adult education school or university.

The above coverage will be available provided the following conditions are met:

1. The application for reimbursement is submitted and approved by the Human Resources Director prior to enrollment in accordance with the advance notification requirement established in this paragraph. The Employer's budget for the fiscal year is usually finalized in the month of December following a six (6) month budgetary process and, therefore, in order for an application to be eligible for consideration, an employee seeking further education under this Section is required to submit the application for approval to the Human Resources Director no later than May 1 of the current year.

2. The course is job related or reflects on improved job performance, or is a degree requirement. A “degree” is defined as a field of study that is directly applicable to the City, employee’s current position or to be used toward a position which the City would employ.

3. An application for reimbursement is submitted to and approved by the Human Resources Director prior to enrollment.

4. A grade of “C”, or credit in a credit/no credit class, is attained on adult education or undergraduate work and “B” on graduate work.

5. In the event the employee is receiving the cost of the tuition from another source (another employer or spouses employer, etc.), they shall be reimbursed by the City for required textbooks if not subject to reimbursement from another source in accordance with the above.

6. Upon receiving the grade report, the employee has two weeks in which to submit the grade report to the Human Resources Department.

If the conditions of paragraph 3 and 5 of this section are not met or the employee terminates employment during the course, the employee will be subject to payroll deduction for the amount provided by the City. Payroll deduction will commence immediately. If the employee receives this benefit and then leaves employment with the City for any reason within a one (1) year period from the date of course completion, the employee will be required to refund the City for all education funds provided within the period.
last 12 months.

6. Other workshops, training seminars and conventions appropriate to the employee's performance of his/her job shall be reimbursed according to policies outlined in Administrative Memo No. 3-87.

(g) Clothing Allowance

PACT employees as listed below are provided a clothing allowance as outlined in this section. Newly created positions will be classified and added to this section upon approval by their Division Director and the Director of Human Resources.

This annual taxable benefit will be paid to the employee on the first full pay period of January each year. New hires will receive a full allowance at time of hire. Situations involving employees who transfer from a union position to a PACT position will be evaluated on a case by case basis by the Director of Human Resources and the appropriate Division Director.

1. Full-Time Field Staff (FT) – ($280.00): 80% of daily activities include a high degree of public exposure outside of a recognizable City facility (in the field).

2. Routine Field Staff (R) – ($200.00): Annual responsibilities include occasional time in the field including exposure to the public.

3. Recreation Department program costs can include t-shirts, sweatshirts, etc., as part of the sponsored program and not a part of the City Clothing policy.

4. Approved Clothing:

   a. Employees who receive the annual clothing allowance are expected to wear clothing with clearly legible City logo’s either embroidered or heat transferred onto the clothing, whenever working in the field on City business.

   b. Items that may be purchased under the standards of this policy are as follows:

      • T-shirt style shirts – long or short-sleeved
      • Oxford or Polo style shirts with button-down collars, long or short-sleeved
      • Sweatshirts – crew or hoodie style
• Hats
• Carhartt jackets and bibs

Shirts, sweatshirts, t-shirts, and jackets must have a City logo located on the left or right chest area (name is optional). Hats will have either the City or the Department logo.

Department Heads are to request adequate funds in their budgets for the payment outlined in this section

Clothing Allowance Eligibility:

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport Manager</td>
<td>FT</td>
</tr>
<tr>
<td>Building Official</td>
<td>FT</td>
</tr>
<tr>
<td>Engineering Technician</td>
<td>FT</td>
</tr>
<tr>
<td>Street Superintendent</td>
<td>FT</td>
</tr>
<tr>
<td>Director of Parks and Public Spaces</td>
<td>FT</td>
</tr>
<tr>
<td>Parks and Public Spaces Field Operations Manager</td>
<td>FT</td>
</tr>
<tr>
<td>Director of Recreation and Sports</td>
<td>FT</td>
</tr>
<tr>
<td>Recreation and Sports Coordinator</td>
<td>FT</td>
</tr>
<tr>
<td>PEAK Program Coordinator</td>
<td>FT</td>
</tr>
<tr>
<td>Water Plant Superintendent</td>
<td>FT</td>
</tr>
<tr>
<td>Water Resource Recovery Facility Superintendent</td>
<td>FT</td>
</tr>
<tr>
<td>City Engineer</td>
<td>R</td>
</tr>
<tr>
<td>City Planner</td>
<td>R</td>
</tr>
<tr>
<td>DPW Deputy Director</td>
<td>R</td>
</tr>
<tr>
<td>GIS Specialist</td>
<td>R</td>
</tr>
</tbody>
</table>

(FT) FULL-TIME
(R) ROUTINE

(h) Housing Incentive:

1. An employee hired into the PACT employee group, or promoted into a position within the PACT employee group will be offered the opportunity to obtain a $2,000 taxable housing incentive payable in July on an annual basis. To qualify for the incentive, the employee must reside within the corporate City limits within one calendar year of their date of hire. The employee must purchase a home and utilize such home as their primary residence. If the first year of purchase and residency is less than a full 12 months, the purchase will be treated as a full year. If an eligible employee
chooses not to take advantage of this incentive, the employee is still
expected to reside within a reasonable distance, being no more than 20
miles from the nearest corporate city limits.

a. On an annual basis, each employee participating in the housing
incentive program will complete an Affidavit of Residence, which will
be provided by the Payroll Specialist in June.
b. The completed form must be returned to payroll in a timely manner so
that the payment may be processed on the first standard pay date in
July.

Article IV. Retirement

Section 4.01 Retirement Definition

A retiree is a former employee of the City of Mt. Pleasant who meets the following
criteria:

1. Vested in the PACT MERS pension plan by completing 6 years of
   employment with the City of Mt. Pleasant

2. Age 55 or older with 20 years of service, or

3. Age 60 or older with 6 years of service, or

4. Less than age 55 but with 20 years of service and taking a reduced
   pension with the age reduction immediately upon termination of
   employment.

(a) Retirement Notification

Eligible employees considering retirement from the City workforce are required
to file a written “notice of intent” to retire with the appropriate Division Director
and the Human Resources Department at least three (3) months in advance of
the employee’s anticipated retirement date. A six (6) month written notice is
preferred, but not required.

A formal, written commitment to retire, including a specific retirement date, must
be provided not less than 30 days in advance of the actual retirement date. If a
life-changing event or extenuating circumstances occur, the City Manager may
waive or alter the time limits.

The above notifications will guarantee payment of accrued but unused vacation
and sick days as specified in Section 3.02 & 3.03 of this document.
(b) Retiree Health Insurance

The City will allow all retiring full-time employees, eligible spouses and dependents to participate in the group health insurance plan, provided the required cost is 100% paid by the retired employee. Such payments shall be in accordance with procedures established by the City. At retirement, the employee must complete an election form to:

1. Continue in the health insurance plan as a retiree
2. Discontinue participation in the health care plan; or
3. Defer participation in the plan to a date/event specific and sign up at date/event specific.

The election form is available in the Human Resources Department. If a retired employee is removed or discontinues participation in the group health insurance plan, with the exception of the deferment option, the retired employee shall not be allowed to again become a participant.

The following identifies eligibility for and the length of time a retired full-time employee and/or his/her eligible dependents may participate in the City’s group health and dental plans when specific life-changing events occur.

<table>
<thead>
<tr>
<th>RELATIONSHIP TO RETIREE</th>
<th>LENGTH OF ELIGIBILITY FOR COVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retired employee (self)</td>
<td>Eligible for insurance benefits until death as long as:</td>
</tr>
<tr>
<td></td>
<td>1) Continuous coverage at retirement OR take one-time insurance deferment option to a date certain and sign up at date/event certain;</td>
</tr>
<tr>
<td></td>
<td>2) Pay premiums on time; and</td>
</tr>
<tr>
<td></td>
<td>3) Sign up for Medicare A &amp; B when eligible</td>
</tr>
<tr>
<td>Spouse of employee at retirement - still married</td>
<td>Eligible for insurance benefits until death as long as a dependent under retiree’s plan.</td>
</tr>
<tr>
<td>Spouse of employee at retirement - divorced</td>
<td>Spouse is no longer eligible after COBRA defined length of time.</td>
</tr>
<tr>
<td>Spouse of employee at retirement - widowed</td>
<td>Widow is eligible for insurance benefits until death, as long as he/she was covered as a dependent under the retiree’s plan when the retiree was alive OR as long as sign up at date certain, which was decided on if the retiree did the one-time deferment of the health decision. <strong>NOTE:</strong> If the widow remarries, the new spouse is NOT eligible for insurance coverage.</td>
</tr>
<tr>
<td>RELATIONSHIP TO RETIREE</td>
<td>LENGTH OF ELIGIBILITY FOR COVERAGE</td>
</tr>
<tr>
<td>--------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Become spouse of retiree after employee’s retirement</td>
<td>Not eligible for coverage.</td>
</tr>
<tr>
<td>Children of employee at retirement</td>
<td>Eligible for insurance benefits until the age indicated in the plan document.</td>
</tr>
<tr>
<td>Children of employee after retirement</td>
<td>If legal child of retiree, eligible for insurance benefits until the age indicated in the plan document</td>
</tr>
<tr>
<td>Children of employee after retiree passes away</td>
<td>Eligible for insurance benefits until the age indicated in the plan document</td>
</tr>
</tbody>
</table>

Section 4.02 **Pension Benefit**

All full-time employees covered by this policy shall be entitled to pension benefits. Police and Fire administrators covered by this policy may choose to participate in the Municipal Employees Retirement System (MERS) plan or the Police or Fire Act 345 plan. This election must be made at the time of entering the PACT unit and is an irrevocable election. All other employees covered by this agreement will be covered by the MERS plan.

(a) **MERS Defined Benefit Plan**

Employees hired prior to January 1, 2016, are provided retirement benefits in accordance with the B-4 retirement plan as provided by the Municipal Employees Retirement System (MERS). The B-4 option provides the following benefit calculation upon retirement: credited service times 2.5% of Final Average Compensation (FAC).

Employees hired after January 1, 2016, are provided retirement benefits in accordance with the B-2 retirement plan as provided by the Municipal Employees Retirement System (MERS). The B-2 option provides the following benefit calculation upon retirement: credited service times 2% of Final Average Compensation (FAC).

The FAC shall be the annual earnings based upon the thirty-six (36) highest consecutive earning months. Vesting within this plan requires six (6) years of service. Employees hired prior to January 1, 2016, will be allowed the RS 50% benefit payment option as defined by MERS. All enrollees of the plan shall be afforded an F55-20 waiver allowing any employee with 20 years of service to retire at age 55 with full benefits exclusive of any penalties. Vested enrollees may also retire with full benefits at age 60 regardless of years of service.

A mandatory 4% contribution to MERS by the employee is required.
(i) Prior Service Credits

Participants in the MERS plan shall be eligible to purchase up to five (5) years of generic service credits by paying 75% of the actuarial present value as calculated by the MERS actuary. This purchased service cannot be used towards the counting of service for the required six (6) years of vesting.

(b) ACT 345 Plan

Retirement benefits are in accordance with Act 345, as negotiated by the specific police or fire union with the exception of the number of years used in the final average compensation calculation, which must always be based on the five (5) highest earning years according to state law. Administrators being promoted from within the Public Safety Department will retain the same pension benefits of the bargaining unit being promoted from and will remain in the elected plan without the opportunity to change at a later date. Administrators hired from outside the department must choose which bargaining unit’s pension plan they desire to participate in upon hire and the decision is irrevocable.

Enhancement to Act 345 benefits or retirement health care plans bargained for by the respective Police and Fire bargaining units shall be extended to PACT Police and Fire, Act 345 pension plan participants. The provisions of the retirement plans are as outlined in the appropriate collective bargaining agreement.

The Act 345 Retirement Fund and the Retiree Health Care Plan requires a mandatory employee contribution as outlined in the appropriate collective bargaining agreement.

Section 4.03 Deferred Compensation (457 Plan)

Full-time and part-time employees hired prior to January 1, 2016, shall be eligible for a matching contribution up to 1% of salary to be paid by the City toward a City-offered deferred compensation program. An employee may contribute more than 1% of salary, but the City will not match anything beyond the 1%.

Full-time and part-time employees hired after January 1, 2016, will receive a contribution equal to 3% of salary to be paid by the City toward a City-offered deferred compensation program. Eligible employees are not required to make a personal contribution to receive the City’s contribution.

Senior leadership within the organization may receive a matching contribution in excess of 1% as part of their overall compensation package.

Effective January 1, 2020, the City will only provide enrollment into a MERS (457
Article V. Overtime Compensation

Section 5.01 FLSA Regulations

Employees covered by FLSA regulations as non-exempt or hourly employees shall be compensated at a rate of one and one-half (1½) times the regular hourly rate of pay for any hours worked in excess of eight (8) hours a day or forty (40) hours a week.

The Division Director or his/her designee may approve a mutually agreeable schedule, other than the standard work day schedule. Any significant deviation from the standard schedule requires written notification to the Human Resources Director and the Payroll Specialist for documentation purposes. Daily overtime calculations will be based on the employee’s work day schedule, as illustrated in the following example:

1. 10-hour schedule: At the rate of time and one-half for all hours worked in excess of ten (10) hours in one day or forty hours in one week.

Section 5.02 Compensatory Time

Overtime compensation for FLSA non-exempt and hourly employees may be granted in the form of either overtime pay or compensatory time off and shall be taken off with the approval of the appropriate Department Head.

Non-exempt and hourly employees will have the option of accruing compensatory time in lieu of payment of overtime, except when wages are being paid by or reimbursed by grant or external funding sources.

There shall be a maximum of one hundred (100) hours accumulation of compensatory hours allowed each employee. An employee may request each year, payment of up to thirty (30) hours of unused accumulated compensatory hours provided the employee submits the request no later than November 1st. Payment of compensatory hours shall be at the regular rate of the employee at the time that the employee receives payment for compensatory hours and shall be paid on the first non-payroll Friday in December.

Any discrepancies between the employee records and payroll records must be addressed within two (2) pay periods or the payroll records prevail.

Upon separation the employee shall be paid for the unused portion of the employee’s accumulated compensatory time.
ADDENDUM I
Job Titles Classified by Definition

The following is a listing of current PACT job titles by FLSA definition:

1 - Exempt under Executive Classification - (Standard Test)
2 - Exempt under Administrative Classification - (Standard Test)
3 - Exempt under Professional Classification - (Standard Test)
4 - Exempt under the Computer Employee Classification – (Standard Test)

Exempt Employees

Airport Manager 2
Assistant Director Human Resources 2
Assistant Finance Director/IT Director 1
Assistant Fire Chief - 2
Building Official 1
City Clerk/Deputy Assessor 1
City Engineer 3
City Manager 1
City Planner 1
Director of Community Services and Economic Development 1
Director of Finance/City Treasurer 1
Director of Human Resources 1
Director of Parks and Public Spaces 1
Director of Public Relations 2
Director of Public Safety/Police Chief 1
Director of Public Works 1
Director of Recreation and Sports 1
Downtown Development Director 2
Deputy DPW Director 2
Fire Chief 1
GIS Specialist 3
Parks and Public Spaces Field Operations Supervisor 3
PEAK Program Coordinator 3
Police Captain 3
Police Lieutenant 3
Records Division Supervisor 2
Recreation and Sports Coordinator 3
Street Superintendent 1
System Administrator 4
Utility Billing Supervisor 2
Water Resource Recovery Facility Superintendent 1
Water Treatment Plant Superintendent 1
Non-Exempt Employees

Engineering Technician – Technical
Executive Assistant – Confidential – Human Resources
Information Technology Specialist
Payroll Specialist – Technical
Senior Executive Assistant - Confidential – City Manager Office