

11- BENEFITS

BENEFITS ADMINISTRATION/PERSONAL DATA

In order to ensure prompt and correct administration of employee benefits, and in case of emergency, each employee is responsible for ensuring that his or her personal data on record with the Finance Department, and with the Human Resources Department, is complete and current.

Finance Department.

Employees must report the following changes to the Finance Department:

- Name
- Address and Telephone Number
- Marital Status
- Dependents
- Tax Exemptions
- Direct Deposit Information

Human Resources Department.

Employees must report the following changes to the Human Resources Department:

- Name
- Address and Telephone Number
- Emergency Notification Individual
- Any changes to benefits (marriage, divorce, death, birth, adoption, children reaching adult age)

EMPLOYEE INSURANCE, RETIREMENT BENEFITS, AND SPECIAL COMPENATION PLANS ARE HANDLED THROUGH THE HUMAN RESOURCES DEPARTMENT

BENEFITS (cont'd)

Health Insurance. Classified, full-time employees are eligible to participate in the city's group health insurance program through a selected carrier. As a benefit to the employee, the city pays a percentage of the employee's monthly premium. Employees may elect to cover their spouse and/or dependents at additional cost to the employee. Monthly premiums for a spouse and/or dependents may be paid by automatic payroll deduction through the Finance Department.

Terms and costs of health insurance coverage are subject to change. Current details regarding group health insurance benefits are available from the Benefits Administrator.

Employees may elect not to participate in the group health insurance plan; however, choosing not to participate does not entitle the employee to any additional monetary compensation.

In order to be eligible for this benefit, an employee must have a legal right to work in the United States.

Dental Insurance. Classified, full-time employees are eligible to purchase group dental insurance program through a selected carrier. The city does not contribute toward the employee's monthly premium. Employees may elect to cover their spouse and/or dependents at additional cost. Monthly premiums for a spouse and/or dependents may be paid by automatic payroll deduction through the Finance Department.

Terms and costs of dental insurance coverage are subject to change. Current details regarding group dental insurance benefits are available from the Benefits Administrator.

Employees may elect not to participate in the group dental insurance plan; however, choosing not to participate does not entitle the employee to any additional monetary compensation.

In order to be eligible for this benefit, an employee must have a legal right to work in the United States.

BENEFITS (cont'd)

AFLAC Supplemental Insurance. Classified, full-time employees are eligible to purchase supplemental insurance through AFLAC. The city does not contribute toward the employee's monthly premium. Employees may elect to cover their spouse and/or dependents at additional cost. Monthly premiums for a spouse and/or dependents may be paid by automatic payroll deduction through the Finance Department.

AFLAC is currently offering cancer, accident, intensive care, short-term disability, and dental coverage. Terms and costs of supplemental insurance coverage are subject to change. Current details regarding supplemental insurance benefits are available from the Benefits Administrator.

Employees may elect not to participate in the supplemental insurance plan; however, choosing not to participate does not entitle the employee to any additional monetary compensation.

In order to be eligible for this benefit, an employee must have a legal right to work in the United States.

COBRA-Continuing Health Insurance Coverage after Terminating Employment with the City. Through provisions of the Comprehensive Omnibus Budget Act of 1986, often referred to as COBRA, employees leaving employment with the city are eligible to continue, *at the employee's expense*, and for a limited time, health insurance coverage under the city's group plan. With limited exceptions, this law covers individuals who leave employment with the city voluntarily or involuntarily. **When an individual retires, resigns, or is dismissed, he or she must confer with the Benefits Administrator regarding his or her rights under the law.** The law also requires the city to notify individuals eligible for continuing coverage which may include a separated or divorced spouse and dependents not domiciled with the employee terminating the employment. In order to be eligible for this benefit, an employee must have a legal right to work in the United States.

BENEFITS (cont'd)

Flexible Spending Account-Medical and Dependent Care. Employees are eligible to participate in a flexible spending plan through which employees may reserve a portion of their compensation prior to tax withholding, for the purpose of paying for certain medical and health services or specified dependent care services. The program is administered through the Benefits Administrator by payroll deduction, and they can also provide information regarding the limitation on this benefit.

Long-Term Disability Insurance. All classified, full-time city employees are provided long term disability insurance. The city presently pays the employee's monthly contribution to the premium for this insurance. The Benefits Administrator can provide information regarding this benefit which is also subject to conversion when an employee leaves employment with the city.

Group Life Insurance. Classified, full-time employees are provided life insurance through Virginia Retirement System. The city currently pays the monthly premium for this benefit. Details about this policy, benefits, and additional options are available through the Benefits Administrator. Employees may convert their group life insurance coverage when they leave employment with the city for reasons other than retirement.

Purchased Optional Group Life Insurance. Classified, full-time employees who are members of the Virginia Retirement System are eligible to purchase additional life insurance on themselves, their spouse, and their children. The cost of this optional insurance is born by the individual employee and is deducted from their paycheck. The Benefits Administrator can provide information on this benefit upon request.

BENEFITS (cont'd)

Virginia Retirement System. All classified, full-time employees are enrolled in the Virginia Retirement System. The city pays both the employer and the employee contributions which fund this program. In order to become vested, an employee must have 5 years of service. If an individual leaves employment with the city prior to achieving 5 years of service, he or she may obtain a refund of the employee contributions. If the individual anticipates employment with a state agency, another VRS participating locality, or even returning to employment with the city, he or she may leave the employee contributions in the system. Vested individuals have the option of requesting a refund; however, if the contributions are refunded the individual no longer is entitled to a retirement benefit from VRS. More information regarding VRS is available through the Benefits Administrator and from the Virginia Retirement System at:

Virginia Retirement System
P.O. Box 2500
Richmond, VA 23218-2500

457 Deferred Compensation Plan. The city offers classified, full-time employees the option of sheltering part of their income in a tax-deferred 457 compensation plan. The Benefits Administrator can provide complete information on this benefit upon request.

Employee Assistance Program. EAP is a confidential assessment, referral, and short-term problem-solving service available to eligible employees and family members. Enrollment in the EAP is automatic as part of becoming a full-time classified employee. EAP helps participants deal with problems affecting personal and work life, such as:

- Conflicts within the family and workplace
- Personal and emotional concerns
- Alcohol and substance abuse
- Financial and legal problems
- Elder and child care
- Career concerns and challenges

More information regarding EAP is available through the Benefits Administrator or by contacting Sentara EAP at 1-800-899-8174.

HOLIDAYS

The following are legally observed holidays for all classified, full-time classified, City employees:

New Year's Day	Labor Day
Martin Luther King Jr. Day	Veteran's Day
President's Day	Thanksgiving Day
Memorial Day	Friday after Thanksgiving Day
Independence Day	Christmas Day

Unless otherwise designated by the city manager, when a holiday falls on a Saturday, it shall be observed on the preceding Friday. When a holiday falls on a Sunday, it shall be observed on the following Monday.

Compensation. In order to receive compensation for the holiday, an employee must be working or on paid leave the day prior to and after the holiday, with the exception of public safety personnel who may not be scheduled to work that particular day. Individuals who are on leave without pay shall not be compensated for the holiday.

Classified, full-time employees shall be compensated for 8 hours at their regular rates of pay for the day the city observes a holiday.

Public Safety, Fire, Police, and EOC Personnel. Employees of the city's public safety agencies, fire, police, and EOC shall be compensated for the holiday on the day it actually occurs rather than the day the city observes the holiday. In the case of a 2-day holiday, public safety employees will be compensated for the day prior to the holiday.

11.2- Employee Compensation and Benefits during Special Leave

Extended leave without pay. While out of work on extended unpaid Leave, individuals do not accrue sick leave or annual leave unless they are in a paid leave status for at least one half the work days in the month plus one (1) day.

Anniversary of Employment and Seniority. Employees who are out of work on extended unpaid Leave for four (4) or more consecutive weeks will have their anniversary dates of employment changed.

Health Insurance. During the period of extended unpaid leave, the employee is responsible for whatever costs they bear prior to the leave. In the case of employee only coverage, the employee is responsible for paying the full premium. In the case of dependent or family coverage, the employee is responsible for paying the full premium for family or dependent coverage. When feasible, the employee should make arrangements with the Finance Department prior to the period of leave. Payment of premiums may be accomplished through payroll deduction or direct payment to the city.

Virginia Retirement System. Contributions will be made to employee's account for the months in which qualifying compensation is paid to the employee. In order to qualify for a month of service and a corresponding contribution to the employee account, the individual must work half of the working days in a month plus one (1) day.

Council for the City of Waynesboro, Virginia, held a Regular Business Meeting on Tuesday, May 27, 2008, at 7:00 P.M. in Council Chambers of the Charles T. Yancey Municipal Building, 503 West Main Street, Waynesboro, Virginia, with Mayor Reynolds presiding and calling the meeting to order:

PRESENT: Council Members: Thomas W. Reynolds, Mayor
Nancy M. Dowdy, Vice Mayor
Lorie M. Smith, Council person
Timothy D. Williams, Council person
Frank S. Lucente, Council person

Staff: Douglas Walker, City Manager
Michael G. Hamp II, Asst. City Manager
Julia Bortle, Clerk of Council
Pat Nicosia, Director of Budget, Purchasing,

Inventory Dave Van Covern, Parks & Recreation Director
James C. Fitzgerald, Human Resources Director
Brian McReynolds, Public Works Director
Dave Randall, Superintendent of Public Works Operations
Sue Gates, Public Works Administration
Stoney Parr, Public Works Fleet Maintenance
Dale Bryant, Public Works Fleet Maintenance
Timmy Bennett, Public Works Sewer
D.J Brown, Solid Waste Management
Michael W. Campbell, Solid Waste Management
James Leroy Clark, Public Works Street Division
Neil Wood, Facilities Maintenance
Timmy Moore, Facilities Maintenance
Rachael Stevens, Water Division
Russell Long, Customer Service Utilities Division

ABSENT: None

**CONSIDER AMENDING THE PERSONNEL POLICIES AND PROCEDURES
MANUAL REGARDING THE PROVISION OF HEALTH INSURANCE
BENEFITS FOR RETIRED CITY EMPLOYEES:**

Mr. Hamp reviewed the following memorandum that was distributed to Council prior to this meeting.

TO: Mayor Tom Reynolds and Member of City Council
FROM: Mike Hamp, Assistant City Manager
SUBJECT: OPEB Compliance, Retiree Health Insurance Benefits
DATE: May 21, 2008

At your previous regular business meeting you were provided a presentation and report concerning the City's plan to comply with recently implemented accounting regulations concerning other post employment benefits, OPEB. At the May 27 regular business meeting, you will be asked to consider a resolution adopting the recommended policy modifications regarding retiree health insurance to achieve compliance with the new requirements.

You may recall that during the discussion, City Council was asked to consider the date on which the grandfather provision would apply. Two options have been developed, July 1 1988 and July 1, 1998. The difference in cost of the first year between the options is \$39,000. The difference in the number of employees grandfathered is 70.

At the May 27 meeting, you will be asked to provide direction concerning the grandfather date and consider the resolution.

Staff proposed July 1, 1988 as the effective date for the grandfathering provision for Council's consideration. Mrs. Smith met with the Finance Director regarding the actuarial information and is comfortable with staff's recommendation for a grandfathering date of July 1, 1988.

Vice Mayor Dowdy moved, seconded by Mrs. Smith, to adopt the following resolution. Mrs. Smith requested confirmation that staff is communicating these changes to City employees, particularly retired employees. Mr. Hamp stated that communicating the changes to current and retired employees will begin after Council adopts the changes to the Benefit Program and will do everything possible to ensure a smooth transition for all involved. With no further questions or comments, the resolution was adopted with affirmative votes from Council members Reynolds, Dowdy, Williams, Smith, and Lucente.

RESOLUTION

WHEREAS, the City Council for the City of Waynesboro finds that it is in the best interests of the City to amend and update its current policy related to eligibility for health insurance benefits for retired City employees by amending the City of Waynesboro Employee Handbook;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Waynesboro hereby adopts the following policy as it relates to health insurance benefits for retired City employees to be included in the City's Employee Handbook:

Health Insurance. Classified, full-time employees are eligible to participate in the city's group health insurance program through a selected carrier. As a benefit to the employee, the city pays a percentage of the employee's monthly premium. Employees may elect to cover their spouse and/or dependents at additional cost to the employee. Monthly premiums for a spouse and/or dependents are paid by automatic payroll deduction through the Finance Department. Terms and costs of health insurance coverage are subject to change. Current details regarding group health insurance benefits are available from the Benefits Administrator. Employees may elect not to participate in the group health insurance plan; however, choosing not to participate does not entitle the employee to any additional monetary compensation. In order to be eligible for this benefit, an employee must have a legal right to work in the United States.

Eligibility for Continuation of Health Insurance Upon Retirement

A retiring employee, who is participating in the employer's medical plan and who is a service retiree, at least 60 years of age, and has 10 or more years of continuous full-time service immediately prior to retirement is eligible to participate in the city's group health insurance plan under the cost sharing terms listed below.

Termination of Medical Coverage After Retirement

Post 65 coverage for existing and future retirees will end on June 30, 2010 with no exceptions. Coverage for disabled lives will end at the attainment of age 65 or upon first eligibility for Medicare, if earlier.

Employee Cost Sharing For Retirees and Family Members

Current retirees and employees hired on or before July 1, 1988 and retire with 10 or more years of consecutive full-time service with the City of Waynesboro will be grandfathered in at the 60% purported rate for elected coverage.

After July 1, 1988:

1. Employees (not spouse or family) with 10 to 14 years of service with the City of Waynesboro shall contribute 100% of the purported rate.
2. Employees (not spouse or family) with 15 to 19 years of service with the City of Waynesboro shall contribute 90% of the purported rate.
3. Employees (not spouse or family) with 20 to 24 years of service with the City of Waynesboro shall contribute 80% of the purported rate.
4. Employees (not spouse or family) with 25 to 29 years of service with the City of Waynesboro shall contribute 70% of the purported rate.
5. Employees with 30 or more year's service (25 years for LEOS employees) with the City of Waynesboro shall contribute 60% of the purported rate.

Spouse/dependent contributions shall be 100% of the medical plan rate regardless of employee's years of service specified in sections 1-5 above.

AND, BE IT FURTHER RESOLVED by the Council of the City of Waynesboro that this policy shall be implemented effective July 1, 2008.
