

RESOLUTION NO. 294

**A RESOLUTION OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AMENDING
RESOLUTION NO. 161 ESTABLISHING PERSONNEL POLICIES & PROCEDURES,
AMENDING CHAPTER 6 TO CLARIFY THE EMPLOYEE HEALTH ALLOWANCE
POLICY**

WHEREAS, the City of University Place adopted Resolution No. 161 on December 15, 1997 repealing Resolution No. 33 and establishing policies and procedures relating to human resource administration, including general employment practices, policy administration, attendance, compensation and performance review, benefits, employee responsibilities and conduct, training, and discipline and termination; and

WHEREAS, the City Council wishes to amend these Personnel Policies and Procedures as guidelines for City employees;

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE,
WASHINGTON, AS FOLLOWS:**

Section 1. Personnel Policies Amended. The Personnel Policies and Procedures are amended as shown in Attachment A, included by reference as part of this resolution.

Section 2. Effective Date. This Resolution shall take effect immediately upon signing.

ADOPTED BY THE CITY COUNCIL ON DECEMBER 11, 2000.


Lorna Smith, Mayor

Attest:


Susan Matthew, City Clerk

ATTACHMENT A TO RESOLUTION NO.

CHAPTER 6

BENEFITS

6.01 RETIREMENT BENEFITS

The City does not participate in the federal social security program. In place of it, the City provides the following retirement programs for employees. All retirement benefits shall be a fringe benefit accruing to the employee by virtue of employment with the City and shall not be considered part of the employee's regular rate of pay.

Social Security Replacement Program: All employees eligible for participation in the Washington State Public Employees Retirement System utilize this system as a replacement for the federal social security program. Employees not eligible for PERS and other benefits will pay into social security.

All City employees contribute to Medicare insurance portion of FICA.

State Retirement System (PERS): All regular full-time and eligible part-time employees are covered by the statewide retirement system, the Public Employees Retirement System (PERS). Benefit levels, contribution rates, and eligibility criteria are set by the State of Washington.

Money Purchase Plan: The City provides two money purchase 401(a) plans, one mandatory and one optional, in which the City contributes on behalf of the employee and the employee participates according to Appendix C of this manual and within dollar limits defined by the IRS.

Deferred Compensation Plan: The City provides a voluntary deferred compensation 457 plan for employees to contribute pre-tax dollars.

(See Appendix "C" for more details on retirement plan benefits and contributions.)

06.03 BENEFIT ALLOWANCE

The City provides a monthly benefits allowance (as adopted in the annual budget ordinance) for all regular full-time City employees and a pro-rated amount for regular part-time employees provided that each employee shall be required to subscribe to individual medical, dental (including orthodontia if applicable) and vision coverage ~~as at~~ a minimum. Any remaining allowance under the health allowance minimum may be used to purchase additional coverage for dependents.; Employees with no dependents and employees who purchase health insurance coverage for their dependent(s) under the City's plan(s) or elsewhere can use the remaining allowance (if any) to: 1) buy up to three (3) days added vacation time per year; 2) contribute to the deferred compensation program provided by the City; 3) receive the remaining allowance as a cash payment (subject to retirement and other required deductions); and/or 4) allocate the remaining allowance into one or more of the employee's Section 125 flexible spending accounts. The health allowance shall be a fringe benefit accruing to the employee by virtue of employment with the City and shall not be considered part of the employee's regular rate of pay.

- If an employee's total health (medical, dental, orthodontia, and vision) insurance premiums exceed the monthly health allowance minimum and are less than the health allowance maximum, \$500 per month, \$0.66 per month (\$0.33 per pay period)an amount equal to the employee's orthodontia premium will be deducted from his/her paycheck.
- ~~➤ If an employee's monthly (medical, dental, orthodontia, and vision) health premiums are between \$500 and the monthly health allowance maximum, \$23.00 per month (\$11.50 per pay period) will be deducted from his/her paycheck.~~
- If an employee's monthly health (medical, dental, orthodontia, and vision) premiums exceed the health allowance maximum, the amount over the maximum ~~(\$23 minimum)~~(the employee's orthodontia premium as a minimum) will be deducted from his/her paycheck.
- If an employee's monthly health (medical, dental, orthodontia, and vision) premiums are less than the health allowance minimum, the remaining allowance will be reduced by the amount of the employee's orthodontia premium (this reduction will be zero if the employee does not insure spouse or dependents on dental or orthodontia).

Regular employees are eligible for the benefit allowance beginning with the first full month of employment with the City. Eligible employees may elect to convert accrued vacation days to pay health insurance premiums beyond the monthly benefits allowance, providing they have used or maintain a minimum ten (10) day vacation accrual. (See Appendix "C" for more details and plan benefits.)

6.04 HEALTH INSURANCE BENEFITS

Regular full-time and regular part-time employees and their dependents are eligible to participate in the City's various insurance programs beginning with the first full calendar month of employment with the City (example: to be eligible for coverage in March, the employee would need to start no later than March 1 or the first working day in March). The programs and criteria for eligibility are explained upon hire. The City provides a monthly benefits allowance toward the cost of premiums in the amounts authorized by the City Council. The remainder of the premiums, if any or as described in the preceding section, shall be paid by the employee through payroll deduction. This health allowance shall be a fringe benefit accruing to the employee by virtue of employment with the City and shall not be considered part of the employee's regular rate of pay. The City reserves the right to make changes in the carriers and provisions of these programs when deemed necessary or advisable, without prior notice to affected employees. (See Appendix "C" for more details and plan benefits.) Represented employees should refer to their union contract(s) for health insurance or other benefit information.

Temporary employees normally will not be eligible for insurance coverage.

6.05 LIFE INSURANCE

The City provides life, accidental death and dismemberment, survivor, and long-term disability insurance for regular full-time and regular part-time employees. This coverage is effective the first day of the month following the month in which the employee started employment with the City. (See Appendix "C" for more details and plan benefits.)

6.06 OTHER BENEFITS

The City provides an employee assistance program and a Section 125 flexible spending accounts program to regular employees. Also, to reduce absenteeism and to promote employee health and productivity, the City encourages employee wellness through various City-sponsored, voluntary activities and programs. Subject to the annual budget, City funds may be budgeted to promote some in-house wellness programs. These benefits shall be a fringe benefit accruing to the employee by virtue of employment with the City and shall not be considered part of the employee's regular rate of pay.