

STANDARD PROCEDURE

CITY OF WILSON MANUAL

PERSONNEL

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| Employee Benefit Plan Components | C-1 | 1 | June 1, 2007 | | 1 of 2 |
| Prepared By: | Policy Review Committee | | | Approved By: | Grant Goings City Manager |

1.0 Purpose

To provide employees and their dependents with the option of participating in benefit plans offered by the City of Wilson.

2.0 Policy

The City will make group medical and welfare benefit programs available for employee participation through payroll deduction.

3.0 Scope

Full-time and permanent part-time employees are covered by this policy.

4.0 Definitions

Full-Time Employee: An employee appointed to serve in a position for an indefinite period of time and regularly scheduled to work the number of hours per work week designated as full-time.

Permanent Part-Time: An employee appointed to serve in a position for an indefinite period of time and regularly scheduled to work at least 1,000 hours per year but less than the number of hours per work week designated as full-time. Permanent part-time positions must be designated as such in the fiscal year budget.

Open Enrollment: A period of time each year during which employees may make changes to benefit elections without restrictions.

5.0 Rules/Procedures

5.1 Group medical coverage is provided to all full-time employees. The City's contribution to the cost of medical coverage along with the employee's share of the cost is established each fiscal year. Dependent coverage may be obtained for an additional cost as also approved in the budget each fiscal year.

5.2 A Dental Reimbursement Program is provided to all full-time and permanent part-time employees. Cost for employee coverage is paid by the City. An employee must pay the cost for any dependent coverage. The plan reimburses 100% of the first \$100 of dental expenses and 50% of the remaining dental expenses not to exceed a total payment of \$500, payable per calendar year.

5.3 A Vision Reimbursement Program is provided to all full-time and permanent part-time employees. Cost for employee coverage is paid by the City. An employee must pay the cost for any dependent coverage. The City reimburses up to \$200 every 24 months.

5.4 Group life insurance is provided to full-time employees at a rate of one time annual salary rounded up to the next \$1,000. Cost for the insurance is paid by the City.

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- 5.5 Supplemental life and cancer/intensive care insurances are available through payroll deduction to all full-time and permanent part-time employees. These are employee-sponsored benefits with no City contribution.
- 5.6 Changes in benefits coverage will only be allowed during Open Enrollment unless the employee has met one of the family status qualifying events shown below. All changes must be made **no later than 30 days following the qualifying event.**
- 5.6.1 Marriage, divorce, or death of a spouse;
 - 5.6.2 Birth, adoption or death of a child or dependent;
 - 5.6.3 A change in the employee's employment status or that of a spouse;
 - 5.6.4 A significant change in a spouse's employer-provided health insurance; and/or
 - 5.6.5 Taking an unpaid leave of absence by an employee or a spouse.
- 5.7 Benefit Stipulations when on Leave
- 5.7.1 Employer-sponsored benefits in effect at the beginning of an approved leave either with or without pay will continue for up to three months. The employee and the City will continue to pay their customary shares of the cost. The employee should make payment arrangements with the Benefits Specialist in advance of the leave if possible.
 - 5.7.2 Benefits will be continued for the employee who is on approved leave with pay and is unable to return to work at the end of the three month period. The employee and the City will continue to pay their customary share of the costs.
 - 5.7.3 Benefit payments by the City will be discontinued following the three month period for the employee who is on an approved leave of absence without pay. The employee will be permitted to participate in the benefit plans only if he/she pays all costs of the benefits.
- 5.8 Employees who terminate their service with the City will be permitted to continue medical, dental and vision coverage in accordance with COBRA regulations. The terminating employee will be responsible for paying the cost of the benefits continued.
- 5.9 The terminating employee will also be presented with a medical coverage certification during the exit process to confirm coverage while employed with the City of Wilson.