



# City of Cleveland

## **BENEFITS SUMMARY**

### **City of Cleveland**

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## **City of Cleveland** **Fringe Benefits Summary**

The City provides a comprehensive package of fringe benefits for employees. All employee benefits are contingent upon the City of Cleveland's financial capacity and benefits may be amended by the City Council. The package includes the following:

### **Health/Dental/Vision Insurance Coverage**

City employees are covered by the City of Cleveland Health, Dental and Vision Insurance Plans. Health and dental benefits currently are with Blue Cross and Blue Shield and the vision coverage is with Guardian. Details of the coverage are available in the employee insurance benefit handbooks. The City and its employees currently pay the following rates for insurance coverage:

	<u>Employee</u>		<u>City</u>		<u>Total Cost</u>	
	<u>Ind</u>	<u>Family</u>	<u>Ind</u>	<u>Family</u>	<u>Ind</u>	<u>Family</u>
Medical	0	\$370.34	\$607.99	\$1,202.58	\$607.99	\$1,572.92
Dental	0	\$ 18.06	\$ 26.09	\$ 49.96	\$ 26.09	\$ 68.02
Vision	0	\$ 6.30	\$ 8.00	\$ 14.30	\$ 8.00	\$ 20.60

The City's insurance coverage renews at August 1<sup>st</sup> of each year. The City's agent of record is Ed Jacob's and Associates. Andy Fighlestahler and Dena Hunt are the City's primary representatives with Ed Jacobs. Andy coordinates our renewal each year and we make every effort to insure we are getting the best coverage possible with the funds available. Dena provides our employees with assistance with claims problems, enrollment of dependents, changes in coverage, etc. They can be reached at 423-473-0202.

Open enrollment is held each year beginning in June. This is the period that changes can be made without a "qualifying event" such as marriage, divorce, birth of a child, change in spouse's employment status, etc. Employees who elect dependent coverage will have deductions from their paychecks during the month prior to the coverage's effective date.

### **Flexible Spending Account Program**

The Flexible Spending Account Program is a plan that allows employees to save on their annual tax liability by the use of pre-tax dollars to pay for certain out-of-pocket expenses such as un-reimbursed medical and dental expenses including co-pays and deductibles, dependent care expenses, over-the-counter medications, eyeglasses, etc. Employees may elect an annual amount up to \$2600 for medical expenses that is deducted from payroll **before taxes** in equal amounts out of 24 payrolls each year and deposited in their Flexible Spending Account. As claims are incurred, the employee can use a debit card to pay the expense with no out of pocket cash required, or can file for reimbursement if the debit card is not used. Effective with the 2013 plan year, a roll over option was included to prevent the loss of funds that remain in accounts at the end of the plan year. Up to \$500 may be unused at the end of each year and will roll over to the following year. The Flexible Spending Account year begins August 1<sup>st</sup> and ends July 31<sup>st</sup>. Contributions from payroll to employee's Spending Accounts begin with the first payroll in

August. Both the City and the employee save on federal taxes. The City pays for all expenses related to administration of the plan.

**Life Insurance Coverage**

City employees are provided with two times their base annual salary for life insurance and accidental death and dismemberment insurance. Dependent coverage is provided in the amount of \$2,000 for a spouse and \$1,000 for dependent children. Employees must inform the HR Department in the event of a change in their beneficiary, and of the change in marital status so dependent coverage can be updated. There is no cost to employees for this coverage.

**Long-Term Disability**

City employees are provided with long-term disability insurance that pays a minimum of 60% of the employee's regular earnings up to a maximum of \$5,000 per month in the event of disability. The benefit will be provided for disability from the employee's current occupation for two years, then would convert to disability from any occupation. This benefit begins after the exhaustion of sick leave or 90 days, whichever is greater. There is no cost to the employee for this coverage.

**Paid Sick Leave**

Employees are credited with sick leave each month at the rate of 8 hours per month for 40 hour per week employees and 24 hours per month for 28 day Fire employees. Sick leave is to be used for an employee's personal illness or injury off the job, and may also be used for the necessary care and attendance of a member of the employee's immediate family. Unlimited accumulation is allowed. Unused sick leave is not paid for at termination of employment, however, credit is given for unused sick leave for employees retiring under the City's retirement plan. Twenty days of unused sick leave will provide the employee with one additional month of service credit in the TCRS. Employees are encouraged not to abuse the paid sick leave benefit so that paid time will be available in the event of an extended absence (paid sick leave serves as short term disability provided by the City), and for the additional service credit at retirement. Sick leave is accrued on approximately the 15<sup>th</sup> of each month and the leave balance is provided to employees on check stubs every two weeks.

**Paid Vacation Leave**

Employees earn vacation leave on a monthly accrual basis based on length of service. The list below shows the amount of vacation that is earned on a monthly and annual basis. 24 hour shift Fire personnel earn vacation time at 1.4 times the rate of a regular 40 hour per week employee. There is a maximum carryover allowed each year at January 1<sup>st</sup> of 240 hours of vacation for all employees except 28 day Fire who have a maximum carryover of 720 hours. Any vacation over the allowed maximums will convert to sick time. Any unused vacation leave is paid to the employee at termination of employment. Vacation leave is accrued on approximately the 15<sup>th</sup> of each month and the leave balance is provided to employees on check stubs every two weeks.

<u>Years of Service</u>	<u>Accrual Rates per Month</u>		<u>Hours Earned per Year</u>	
	<u>40 hr wk</u>	<u>28 day Fire</u>	<u>40 hr wk</u>	<u>28 day Fire</u>
0 - 1	3.33	4.67	40	56
1 - 4	6.67	9.34	80	112
5 - 14	10.00	14.00	120	168
15 - 19	13.33	18.67	160	224
20+	16.67	23.34	200	280

### **Paid Holidays**

Employees other than 28 day Fire employees are paid for 12 holidays (96 hours) annually either with time off or additional compensation. Any holiday time that remains on an employee's balance at the end of the year will convert to vacation time. Holiday time is posted to the employees leave balance at the beginning of each calendar year and the balance is reduced as holiday time is taken. The holiday leave balance is provided to employees on each pay stub. The paid holidays are:

New Year's Day	Labor Day
Veterans Day	M.L. King Birthday
President's Day	Columbus Day
Good Friday	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Eve
	Christmas Day

### **Special Leave**

Employees are granted time off from work with or without pay at the discretion of the Department Head for various occasions. Bereavement leave is granted with pay for a maximum of three days for the death of a member of the immediate family. Jury service is granted with pay provided the jury service pay is turned in to the City. Military leave is granted with pay for a period not to exceed 20 calendar days in a 12 month period. Special leave with or without pay can be provided at the discretion of the Department Head with the City Manager's approval. Inclement weather leave is provided for all employees in the event the City Offices are closed due to severe weather conditions.

### **Retirement Plan**

City employees are covered by the Tennessee Consolidated Retirement System, a statewide retirement program that covers state employees and numerous city and county local government agencies and school system employees. In 1982 the City initiated non-contributory status which means that the City pays the full cost of membership for employees. Employees do not pay any of the cost of membership in TCRS. The current contribution rate paid by the City is 17.06% of gross wages for general government employees. For certified police and fire employees who qualify, 20.56% of wages is paid for the Public Safety Officer Supplemental Bridge Option. Other current options include probationary period buyback, sick leave credit, option I in service death benefit, 25 year retirement, 5 year vesting, 3.6% indexing, prior service buyback, and military service credit, among others.

The TCRS is a defined benefit pension plan which means that the benefit provided at retirement is based entirely on years of service and the employees highest consecutive 60 months of salary. Full retirement benefits are received at 30 years of service or age 60 for general government employees, and 25 years of service or age 55 for Public Safety employees covered by the Supplemental Bridge Option. A 30 year general government employee would draw approximately 48% of their salary at retirement, a 30 year Public Safety Officer with the Supplemental Bridge benefit would draw approximately 71% of their salary. The 25 year early service retirement option for general government employees allows employees with 25 years of service to retire at any age (under 60) with a reduction in benefit. Employees age 55 who are vested (5 years of service) may also retire at any time prior to age 60 with a reduction in benefit. Full details of the TCRS are available in the HR Department or online at [www.tcrs.tn.gov](http://www.tcrs.tn.gov).

### **Retiree Premium Reduction Plan/Medicare Supplement**

In June 2006, the City implemented a program that allows retirees who qualify to remain on the City's health, dental and vision insurance coverage for life. Retirees under age 65 remain in the City's group plans that are provided for active employees. At age 65 the retiree is covered by a Medicare Advantage Plan. The retiree may also elect to cover spouses after retirement. Spouses may remain in the City's coverage for up to three years in the event of the death of the retiree. Retirees under 65 pay the same for dependent coverage as do active employees. Retirees must have 10 years of creditable service in TCRS to remain in the City's group coverage. A percentage of the retiree's individual premium is paid by the City, based on the employee's years of service. The premium reduction for the health, dental and vision insurance and Medicare Supplement starts at 15 years of service. The City pays 50% of the retiree's individual premium at 15 years of service and the percentage paid by the City increases 3.33% each year up to 100% paid at 30 or more years of service (5 % each year and 100% for 25 or more years of service for public safety employees).

### **Deferred Compensation Plan**

City employees are eligible for a 457 Deferred Compensation Program administered by Nationwide Retirement Solutions. This is a voluntary tax-favored program that allows public employees to contribute a portion of their salary before federal taxes into a supplemental retirement account. This is a long range retirement option designed to allow employees to contribute to an account that will supplement the benefits received from the State Retirement System and Social Security, and provide a more secure standard of living in their retirement years. The plan is very flexible, employees may enroll at any time, can make changes to their plan design, change contribution amounts, stop contributions if necessary and then resume contributions at a later date, and make other changes whenever needed. Various options are available including fixed rate annuities, publicly available mutual funds and life insurance. Employees are not able to access the funds while employed unless for certain unforeseen emergencies as defined by the IRS. Funds become available upon separation from employment and are taxable as income in the year of separation.

### **Workers Compensation and Occupational Disability Salary Supplement Plan**

City employees are covered for occupational injury and illness according to the state worker's compensation laws, with coverage administered by the Tennessee Municipal League Risk Management Pool. The City in addition has adopted an Occupational Disability Policy that will supplement the worker's compensation weekly benefit amount to insure that employees receive an amount equal to their full regular earnings for a period of 30 calendar days. After 30 days if the employee remains unable to return to work, they would receive the temporary total disability benefit from TML (66.67% of regular pre-disability earnings). Employees are encourage to work safely, and report any accident or injury immediately, even if minor in nature so that appropriate medical attention can be provided.

### **Educational Reimbursement and Career Training**

City employees are eligible for up to \$2388.00 per fiscal year for reimbursement of expenses for continuing education with a regionally accredited institution. Employees who have not completed high school are eligible for a \$250 bonus for obtaining a GED. Employees are provided with job related training and certifications as needed such as Police POST certification, Firefighter certification, Building Inspector certification, SCBA certification for Firefighters, etc., and various other types of supervisory training and job-related courses and seminars.

**Electronic Direct Deposit**

City employees hired prior to February 1, 2013 have the option of having their payroll check electronically deposited directly to any financial institution. Effective February 1, 2013 all new employees are paid by direct deposit.

**Payroll Deduction YMCA Membership Fees**

Employees can join the local YMCA without a joining fee and are eligible for payroll deduction of the monthly membership dues.

**Optional Accident, Cancer, Intensive Care, etc. Insurance Coverage**

Employees have available at their own expense through payroll deduction group rate coverage through AFLAC and Colonial Insurance Companies. Various types of coverage are offered through both companies such as cancer plans, accident plans, short term disability plans, among others. Eligibility for these coverages is at employment or at open enrollment each year.

**Cafeteria Plan (Premium Conversion Only)**

Employees are eligible to purchase dependent health coverage, dental coverage and other insurance policies with pre-tax dollars saving on their tax liability each pay period.

**Longevity Pay**

Upon completion of their 5<sup>th</sup> year of service as of June 30<sup>th</sup>, all employees will receive longevity pay in the amount of \$350, with \$75 added annually for each additional year of service completed. The longevity bonus is paid in November each year.

**Service Awards**

City employees are provided with service awards for total years of service as of December 31<sup>st</sup> of each year. Service time includes all current and any prior periods of service combined. Employees may choose to receive cash or cash and a service pin. Retiring employees who reach a qualifying number of years in the year they retire will receive the award payment upon retirement. Awards are provided for the following years:

5 years	\$ 75
10 years	\$100
15 years	\$150
20 years	\$200
25 years and above	\$250

**Christmas Bonus**

All full-time City employees receive a \$100 bonus in December of each year.

**FICA Taxes**

The City pays 7.65% of wages for each employee for Social Security and Medicare.

**Competitive Wages, Overtime Pay, and Compensatory Time**

City employees are paid competitive wages which are evaluated periodically to insure they are comparable to wages paid for similar duties in both the public and private sectors. Employees receive annual pay increases if job performance is satisfactory, subject to the approval of the City Council and the availability of funds. The current compensation plan gives

employees with a good evaluation a 3.5% step in pay each year in addition to any cost of living increase that is given (if funds are available and subject to Council approval), normally on July 1st of each year. Employees are compensated for any overtime worked according to the Fair Labor Standards Act, either with pay at time and one half or compensatory time off. Certified Police and Fire personnel are subject to special provisions of the FLSA that allows for extended work periods and an increased number of hours worked before overtime is paid.

**Annual Physicals**

Annual physical examinations are provided in October each year at no cost to any employee who wishes to participate.

**Flu Shots**

Flu shots are provided annually at no cost to the employee.

**Annual City Picnic and Employee Appreciation Day**

Employees are honored annually with a city-wide picnic in May and a luncheon in December, providing funds are available. Food and gift cards are provided entirely by the City.

**Sold Vacation**

Employees with 1-14 years of service are allowed to receive pay in lieu of time off for up to one week of vacation time per fiscal year. Employees with 15 years or more service may sell up to two weeks of vacation time per fiscal year.

**Advanced Sick and Vacation Time**

Under certain conditions, if an employee exhausts all earned sick and vacation time, they may be advanced up to two weeks of sick leave and two weeks of vacation leave.

**Uniforms and Cleaning Services**

Uniforms are provided for city employees, other than clerical and others wearing normal street clothes, for Public Works, Police, Fire, Parks and Recreation, and the Animal Shelter. Clothing allowances are provided for police detectives, building, plumbing and mechanical inspectors, and department heads as well as reasonable amounts for laundry and dry cleaning.

**Death of an Employee**

Upon the death of a full-time employee, his/her beneficiary shall receive pay for all accrued vacation time, plus an additional two weeks full pay.