



City of Des Moines



BENEFITS SUMMARY

Non-represented Employees

Washington State Retirement System

The City and employees participate in the Washington State Department of Retirement Systems (DRS); non-represented employees who work least 70 hours per month in an eligible position are covered by the Public Employees Retirement System (PERS). If you are new to PERS, you must choose between PERS Plan 2 and PERS Plan 3 within 90 days of hire; if you do not make a selection within by that deadline, you will be placed in Plan 3 by default. As a newly eligible PERS employee, once you make a choice, you cannot change plans. Please find more information about these retirement plans at the DRS website:

Plan Choice: www.savewithwa.empower-retirement.com

Plan 2: www.drs.wa.gov/member/handbooks/pers/plan-2/default.htm

Plan 3: www.drs.wa.gov/member/handbooks/pers/plan-3/default.htm

Social Security Replacement and Deferred Compensation Plans

In lieu of Social Security, the City and employees contribute to a 401(a) plan and a 457 deferred compensation plan as follows:

	<u>City Contribution</u>	<u>Employee Contribution</u>
401(a) Plan	5.00%	6.20%
457 Deferred Compensation Plan	1.52%	Choice

Vesting for the City's contributions to the 401(a) plan are as follows: 25% after two years of service; 50% after three years of service; 75% after four years of service; and 100% after five years of service. There is no vesting requirement for the 457 plan.

Vacation

Annual paid vacations are granted to all regular full-time employees according to the following schedule (regular part-time employees accrue vacation on a prorated basis):

<u>Years of Service</u>	<u>Monthly Accrual</u>
0-3 years	8 hours
4-6 years	10 hours
7-10 years	12 hours
11-15 years	14 hours
16+ years	16 hours

Holidays

Regular full-time employees have the following paid holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the Friday after Thanksgiving, and Christmas Day. There is also a 4-hour holiday the afternoon of Christmas Eve. Employees are granted 16 hours of floating or personal holiday time during each calendar year. Regular, part-time employees receive prorated holidays and floating holidays.

Sick Leave

Regular full-time employees accrue sick leave benefits at the rate of eight hours per month. Regular part-time employees accrue prorated sick leave benefits according to hours worked.

Medical Plan Options

The City provides health insurance coverage through the Association of Washington Cities (AWC). Employees have their choice of the following for medical coverage:

1. Regence High Deductible Health Plan (HDHP) with HRA	For plan summary click here .
2. Kaiser Permanente (Group Health) HDHP with HRA	For plan summary click here .
3. Regence HealthFirst	For plan summary click here .
4. Kaiser Permanente (Group Health) \$10 Copay Plan	For plan summary click here .
5. Opt-out Pay: Employees with proof of other comprehensive group medical coverage may waive City medical coverage to receive additional pay (or 457 deferred compensation) at 25% of the City's contribution for the most medical expensive medical plan including the HRA-VEBA. The City continues to provide dental, orthodontia and vision coverage even if medical coverage is waived.	

HDHP with HRA

For employees who choose either HDHP with HRA (Options 1 or 2 above), **the City covers the full high deductible amount, and more.** With the high deductible plans, the City prefunnds a benefits debit card for the full amount of the deductible, and also covers a share of coinsurance costs. In summary:

- The City pays 100% of the premiums for the employee and 90% for dependents.
- The City preloads HRA benefits debit card with \$1,500 for employee only or \$3,000 if enrolling dependent(s). Preloading amounts are prorated for new hires based on the number of months covered by City of Des Moines health insurance in the current calendar year.
- Benefits debit card can be used to pay the deductible or other medical, dental, vision expenses.
- If the deductible is met, the employee must pay any coinsurance of \$1,500 single or \$3,000 ("donut hole").
- The City then pays any remaining coinsurance until the out-of-pocket maximum is reached (\$5,000 single/\$10,000 family per year)
- Once the out-of-pocket maximum is reached, the Regence or Kaiser pays 100% of covered costs.
- All funds remaining on the benefits debit card by the end of the calendar year are deposited into the employee's HRA-VEBA account the following April. The HRA-VEBA can be saved with investment earnings for qualified healthcare costs in retirement, or used for qualified out-of-pocket healthcare costs. All contributions, investment earnings, and withdrawals (claims) are tax-free.

Traditional Medical Plans

For employees who choose the HealthFirst or the Kaiser \$10 Copay Plan (Option 3 or 4 above):

- The City pays 90% of the premiums for the employee and 80% for dependents.
- The City also contributes \$580 for employee-only coverage or \$1,130 for employee plus at least one dependent to the employee's HRA-VEBA, which can be saved with investment earnings for qualified healthcare costs in retirement, or used for qualified out-of-pocket healthcare costs. All contributions, investment earnings, and withdrawals (claims) are tax-free.

Flexible Spending Account

The FSA is optional (via payroll deduction) regardless of which medical plan chosen. There are two types of FSAs. One is for eligible medical expenses, with a maximum contribution amount of \$2,550. The IRS recently altered its long-standing “use it or lose it” rule, now allowing carryover of up to \$500 in unused health FSA funds to the following calendar year. The other type of FSA is for dependent care, with an annual limit of \$5,000 for qualifying individuals who are married and file a joint return, or \$2,500 for those who are married and file separate returns.

Dental and Orthodontia

The City pays 100% of the premiums for Washington Dental Services Plan F through AWC plus the Orthodontia Plan II for children.

Vision

The City pays 100% of the premiums for the \$25 Copay Vision Service Plan (VSP) through AWC.

Cigna Life and Survivor Income and Disability Benefit

The City also pays the premiums for the following insurance plans through Cigna: basic term life insurance (1.5 times annual compensation not to exceed \$250,000), personal accident insurance, long term disability insurance, and survivor life benefit insurance.

Dependents

The only domestic partners eligible for coverage are State Registered Domestic Partners where at least one partner is over 62. All others must be legally married to be eligible. Employees will continue to be responsible for employee share of the cost of the medical insurance for their dependents.

Employee Assistance Program

The City-paid EAP program provides confidential counseling on personal issues, free of charge. The EAP also provides free legal assistance, with consultation with a qualified attorney over the phone for issues such as creating/updating wills, civil lawsuits, divorce, etc. In addition, financial assistance is available free of charge, for issues such as saving for college, getting out of debt, and retirement planning. The EAP also provides work-life assistance, such as finding child care, home repair, or event/vacation planning. To access the EAP, call 1-800-570-9315. Online assistance is also available at www.guidanceresources.com. The EAP is available to all employees as well as immediate family members, including dependent children and anyone living in their household.

Questions

Feel free to contact Human Resources Manager Maureen Murphy at 206-870-6722 or mmurphy@desmoineswa.gov or Payroll/Benefits Specialist Jennifer Dalbec at 206-870-6588 or jdalbec@desmoineswa.gov if you have any questions or concerns about the City’s benefits.