

Employee Handbook changes

**General Post-Retirement Benefit Changes:**

Section 1.06, Conflicting Policies, the following is added as a final paragraph:

Notwithstanding anything else contained in the Employee Handbook, no person hired on or after January 1, 2021, shall be entitled to any post-retirement benefits other than those provided through the Wisconsin Retirement System or otherwise as required by law.

**Sick Leave Payout Changes:**

Section 3.18, Separation from Employment, A. 2., is recreated to read:

Retirement is separation from employment with the City, either with or without notice, under the provisions of the Wisconsin Retirement System (WRS). As of January 1, 2013, employees who retire with a two week working notice or on disability shall be entitled to a sum equal to fifty percent (50%) of his/her daily wage for each of the first one hundred and forty (140) days of accumulated paid sick leave days to his/her credit: subject to the following limits:

The payment for those employees retiring between July 1, 2021, and December 31, 2021, shall be no more than \$15,000.

The payment for those employees retiring between January 1, 2022, and December 31, 2022, shall be no more than \$12,500.

The payment for those employees retiring between January 1, 2023, and December 31, 2023, shall be no more than \$10,000.

The payment for those employees retiring between January 1, 2024, and December 31, 2024, shall be no more than \$7,500.

The payment for those employees retiring between January 1, 2025, and December 31, 2025, shall be no more than \$5,000.

The payment for those employees retiring between January 1, 2026, and December 31, 2026, shall be no more than \$2,500.

There shall be no sick leave severance payment for those employees retiring on or after January 1, 2027.

Notwithstanding anything else contained herein, no person hired on or after January 1, 2021, shall be entitled to any payment for accrued, but unused, sick leave.

Section 3.18, Separation from Employment, A. 4. is recreated to read:

In case of the Death of the employee, the employee's estate may be eligible to receive earned but unused vacation, sick leave subject to the limits described in Section 3.18, A. 2., and compensation time/overtime as provided by the terms of this manual.

Section 4.12, Final Pay, is recreated to read:

Upon the death, disablement, or retirement of an employee, the employee, spouse or employee's estate, shall be paid by check, at the rate of pay in effect upon termination, for his/her earned but unused or unpaid vacation entitlement, salary, sick leave (in most cases only 50% of up to 1120 hours subject to the limits described in Section 3.18, A. 2.) and compensatory (non-exempt only). Employees terminated for cause or who resign their positions are entitled to salary, compensatory time if non-exempt, and pro-rated vacation.

Section 5.05 Sick Leave, E. Severance Benefit, is recreated to read:

Upon death, retirement on pension, or total disability, the employee or survivor shall be paid a sum equal to 50 percent of the regular daily wage of the first 140 days of accumulated sick days, subject to the limits described in Section 3.18, A. 2. Employees who are resigning may not use sick leave after submitting their resignation notice except if on a Family Medical Leave or in cases of disability.

### **Paid Leave for Birth, Adoption, or Placement of Child**

Section 5.075, Paid Leave for Birth, Adoption, or Placement of Child, is created to read:

Any employee eligible for and using Family and Medical Leave, as authorized by Section 5.07, for the birth of a child or for the placement with the employee of a child for adoption or foster care, shall be granted 80 hours' pay, at the employee's then-regular hourly pay rate to be used during the period of Family and Medical Leave. Payment granted under this Section 5.075 shall be used before to the employee uses any vacation leave, sick leave, compensatory time, or other accumulated leave. Notwithstanding anything else contained herein, eligibility for and use of Family and Medical Leave shall be as required by Section 5.07 and the State and Federal Family and Medical Leave Acts.

### **Health Insurance Changes**

Section 5.15 HEALTH INSURANCE

A. Medical Coverage Effective January 1, ~~2015~~2021:

The City will provide group health insurance to regular full-time employees, and to regular part-time employees who work more than 30 hours per week on a pro-rated basis. Such health insurance shall become effective on the first day of the calendar month following the date of hire. General employees will pay via payroll deduction ~~10% or 5%~~ the premium-equivalent percentage as may from time-to-time be determined by resolution of the common council ~~of the premium-equivalent~~ for the coverage type (single or family) and option selected by the employee. Applicable benefits including deductibles and coinsurance are as set forth in the Summary Plan Description available from the Human Resources Department.

An eligible employee may elect to waive health insurance coverage and will receive a monthly payment of \$50 via payroll for the period of time that the employee does not receive the benefit. An employee who does opt out may elect to receive coverage during an open enrollment period each year.

B. Prescription Drugs: The City's prescription drug program is separate from the City's PPO health plan in that expenses are not subject to an employee's deductible or out-of-pocket expenses. Participation in the prescription drug program is paid on an 80% (City)/20% (Employee) basis for generic drugs, and the same for brand name drugs when no generic drug is available. In the case of where a brand name drug is prescribed but an equivalent generic brand drug is available, and the employee insists on purchasing the brand name drug, the employee will be charged for the amount above what would be the City's cost for the equivalent generic drug. If a doctor can justify in writing the use of a brand name drug even though a generic equivalent is available, an exception will be given and the brand name prescription drug will be paid at the usual 80%/20% basis.

C. Wellness Incentive:

Employees, employees' spouses, retirees and retirees' spouses covered by the City health insurance plan who complete the wellness program requirements will be eligible to receive an incentive payment. An employee or retired employee shall be eligible for a \$200 wellness incentive payment. Employees' spouses and retirees' spouses shall be eligible for a \$100 wellness incentive payment. Employees and retirees will be eligible for no more than two payments per family per year. Wellness program requirements and incentives may be modified, by policy, at the city's discretion. Such payment shall be made by check and is taxable income subject to normal payroll deductions.

D. Fitness Center Reimbursement:

The city will reimburse full-time employees and retirees who are covered by the City's health insurance plan for 50% of the annual membership fee for a fitness center up to a maximum of \$200 per employee or retiree. Such payment shall be made by check and is taxable income subject to normal payroll deductions.

E. Health Insurance for Retired Employees:

Notwithstanding anything else contained herein, no person hired on or after January 1, 2021, shall be entitled to remain on the City's health insurance program post retirement.

~~An employee who elects to retire and is at least 55 years of age and has the combination of age and full years of service totaling 75 may remain in the City's health plan and is required to pay the premium contribution in effect at the time of retirement. Retired employees will receive the same insurance benefits as active employees and will be subject to the same plan changes as active employees. Employees hired on or after January 1, 2007 will not be allowed to remain in the health plan upon reaching the age of Medicare eligibility. Upon the death of the retired employee, the surviving spouse and dependents may remain in the group policy and must continue to make the premium contribution. This privilege shall terminate if the surviving spouse remarries. This privilege shall also terminate for the dependent survivors when they no longer meet the age and eligibility requirements for coverage under the policy. This privilege shall not exist for persons with eligibility for the City's health plan pursuant to his or her own employment.~~

~~Retirees are required to enroll in Medicare B and the City will continue to provide insurance and pay for Medicare B. Employees hired on or after January 1, 2007 are not eligible for Medicare B payments.~~

1. Eligibility. Employees hired on or before December 31, 2020, who retire under the provisions of the Wisconsin Retirement System may remain in the City's health plan post-retirement, subject to the following eligibility requirements:
  - a. Rule of 75. An employee hired on or before December 31, 2020, who has attained the age of 55 years and has the combination of age and full years of service totaling 75 at time of retirement and who retires on or before June 30, 2021, may remain in the City's health plan post-retirement.
  - b. Rule of 77. An employee hired on or before December 31, 2020, who has attained the age of 55 years and has the combination of age and full years of service totaling 77 at time of retirement and who retires between July 1, 2021, and December 31, 2021, inclusive, may remain in the City's health plan post-retirement.
  - c. Rule of 79. An employee hired on or before December 31, 2020, who has attained the age of 55 years and has the combination of age and full years of service totaling 79 at time of retirement and who retires between January 1, 2022, and December 31, 2022, inclusive, may remain in the City's health plan post-retirement.
  - d. Rule of 81. An employee hired on or before December 31, 2020, who has attained the age of 55 years and has the combination of age and full years of service totaling 81 at time of retirement and who retires between January 1, 2023, and December 31, 2023, inclusive, may remain in the City's health plan post-retirement.

- e. Rule of 83. An employee hired on or before December 31, 2020, who has attained the age of 55 years and has the combination of age and full years of service totaling 83 at time of retirement and who retires between January 1, 2024, and December 31, 2024, inclusive, may remain in the City's health plan post-retirement.
  - f. Rule of 85. An employee hired on or before December 31, 2020, who has attained the age of 55 years and has the combination of age and full years of service totaling 81 at time of retirement and who retires on or after January 1, 2025, may remain in the City's health plan post-retirement.
  - g. Retired employees, and the spouses of retired employees, who were hired on or after January 1, 2007, are not permitted to remain in the in the City's health plan upon reaching the age of Medicare eligibility.
2. Retired employees shall pay the same premium-equivalent percentage as may from time-to-time be determined by resolution of the common council for active employees. The actual dollar amount for retired employees may differ than the dollar amount paid for active employees based up differing actuarial calculations.
3. Retired employees will receive the same insurance benefits as active employees and will be subject to the same plan changes as active employees. Upon the death of the retired employee, the retired employee's surviving spouse and dependents may remain in the City's health plan, receiving the same insurance benefits as active employees, and must continue to make the premium contribution. This privilege shall not exist for persons with eligibility for health insurance pursuant to their own employment. The privilege for surviving spouses and dependents to remain in the City's health plan shall terminate if the surviving spouse remarries. The privilege for dependent survivors to remain in the City's health plan shall terminate when they no longer meet the age and eligibility requirements for coverage under the City's health plan.
4. Medicare B
- a. Retired employees who were hired on or before December 31, 2020, must enroll in Medicare upon their earliest eligibility under the law.
  - b. For retired employees who were hired on or before December 31, 2006, the City will continue to provide health insurance secondary to Medicare. The City will reimburse the retired employee's Medicare B premium, subject to a maximum \$135.50 per month. For employees retiring on or after January 1, 2021, the City will not reimburse any portion of the Medicare B premium for a retired employee's spouse.

- c. Retired employees who were hired on or after January 1, 2007, are not permitted to remain in the in the City's health plan upon reaching the age of Medicare eligibility. Retired employees who were hired on or after January 1, 2007, are not eligible for Medicare B premium reimbursement.
5. Retiring Under Disability. The following applies to regular full-time employees not eligible to retire under the Wisconsin Retirement System.
- d. Any regular full-time employee who retires prior to age 65 due to physical or mental disability, and who has at least 14 years of continuous service immediately preceding the date of retirement, upon due proof of such disability, may upon request continue in the City's health plan.
  - e. For employees who are forced to retire under such disability and who have 25 years or more of continuous service and have reached 55 years of age, such retired employee shall be required to pay the same premium-equivalent percentage as may from time-to-time be determined by resolution of the common council for active employees. The actual dollar amount for retired employees may differ than the dollar amount paid for active employees based up differing actuarial calculations.
  - f. For employees who are forced to retire under such disability and who do not have 25 years or more of continuous service and/or have not reached 55 years of age, the employee shall be required to pay the entire premium equivalent for a period of one year. This benefit will be extended again during the continuance of such disability for successive periods of one year each, provided written proof of such continuance is submitted to the City of Racine Human Resources Department within three months immediately preceding the beginning of each such year.
  - g. Upon the death of an active or disability-retired full-time employee, the surviving spouse and dependents may remain in the group policy under the conditions set forth above that were in effect at the time of the employee's death or disability retirement. This privilege will terminate if the surviving spouse remarries, becomes eligible for insurance through his or her own employment, or is eligible for Medicaid or Medicare. This privilege shall also terminate for the dependent survivors when they no longer meet the age and eligibility requirements for coverage under the policy.
  - h. The above disability provisions shall not apply if the disability is incurred due to performing services while working for another employer.
6. Miscellaneous Retired Employee Conditions

- i. Notwithstanding anything else contained herein, retirees, and the surviving spouses and dependents of retired or deceased employees, are not eligible to remain in the City's health plan during any period as they are eligible for health insurance coverage under their own then-current employment. Retirees, and the surviving spouses and dependents of deceased retired employees, annually shall be required to certify to the City's Human Resources Department whether they are eligible for health insurance coverage under their own current employment. The retired employee, or surviving spouse and dependents, shall be reinstated under the City's plan upon notice that employment with such subsequent employer has been terminated.
  
- j. If an employee retires with a single health insurance policy, such retiree will not be allowed to add any spouse or children after retirement. An employee who retires with a family policy will be allowed to add a new spouse or children after retirement.

F. COBRA The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified spouses and dependents the opportunity to continue health insurance coverage under the City's plan when a "qualifying event" would normally result in the loss of eligibility. Under COBRA, the employee or dependent pays the full cost of coverage. Written notice of COBRA rights and obligations is provided to employees and dependents.