

City of Abilene

Benefit Summary



Welcome to the City of Abilene, the official sponsor of your benefits program! As a full-time active employee, you are eligible to participate in a competitive benefits program.

Medical

**Prescription
Drug**

Dental

Disability

Retirement

Life/AD&D

**Wellness
Program**

Paid Time Off

**Flexible
Spending
Accounts**

— Contact Information —

Refer to this list when you need to contact one of your benefit vendors. For general information contact Human Resources.

MEDICAL & PRESCRIPTION DRUG: _____ PG 4

Blue Cross Blue Shield of Kansas

800-432-3990

785-291-4180

www.bcbsks.com

DENTAL: _____ PG 5

Blue Cross Blue Shield of Kansas

800-432-3990

785-291-4180

www.bcbsks.com

DISABILITY BENEFITS: _____ PG 6

AFLAC

Linda Jones

888-667-1137

KPERS

888-275-5737 or 296-6166

OTHER OPTIONAL INSURANCE: _____ PG 6

AFLAC

Linda Jones

888-667-1137

RETIREMENT: _____ PG 7

KPERS – Kelly Frakes and Janice Minger

888-275-5737 or 296-6166

Fax: 785-296-6057

kfrakes@kpers.org or jminger@kpers.org

LIFE INSURANCE AND DEATH BENEFITS _____ PG 9

KPERS – Minnesota Life Insurance Company

877-215-1476

PAID TIME OFF: _____ PG 11

Contact Human Resources

WELLNESS PROGRAM: _____ PG 13

Contact Human Resources

FLEXIBLE SPENDING ACCOUNTS (FSA): _____ PG 13

AFLAC

Linda Jones

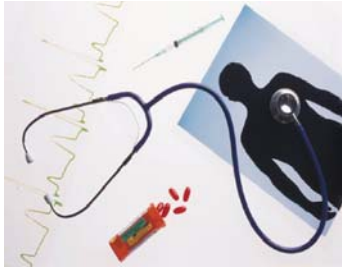
888-667-1137

Pay Periods/Pay Days

City employees are paid bi-weekly (every two weeks) on Fridays by direct deposit. Should unforeseen difficulties arise in meeting this schedule, payroll may be distributed the next working day. Normal pay period begins on Sunday and ends on Saturday.

Payroll Direct Deposit

Direct Deposit of payroll into employees' accounts is utilized and enables employees to have use of the funds without having to personally receive and deposit their checks. This benefit is administered to all employees.



— Medical Insurance —

Medical & Prescription Drug

Each new employee of the City of Abilene that regularly works twenty (20) hours in a standard work week has the option to participate in the medical plan on the first day of the first month following their employment with the City. If employment begins on the first day of the month, coverage begins that day. The City shall pay a portion of the full premium for individual medical and prescription drug coverage as designated by the City Commission. **Premiums paid by the City will be based on hours worked by the employee.**

The City currently offers three medical options through Blue Cross Blue Shield of Kansas (BCBS). To receive maximum benefits, you must use Blue Choice Providers. Below is a brief comparison of the in-network benefits for the three medical options. If you receive services from Non-Blue Choice Provider, the allowable charge for covered services will be subject to an additional coinsurance. For additional plan information, you may visit the BCBS website at www.bcbsks.com.

Plan Features <i>(In-Network Comparison Only)</i>	Option 1 – \$500 Deductible Plan	Option 2 – \$1,000 Deductible Plan	Option 3 – \$1,000 Deductible Plan
Deductible	\$500 individual \$1,000 family	\$1,000 individual \$2,000 family	\$1,500 individual \$3,000 family
Coinsurance	20%	20%	20%
Out-of-Pocket Maximum <i>(includes deductible and coinsurance)</i>	\$1,500 individual \$3,000 family	\$2,000 individual \$4,000 family	\$2,500 individual \$5,000 family
Office Visit	\$25 copay	\$25 copay	\$25 copay
Emergency Services	\$100 copay, then deductible & 20% coinsurance	\$100 copay, then deductible & 20% coinsurance	\$100 copay, then deductible & 20% coinsurance
X-Ray and Laboratory Services	Plan pays 100% of 1 st \$300 per person each benefit period, then deductible & 20% coinsurance	Plan pays 100% of 1 st \$300 per person each benefit period, then deductible & 20% coinsurance	Plan pays 100% of 1 st \$300 per person each benefit period, then deductible & 20% coinsurance
Inpatient Hospital	Deductible then 20% coinsurance	Deductible then 20% coinsurance	Deductible then 20% coinsurance
Outpatient Surgery	Deductible then 20% coinsurance	Deductible then 20% coinsurance	Deductible then 20% coinsurance

Plan Features <i>(In-Network Comparison Only)</i>	Option 1 – \$500 Deductible Plan	Option 2 – \$1,000 Deductible Plan	Option 3 – \$1,000 Deductible Plan
Inpatient Mental Health & Substance Abuse: <i>(Non-Biologically Based – max of 30 days each benefit period. Biologically-based – max of 45 days each benefit period.)</i>	Deductible then 20% coinsurance	Deductible then 20% coinsurance	Deductible then 20% coinsurance
Outpatient Mental Health & Substance Abuse: <i>(Biologically based – max of 45 visits per benefit period.)</i>	Non-Biologically based – Plan pays 100% of 1 st \$100; 80% of next \$100; then 50% for remainder of benefit period Biologically-based – \$25 copay	Non-Biologically based – 100% of 1 st \$100; 80% of next \$100; then 50% for remainder of benefit period Biologically-based – \$25 copay	Non-Biologically based – 100% of 1 st \$100; 80% of next \$100; then 50% for remainder of benefit period Biologically-based – \$25 copay
Prescription Drug Coverage <i>(34-day supply or 100 unit dosage, if defined as a maintenance drug, at a retail pharmacy)</i>	Generic: \$15 copay Formulary Brand: \$30 copay Non-formulary Brand: \$45 copay	Generic: \$15 copay Formulary Brand: \$30 copay Non-formulary Brand: \$45 copay	Generic: \$15 copay Formulary Brand: \$30 copay Non-formulary Brand: \$45 copay
Prescription Drug Coverage <i>(90-day supply at a mail order pharmacy)</i>	Generic: \$37.50 copay Formulary Brand: \$75 copay Non-formulary Brand: \$112.50 copay	Generic: \$37.50 copay Formulary Brand: \$75 copay Non-formulary Brand: \$112.50 copay	Generic: \$37.50 copay Formulary Brand: \$75 copay Non-formulary Brand: \$112.50 copay

— Dental Insurance —

Dental

The City of Abilene offers dental insurance through Blue Cross Blue Shield of Kansas. Below is a brief summary of the benefits. For additional plan information, you may visit the BCBS website at www.bcbsks.com.

Type of Service	Benefit
Annual Deductible	\$25 Individual/\$75 Family
Annual Benefit Maximum	\$1,500
Preventive Services	Paid at 100%, not subject to deductible
Basic Services	Paid at 50% after deductible
Major Services	Paid at 50% after deductible
Orthodontia	Not Covered

— Disability Insurance —

Disability Income Benefits

The City of Abilene provides employees with disability benefits through KPERS and AFLAC. Employees enrolling with AFLAC pay the full premium amount for coverage. Disability income benefits are provided as a source of income to you if you cannot work due to injury or illness.

	AFLAC	KPERS
Benefits Begin	Immediately for off-the-job accidents; day 8 or 15 for illness	After 180 days off the payroll and of total disability – employees can try to work 10 times during the 180 days without it affecting the waiting period
Benefits Payable	3 months	-Until age 65 (if disabled prior to age 60) -5 years or until age 70, whichever is shorter (if disabled after age 60) -12 months (if disabled after age 70) -6 months (if disabled after age 75)
Percentage of Income Replaced	Depends on salary	66 2/3% of the current annual rate of salary paid monthly and one month in arrears
Maximum Benefit	\$3,000	N/A

The City will send a KPERS-60 (Employer’s Report of a Death or Disability) form to the KPERS office within 60 days after the member’s last day at work. While on disability, the member continues to accrue participating service credit toward retirement. The member’s Basic Group Life Insurance continues and continues to be paid by the City. The member may continue the Optional Group Life Insurance coverage by continuing to make premium payments at the same premium rates paid during active employment.

— Other Optional Insurance —

AFLAC

Employees may enroll in other types of group insurance coverages through AFLAC. The City does not endorse any of these plans, but does allow the premiums to be paid through a payroll deduction plan. All premiums for these coverages are paid by the employee. AFLAC currently offers the Personal Cancer Protector Plan – Level 1, Personal Accident Protection Plan, Personal Recovery Plus, Personal Hospital Intensive Care, and Personal Short-Term Disability Income. If you have any questions, contact our AFLAC representative, Linda Jones.



— Retirement —

KPERS Membership

KPERS (Kansas Public Employees Retirement System) provides retirement benefits that are prescribed by State Statute and are in addition to Social Security benefits. Membership in KPERS is **mandatory** for all full-time employees after one year of service. Each employee working in a KPERS covered position will contribute 4% of their gross wages from each paycheck on a pre-taxed basis. The City contribution is based on a variable State prescribed formula. **Retirees** who are re-employed in public employment in Kansas may not make contributions to the system from which they retired, **but will become an immediate member** and begin making contributions if retired from the KP&F or Judges Retirement System and is now working in a KPERS covered position. Starting July 1, 2009 employees hired will become immediate members of KPERS and will contribute 6% of their gross wages from each paycheck.

Vesting

Vesting means a member has been credited with a minimum amount of service credit under KPERS (10 years) so that, should the member leave employment, the member's contributions are protected. A total of 38 quarters, which is 9.5 years, will round to 10 years of service credit. The member must leave contributions on deposit to earn interest or to be eligible to receive a monthly benefit when retirement age is reached. Vesting does not mean a member has a claim on employer contributions. The employer contributions go into the employer reserve fund and are used for benefits payable such as disability benefits, death benefits, retirement benefits. A member may use any combination of service credit to meet the 10-year vesting requirement. This includes prior service credit, participating credit and purchased service credit.

Non-Vested Members

Non-vested members have the following:

- Their membership is protected and interest credited to their accounts for five (5) years from the date they terminate employment.
- If a member reaches age 65 during this protected period, that member may draw monthly benefits with less than 10 years of credited service.
- If a member leaves his or her contributions on deposit and returns to covered employment within the five (5) year protection period, that member will immediately resume making contributions and earning service credit.

KP&F (Kansas Police and Firemen's Retirement System)

All police and fire personnel are required, as a condition of employment, to become members of the KP&F retirement system. This system provides retirement and disability benefits as prescribed by State Statute. Employees currently contribute 7% of their gross salary and that contribution is matched by a variable City contribution based on a State prescribed formula.

Deferred Compensation Plan

All full time employees shall be offered the opportunity to enter into a qualified 457 deferred compensation plan with the company of their choice in an amount of their choice. After an employee reaches one full year of service, the employee may participate with a minimum \$10.00 contribution per pay period and the City shall contribute \$20.00 per pay period towards an employee's contribution. The City will not make any contribution for Police and Fire employees who participate in the plan. If the employee leaves the employment of the City prior to retirement, the total amount of his/her contribution remains his/her property until retirement or an emergency arises under which the funds may be withdrawn. Funds may also be withdrawn when an employee leaves employment.

Retirement Date

The retirement date is the later of the first day of the month following the last day on the payroll, or the first day of the month after the receipt of the KPERS-15 (Application for Retirement) form in the KPERS office.

Retirement Eligibility

The retirement date is the later of the first day of the month following the last day on the payroll, or the first day of the month after the receipt of the KPERS-15 (Application for Retirement) form in the KPERS office.

A KPERS member may retire and receive an **unreduced benefit** if the member meets one of the following requirements:

- Age 65 with 2 quarters of participating service credit (2 quarters will round up to one year)
- Age 62 with 38 quarters of service credit (38 quarters will convert to 9.5 years of service credit and will round to 10 years)
- When the member's age and years of service equal 85 points (a member can round years of service, but cannot round age)

How to Calculate the "85" points

Member's current age	53
Add current years of service credit	28
Member's current points	81
Number of points needed (85-81)=	4
Divide points by 2	2
Add to member's current age	55 (age member will have 85 points if Member continues to work)

A KPERS member may retire and receive a **reduced** benefit if the member meets one of the following requirements:

- Age 55 if the member has 38 quarters of service credit (38 quarters will convert to 9.5 years of service credit and will round to 10 years)

A reduction factor is applied from age 55 to age 62 (unless the member has 85 points).

The reduction factors are

- Age 60-62 there is a reduction factor of .2% for each month
- Age 55-60 there is a reduction factor of .6% for each month

Additional Information

Once a member retires, the life insurance terminates unless the member chooses to convert it to an individual policy. The member will still have a \$4,000 death benefit.

Members can return to work 30 days after their retirement date, but there is a \$20,000 earnings limitation if the member returns to work for the same employer.

All retiring employees and their dependents shall be offered health and hospital insurance until retiree attains age 65 if they have a minimum of 10 years of service and are KPERS or KP&F eligible. Retiree contributions shall not exceed 125% of premium cost for other employees.

The City offers to all full time retiring employees the following retirement health insurance benefits if the following qualifications are met:

- The employee must retire with KPER's and/or KP&F benefits prior to age 62.
- The employee must have at least 10 years of minimum service with the City and be employed by the City at retirement.
- The eligible employee must decide to participate in the group's health plan upon retirement and membership must be continuous. The retired employee cannot elect to terminate the membership during the first years of retirement and then reinstate before age 62.)
- The employer will provide 50% participation in the monthly group health coverage premium until age 62. The employer will continue to offer group health coverage to the retired employee at their own expense until age 65.

**The years of service are calculated from the date the individual became a KPERS or KP&F member, not the date of hire. Exception: the employee may purchase their first year of employment which would have an effect on the total years of KPERS service.*



— Life & AD&D Insurance —

Basic Group Life Insurance

The City of Abilene provides employees with basic group life insurance and pays the entire cost of this coverage. The death benefit is currently 150% of the higher of:

- A member's current annual rate of compensation, or;
- The member's previous 12 months of salary

Optional Group Life Insurance

Employees can purchase from \$5,000 to \$250,000 of optional life insurance coverage in \$5,000 increments. New employees and new KPERS members have 30 days to apply for coverage and receive \$50,000 guaranteed coverage without answering health questions. Employees can also enroll or increase coverage by \$25,000 without proof of good health within 30 days of marriage, change in marital status, or the birth or adoption of a child. All employees can start or increase coverage anytime **with** proof of good health.

Active Member Death Benefits

The following benefits are paid to the beneficiary/ies upon the death of an active member:

- Basic Group Life Insurance
- Optional Group Life Insurance (if applicable)
- Contributions and interest returned to the beneficiary/ies, or
- A monthly benefit to the surviving spouse in lieu of the return of contributions in a lump sum. The monthly spousal benefit is available when the following guidelines are met:
 - The spouse is the sole primary beneficiary, and
 - The member had attained eligible retirement age (55-10, 62-10, 65-1, or 85 points), or
 - The member had at least 15 years of credited service at the time of death. In this case, the spouse will start receiving a benefit at the earliest time the member would have been eligible for a retirement benefit.

On the Job Accidental Death Benefits

If a member dies as a result of an accident out of the performance of the member's duties, there are benefits payable in this order of preference:

- The member's spouse and if no spouse then
- The member's eligible children (children under age 18, or up to age 23 if a full-time student), if no children then
- The member's dependent parents

The benefits are:

- A \$50,000 lump-sum payment, and
- A monthly benefit equal to 50 percent of the member's final average salary less any benefits received from workers' compensation. The minimum monthly accidental death benefit is \$100. This benefit is in lieu of any joint/survivor monthly benefit which might have been payable

In addition, the member's beneficiary will receive the following:

- Basic Group Life Insurance
- Optional Group Life Insurance (if applicable)
- Contributions and interest returned to the beneficiary/ies



— Paid Time Off —

Sick Leave

All full-time employees shall be entitled to sick leave with pay for absences resulting from illness, injuries, accidents or other physical incapacitation, occurring either on or off the job. An employee may use his/her earned sick leave in the case of an illness within his/her immediate family. Immediate family is defined for sick leave benefits as an employee's spouse, children, parents, brothers, sisters, or grandparents, or close relatives by marriage of his/her spouse.

- Full time employees shall earn one working day (**based on hours worked**) of sick leave for each full month of service. Employment must begin prior to the 10th of any month to receive credit for that month. An employee who works less than 12 days in any month shall accrue no sick leave credit for such month of service, provided the limit of 12 days shall not apply to an employee on vacation or accident leave.
- No employee may accrue more than 120 days of sick leave.
- As a wellness incentive for all full time employees, the City will provide one floating holiday (based on regular work day hours) or \$100 payment to any employee who does not utilize any sick leave for the past 12 month period, from January 1 through December 31. The employee and the Department Head will be notified by the Human Resource Manager at the first of the following year if they are eligible for this floating holiday. Supervisor approval is required prior to the use of this floating holiday.

Vacation

Vacation leave shall be earned and accrued from the most recent day of employment under the conditions hereinafter stated, vacation leave shall be granted after an employee has completed six months of employment. An employee who works less than 12 days in any month shall accrue no vacation credit for such month of service, provided the limit of 12 days shall not apply to an employee on vacation or sick leave. Seasonal and temporary help shall not earn vacation time.

- Full time employees: Full time employees are entitled to paid vacation leave time (**based on hours worked**) according to the following schedule provided no paid vacation leave time may be taken during the first six months of employment.

Years of Continuous Employment:	<u>0-10</u>	<u>10-20</u>	<u>20+</u>
Hours Per Year	80	120	160
Fire Department Full Time Regular:			
Hours Per Year	74	111	148

- Regular part time employees who work less than 20 hours per week receive no vacation or other leave or benefits. If they work more than 20 hours or more, but less than 40 hours per week they will accrue benefits at a prorated amount based on average hours worked on a weekly basis.

- Annual Usage: Vacation leave may be taken **anytime after six months of employment** after it is earned subject to supervisor approval. If an employee is prevented from taking his/her earned vacation during any year, the employee will be allowed to carryover up to (160) hours of vacation annually into the following year. Under no circumstances may an employee take pay for vacation time in lieu of time off. Employees may use vacation leave in units of not less than one hours, subject to the approval of their supervisor. In case of conflict, vacation leave shall be granted on the basis of seniority. Any vacation leave in excess of (160) hours will be lost as of January 1 of each year.
- Holiday During Vacation: City holidays which occur during the taking of an employee's vacation leave will not be counted as a day of vacation.

Shared Leave

The Shared Leave is a means for employees to transfer vacation and sick leave to a qualifying employee experiencing a serious, extreme, or life threatening illness, injury, impairment, or physical or mental condition either personally or by a family member which has caused, or is likely to cause, the employee to take leave without pay or terminate employment.

Funeral Leave

Funeral leave of not to exceed 3 working days will be granted by the City in the event of a death of a member of the immediate family of an employee. If the death necessitates the employee's going out of the state, an additional three days may be granted which shall be charged against any unused sick leave or vacation, unless the employee elects to take leave without pay. Immediate family for funeral leave is defined as an employee's spouse, children, parents, brothers, sisters, aunts, uncles, grandparents or close relatives by marriage of his/her spouse.

Injury Leave

All injuries occurring on the job shall be reported as soon as possible to the employee's immediate supervisor. Any employee injured on the job shall be eligible to receive sick leave pay, if available, during the seven-day waiting period for Workers' Compensation claims. When any employee receives compensation under the Workmen's Compensation Act, the pay received from the City, while an employee of the City, shall be the difference between the regular rate of pay and the amount he or she received from Workmen's Compensation. While any employee is receiving Workers' Compensation benefits, the employee may also be paid for sick leave or vacation leave up to the maximum amount accumulated and unused. Vacation and sick leave days will be accrued as if he/she is on the job.

Holidays

The following days shall be holidays for all City employees:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Day after Thanksgiving
Christmas Day	Veteran's Day
Martin Luther King Day	½ day on Christmas Eve, if it falls on a weekday

- From time to time, on special occasions, the governing body may designate other days as special holidays.
- To be eligible to receive pay for an observed holiday, an employee must not have been absent without paid leave either on the work day before or after the holiday.
- Part-time, seasonal and temporary help shall not receive paid holidays.
- Holidays are not considered for the purpose of calculating compensable overtime in accordance with the Fair Labor Standards Act.

— Wellness Program —

The City, in recognizing the benefits of having healthy employees on the job, shall pay a portion of the membership fees as designated by the City Commission for single coverage in an approved fitness program and encourages all full time employees to participate in this City Wellness Program. The portion the city pays is considered a taxable fringe benefit to the employee and therefore, the employee must pay taxes on this amount.



— Flexible Spending — Accounts (FSA)

The City offers you the option of putting aside money each pay period into a Flexible Spending Account through AFLAC. FSAs provide you with an important tax advantage that can help you pay health care and dependent care expenses on a pre-tax basis. By anticipating your family's health care and dependent care costs for the next year, you can actually lower your taxable income.

Health Care Reimbursement FSA

Allows you to put aside up to \$3,000 per year for anything you pay out-of-pocket including copays, deductibles, eye care, prescription drugs, orthodontics, or any medical-related expense not covered by insurance. IRS does allow "over-the-counter" allergy medicines, cough/cold medicines, pain relievers, and other over-the-counter items to be included.

Dependent Care FSA

Allows you to put aside up to \$5,000 per year, before taxes, to pay for your dependent care expenses for children up to the age of 12; or a dependent who is physically or mentally incapable of caring for themselves. (However, you cannot claim the same dependent care amount on your tax returns.)

The information in this Enrollment Guide is presented for illustrative purposes and is based on information provided by the employer. The text contained in this Guide was taken from various summary plan descriptions and benefit information. While every effort was taken to accurately report your benefits, discrepancies, or errors are always possible. In case of discrepancy between the Guide and the actual plan documents the actual plan documents will prevail. All information is confidential, pursuant to the Health Insurance Portability and Accountability Act of 1996. If you have any questions about your Guide, contact Human Resources.