

FY 2017 Proposed Compensation Plan Summary

May 2016

Compensation Overview

- ❖ 1.7% compensation plan increase to all funds
- ❖ 1.0% / 2.0% Market increase (depending on topped-out status)
- ❖ 3.0% Merit increase
- ❖ 1.8% increase to Fixed Benefits

Retirement

Tier 1 (Employees hired before 07/01/2011)

- ❖ No participation in Social Security
- ❖ Public Employees – 18.47% URS rate (includes 6.61% applied to all employees for unfunded liability)
- ❖ Police – 32.20% URS rate (includes 9.64% applied to all employees for unfunded liability)
- ❖ Fire – 23.37% URS rate (decrease of -0.10% from prior year equates to \$4,200 savings)

Tier 2 (Employees hired on or after 07/01/2011)

- ❖ No participation in Social Security
- ❖ Public Employees – 10.08% URS rate
- ❖ Police & Fire Employees – 12.08% URS rate
- ❖ 401(k) Matching contribution up to 2.0%

Medical & Dental Insurance

- ❖ Onsite Medical Clinic
- ❖ Benefit Allowance given to employees to use towards health and dental insurance
 - 1.7% increase to Benefit Allowance from prior year
 - Summit Network Credit - \$150 (single coverage), \$300 (two-party coverage), or \$450 (family coverage)
 - Waiver credit - \$1,500 employee, \$500 spouse, \$500 child(ren)
- ❖ A qualified high deductible health plan (HDHP) with two network options offered through PEHP
 - \$2,000/\$4,000 deductible with a \$4,000/\$8,000 out-of-pocket maximum
 - 20%/80% cost-sharing between deductible and out-of-pocket maximum
 - Preventive care covered at 100% before deductible
 - No double coverage for spouses except for government programs such as Medicare, Medicaid, Tricare
- ❖ Health Savings Account (HSA) \$500 Employer match
- ❖ Three dental plan options offered through Dental Select

Other Paid Benefits

- ❖ Life insurance – 2nd year with UNUM – small decrease of \$1,500 from prior year
- ❖ Long Term Disability – 2nd year with UNUM – decrease of 0.05% from prior year equates to \$14,300 savings
- ❖ Workers Compensation – decrease of 0.10% from prior year equates to \$28,500 savings
- ❖ Employee assistance program (EAP) – offered through Intermountain EAP

Tentative Budget References:

- Pages 1-4: Mayor's Transmittal Letter
- Pages 259-266: Staffing & Compensation Plan
- Pages 267-268: Attachment A – Variable & Fixed Benefits
- Pages 269-271: Attachments B, C & D – Summary Staffing Information

EMPLOYEE BENEFIT COMPARISON FOR FY 2016 AND FY 2017

	FY 2016		FY 2017	
	Tier 1	Tier 2*	Tier 1	Tier 2*
Retirement				
Public	18.47%	10.08%	18.47%	10.08%
Police	32.20%	12.08%	32.20%	12.08%
Fire	23.47%	12.08%	23.37%	12.08%
401(k) Match for Tier 2 Employees	N/A	2.00%	N/A	2.00%
Appointed	17.95%	10.08%	17.95%	10.08%
Elected	8.05%	10.08%	8.05%	10.08%
Seasonal and Part-time Non-benefitted	7.50%		7.50%	
Disability Insurance (benefitted positions only)	0.47%		0.42%	
Worker's Compensation	1.10%		1.00%	
Unemployment Insurance (excluding elected)	0.17%		0.17%	
Medicare	1.45%		1.45%	
Benefit Allowance (Annual Amount) ⁺				
Employee Coverage	\$6,180		\$6,270	
Employee, Spouse OR Child(ren) Coverage	\$10,860		\$11,040	
Employee, Spouse AND Child(ren) Coverage	\$15,540		\$15,810	
Medical Waiver Credit (Annual Amount) ⁺				
Waive Employee Coverage	\$1,500		\$1,500	
Waive Spouse Coverage	\$500		\$500	
Waive Child(ren) Coverage	\$500		\$500	
Summit Network Credit ⁺				
Employee Coverage	\$150		\$150	
Employee, Spouse OR Child(ren) Coverage	\$300		\$300	
Employee, Spouse AND Child(ren) Coverage	\$450		\$450	
HSA Employer Match option ⁺	\$500		\$500	
Employee Assistance Program (Annual Amount)	\$18		\$18	
Life Insurance Premium (Annual Amount)				
Regular and Appointed	\$90.70		\$87.60	
Part-time Benefitted and Elected	\$45.35		\$43.80	
Life Insurance Coverage				
Regular and Appointed	\$50,000		\$50,000	
Part-time Benefitted and Elected	\$25,000		\$25,000	

* The city is also required to pay an additional surcharge to supplement Tier 1 public employees and police officers. The surcharge is 6.61% for public employees and 9.64% for police officers. There is no surcharge for fire fighters. Tier 2 employees can choose a defined contribution plan or a defined benefit/defined contribution hybrid plan. Employees may be required to contribute to the hybrid plan if the contribution rate increases above 10% for public employees or 12% for public safety employees.

⁺ Part-time employees with work schedules of 30 or more hours per week are eligible for full-time health benefits in accordance with the Patient Protection & Affordable Care Act. All other part-time benefitted employees are eligible for 50% of the full-time health benefit (e.g. allowance, waiver credit, HSA match, Summit credit).