

# CITY OF MUSKEGON

## Economic Vitality Incentive Program - Employee Compensation Plan Component

Employee Unit	Membership Information (12/31/11)					Economic Vitality Incentive Program Standards				PA 152
	Defined Benefit (DB)	Defined Contribution (DC)	Total	Current Contract Expiration	Covered By Social Security?					
						<p>New hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. For employees who are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.</p>	<p>For defined benefit pension plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, where postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible for social security benefits, a maximum multiplier of 2.25%, except, where postemployment health care is not provided, the maximum multiplier shall be 3.0%.</p>	<p>For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee.</p>	<p>Health care premium costs for new hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per employee basis.</p>	<p>Hard Cap Limits: a total amount equal to \$5,500.00 times the number of employees with single person coverage, \$11,000.00 times the number of employees with individual and spouse coverage, plus \$15,000.00 times the number of employees with family coverage, for a medical benefit plan coverage year beginning on or after January 1, 2012.</p>
Non-Union	31	6	37	12/31/2013	YES	<p>Effective January 1, 2005, new hires go into DC plan with maximum 6% employer contribution</p>	<p>Employees currently have a 2.25% multiplier with Social Security coverage and retiree health benefits. The City intends to implement either a reduction in multiplier or elimination of retiree healthcare at expiration of current employment terms.</p>	<p>Effective 1/1/12, included leave is limited to 240 hours. Effective 1/1/13, overtime is no longer included in FAC. FAC is based on 3 consecutive years during which aggregate compensation is highest.</p>	<p>The City's healthcare costs are cost competitive with the new state PPO health plan. Effective 1/1/12, employees contribute 10% of total costs.</p>	<p>The City's aggregate healthcare costs are within the "hard cap" limits set by PA 152: \$5,062 single coverage; \$11,789 double coverage; \$13,851 family coverage.</p>
SEIU Local 517M (Unit 2 - DPW)	47	15	62	12/31/2012	YES	<p>Effective January 1, 2006, new hires go into DC plan with maximum 6% employer contribution</p>	<p>Employees currently have a 2.25% multiplier with Social Security coverage and retiree health benefits. The City intends to implement either a reduction in multiplier or elimination of retiree healthcare at expiration of current employment contract.</p>	<p>Effective 1/1/12, overtime is no longer included in final average compensation and included leave is limited to 240 hours. FAC is based on 3 consecutive years during which aggregate compensation is highest.</p>	<p>The City's healthcare costs are cost competitive with the new state PPO health plan. Effective 1/1/12, employees contribute 10% of total costs.</p>	<p>The City's aggregate healthcare costs are within the "hard cap" limits set by PA 152: \$5,062 single coverage; \$11,789 double coverage; \$13,851 family coverage.</p>
SEIU Local 517M (Clerical Unit)	20	4	24	12/31/2012	YES	<p>Effective January 1, 2006, new hires go into DC plan with maximum 6% employer contribution</p>	<p>Employees currently have a 2.25% multiplier with Social Security coverage and retiree health benefits. The City intends to implement either a reduction in multiplier or elimination of retiree healthcare at expiration of current employment contract.</p>	<p>Effective 1/1/12, overtime is no longer included in final average compensation and included leave is limited to 240 hours. FAC is based on 3 consecutive years during which aggregate compensation is highest.</p>	<p>The City's healthcare costs are cost competitive with the new state PPO health plan. Effective 1/1/12, employees contribute 10% of total costs.</p>	<p>The City's aggregate healthcare costs are within the "hard cap" limits set by PA 152: \$5,062 single coverage; \$11,789 double coverage; \$13,851 family coverage.</p>
Non-Union Police	0	1	1	12/31/2013	NO	<p>Effective January 1, 2005, new hires go into DC plan with 10% employer contribution</p>	<p>N/A - All unit members are DC</p>	<p>N/A - All unit members are DC</p>	<p>The City's healthcare costs are cost competitive with the new state PPO health plan. Effective 1/1/12, employees contribute 10% of total costs.</p>	<p>The City's aggregate healthcare costs are within the "hard cap" limits set by PA 152: \$5,062 single coverage; \$11,789 double coverage; \$13,851 family coverage.</p>
COAM (Police Command)	14	0	14	12/31/2012	NO	<p>N/A Unit has no new hires. All members are promoted from patrol unit and retain their retirement benefit (either DB or DC)</p>	<p>Employees currently have a 3.00% multiplier with retiree health benefits, but no Social Security coverage. The City intends to implement either a reduction in multiplier or elimination of retiree healthcare at expiration of current employment contract.</p>	<p>Overtime is currently included in FAC and included leave is currently limited to 304 hours. The City intends to exclude overtime and reduce included leave at expiration of current employment contract. FAC is based on 3 consecutive years during which aggregate compensation is highest.</p>	<p>The City's healthcare costs are cost competitive with the new state PPO health plan. Effective 1/1/12, employees contribute 10% of total costs.</p>	<p>The City's aggregate healthcare costs are within the "hard cap" limits set by PA 152: \$5,062 single coverage; \$11,789 double coverage; \$13,851 family coverage.</p>
Police Officers Labor Council (Patrol)	49	11	60	12/31/2011	NO	<p>Effective July 28, 2006, new hires go into DC plan with 10% employer contribution</p>	<p>Employees currently have a 3.00% multiplier with retiree health benefits, but no Social Security coverage. The City intends to implement either a reduction in multiplier or elimination of retiree healthcare at expiration of current employment contract.</p>	<p>Overtime is currently included in FAC and included leave is currently limited to 304 hours. The City intends to exclude overtime and reduce included leave at expiration of current employment contract. FAC is based on 3 consecutive years during which aggregate compensation is highest.</p>	<p>The City's healthcare costs are cost competitive with the new state PPO health plan. Effective 1/1/12, the City will attempt to require employees to contribute 10% of total costs.</p>	<p>The City's aggregate healthcare costs are within the "hard cap" limits set by PA 152: \$5,062 single coverage; \$11,789 double coverage; \$13,851 family coverage.</p>

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IAFF Local 370 (Firefighters)	31	2	33	12/31/2013	NO	Effective January 1, 2005, new hires go into DC plan with 10% employer contribution	Employees currently have a 2.75% multiplier with retiree health benefits, but no Social Security coverage. The City intends to implement either a reduction in multiplier or elimination of retiree healthcare at expiration of current employment contract.	Overtime is currently included in FAC and included leave is currently limited to 504 hours. The City intends to exclude overtime and reduce included leave at expiration of current employment contract. FAC is based on 3 consecutive years during which aggregate compensation is highest.	The City's healthcare costs are cost competitive with the new state PPO health plan. Effective 1/1/13, employees contribute 10% of total costs.	The City's aggregate healthcare costs are within the "hard cap" limits set by PA 152: \$5,062 single coverage; \$11,789 double coverage; \$13,851 family coverage.

- Green - City compensation policies currently within EVIP standards
- Red - City intends to implement changes to bring policies within EVIP standards
- Blue - EVIP standards not applicable for stated reasons