

CITY OF CLEVELAND EMPLOYEE BENEFITS SUMMARY

The City of Cleveland provides a comprehensive package of benefits for employees. The benefits include the following:

HEALTH AND DENTAL INSURANCE:

City employees are covered by the City of Cleveland Health and Dental Insurance Plan. The City and its employees are currently paying the following rates for insurance coverage:

COVERAGE	CITY RATES		EMPLOYEE RATES		TOTAL COST	
	<u>Health</u>	<u>Dental</u>	<u>Health</u>	<u>Dental</u>	<u>Health</u>	<u>Dental</u>
Individual	\$394.41	\$22.73	0	0	\$394.41	\$22.73
Family	\$725.43	\$40.76	\$315.96	\$18.06	\$1,041.39	\$58.82

New employees are eligible for coverage on the first of the month following 90 days of employment. Details of the plan benefits are available in the employee health and dental benefit handbooks.

LIFE INSURANCE:

City employees are provided with 2 times base annual salary in term life insurance coverage up to a maximum of \$200,000, and double indemnity accidental death coverage. Dependent coverage is provided in the amount of \$2000 on a spouse and \$1000 on dependent children. There is no cost to the employees for this coverage. New employees are eligible for coverage on the first day of the month following 90 days of employment.

LONG-TERM DISABILITY:

City employees are provided with long-term disability insurance that pays 60% of the employee's regular pre-disability earnings up to a maximum of \$5000 per month in the event of total disability. This benefit begins after the exhaustion of sick leave or 90 days of absence, whichever is greater. The benefit is reduced by other disability benefits such as state disability, worker's compensation and social security disability. There is a minimum benefit of \$100 per month in addition to other sources of income in the event that other income provides the 60% benefit. There is no cost to the employee for this coverage. New employees are eligible for coverage on the first day of the month following 90 days of employment.

PAID SICK LEAVE:

Employees earn one day of paid sick leave per month (number of hours earned is equivalent to the normal daily work schedule). Unlimited accumulation is allowed. Sick leave may be used for the employee's personal illness or injury off the job, or for the care and attendance of a member of the employee's immediate family. Unused sick leave is not paid for at time of termination of employment, however, credit is given

towards service time in the Tennessee Consolidated Retirement System if the employee retires under the City's retirement plan.

PAID VACATION LEAVE:

Employees earn paid vacation leave at a monthly accrual rate determined by the number of years of employment. The following days of vacation are earned on an annual basis at the associated monthly accrual rates. (24/48 Fire personnel work 56 hours per week and earn vacation time at 1.4 times the rate of a regular 40 hour per week employee).

YEARS SERVICE	DAYS VACATION PER YEAR	MONTHLY ACCRUAL RATE	
		40 HR/WK	56 HR/WK
0 – 1	5	3.33	4.67
1 – 4	10	6.67	9.34
5 – 14	15	10.00	14.00
15 – 19	20	13.33	18.67
20 +	25	16.67	23.34

PAID HOLIDAYS:

Employees are eligible for 12 paid holidays annually either with time off or additional compensation.

New Years Day	Labor Day
M. L. King Birthday	Veterans Day
Presidents Day	Thanksgiving Day
Good Friday	Day after Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas Day

DEFINED BENEFIT RETIREMENT PLAN:

Employees are covered by the Tennessee Consolidated Retirement System. TCRS is a defined benefit plan with retirement benefits determined by years of service and highest consecutive 60 months of salary. The retirement plan is non-contributory for employees with the entire membership cost paid by the City. The current contribution rate is 16.63% of gross wages paid by the City to the retirement system monthly. Current options include probationary buyback, sick leave credit, option 1 death benefit, 25 year retirement, 5 year vesting, 3.6% indexing, prior service buyback, military service credit, and others.

The City adopted the new Public Safety Officer Supplemental Bridge Benefit option offered by the Tennessee Consolidated Retirement System effective February 1, 2008. This option requires mandatory retirement for Public Safety Officers (Police Officers and Firefighters) at age 60, with an exception to age 62 for officers in administrative positions. This option provides full benefits at age 55 with 25 years of service, and it provides an additional retirement benefit for Public Safety Officers between the ages of 55 and 62. This option increased the contribution rate on the salaries of Police and Fire employees by 3.5% to 20.13%.

RETIREE HEALTH AND DENTAL COVERAGE WITH PREMIUM REDUCTION PLAN:

Under age 65 - The City allows retirees under age 65 to remain in the City's group health and dental insurance plans. The City pays a portion of the retiree's individual premium based on the greater of years of service with the City or creditable service time in the retirement system. Retirees must have 10 years of service with the City to remain in the group plans, and the retiree must have 15 years of service to be eligible for premium reduction. Retirees may continue dependent coverage and pay the same for dependent coverage as active employees. The City pays 50% of the individual premiums at 15 years of service, with the percentage paid by the City increasing 3.33% for each additional year of service up to 100% paid with 30 or more years of service.

Age 65 and over – Retirees age 65 and over and their spouses are eligible for continued health and dental coverage for life. Retirees will be covered by a Medicare Advantage Plan administered by Cigna Health Insurance. The City will pay a portion of the premium based on years of service up to full 100% premium paid for employees with 30+ years of service (25 years for public safety employees who qualify for the TCRS Supplemental Bridge Benefit.) The dental plan will be the same plan as active employees have, and the City will pay a portion of the premium based on years of service.

457 DEFERRED COMPENSATION PROGRAM:

City employees are eligible for the 457 Deferred Compensation Program administered by Nationwide Retirement Solutions. This a voluntary pre-tax investment program that allows public employees to contribute a portion of their salary before federal taxes into a supplemental retirement account. Various options are available including a fixed rate account, publicly available mutual funds and life insurance.

WORKER'S COMPENSATION AND OCCUPATIONAL DISABILITY SALARY CONTINUATION PLAN:

City employees are covered for on-the-job injury or illness pursuant to the state worker's compensation laws, administered by the Tennessee Municipal League Risk Management Pool. Employees are also eligible for the City's Occupational Disability Policy which allows employees injured on the job and are unable to work to draw supplemental pay from the City that insures employees continue to draw full pay for a period of 30 calendar days. If employees are unable to work beyond the 30 day period, they will continue to draw a benefit from TML pursuant to state law.

EDUCATIONAL REIMBURSEMENT AND CAREER TRAINING:

City employees are eligible for up to \$1430 per fiscal year for reimbursement of expenses related to continuing education. Employees who have not completed high school are eligible for a \$500 bonus for obtaining a GED. Employees are provided with job-related training and certifications as needed such as Police POST certification, Firefighter certification, Building Inspector certification, SCBA certification for Firefighters, etc., and various other types of supervisory training and job-related courses and seminars.

TVA CREDIT UNION:

City employees are eligible to join the Tennessee Valley Authority Credit Union which provides numerous banking services, with payroll deduction and direct deposit available.

PAYROLL DEDUCTION YMCA MEMBERSHIP FEES:

City employees can join the YMCA without a full joining fee and are eligible for payroll deduction of the monthly membership dues.

HALF PRICE GOLF MEMBERSHIPS:

City employees are eligible for individual and family memberships at Cherokee Springs Golf Course at ½ the regular membership fee, with payroll deduction of the membership fee.

OPTIONAL ACCIDENT, CANCER, INTENSIVE CARE, VISION CARE, ETC. INSURANCE COVERAGE AND IRS SECTION 125 CAFETERIA PLAN:

City employees have available at their own expense at group rates and through payroll deduction various types of insurance coverage through AFLAC, Colonial and Vision Care Insurance companies. Certain of these insurance policies and the premiums paid by the employee for dependent health and dental coverage are eligible for the pre-tax IRS Section 125 Cafeteria Plan.

FLEXIBLE SPENDING ACCOUNT:

A Flexible Spending Account is available that allows employees to contribute a portion of their salary on a pre-tax basis into an account to be used for non-covered medical expenses such as office visit co-pays, prescription drug co-pays, deductibles, over the counter medications, and many other expenses that are eligible per IRS regulations.

LONGEVITY PAY:

Employees with 5 or more years of service at July 1st of each year are eligible for a longevity bonus in November in the amount of \$50.00 per year of service.

COLLEGE INCENTIVE PAY:

Employees hired prior to January 1, 1993 who have college credit hours receive a lump sum bonus annually based on the total number of credit hours. A minimum of 37.5 quarter hours are required to be eligible.

CHRISTMAS BONUS:

City employees receive a bonus of \$100.00 in December of each year.

SPECIAL LEAVE WITH OR WITHOUT PAY:

City employees are granted time off from work with or without pay at the discretion of the Department Head for various reasons. Bereavement leave is granted with pay for a maximum of three days for the death of a member of the immediate family. Jury service is granted with pay provided the jury pay is turned in to the City. Military leave is granted with pay for a period not to exceed 20 calendar days per year.

DIRECT DEPOSIT:

Employees may choose to have their payroll checks deposited directly to any bank or the TVA Credit Union.

EMPLOYEE ASSISTANCE PROGRAM:

Employees have available a program that provides counseling and other services to employees and immediate family members for such issues as marriage counseling, stress management, alcohol and drug abuse, grief management, etc. The program is completely confidential.

COMPETITIVE WAGES, OVERTIME PAY AND COMPENSATORY TIME:

City employees are paid competitive wages which are evaluated periodically through salary surveys to insure they are comparable to wages paid for similar types of jobs in both the public and the private sectors. Employees receive annual pay increases at July 1st each year, if job performance is satisfactory and subject to available funds and the approval of the City Council, with step increases in their pay grades and with cost of living adjustments. Employees are compensated for any overtime worked according to the FLSA, either with pay or compensatory time off at time and one-half their regular rate.

ANNUAL EMPLOYEE APPRECIATION DAY LUNCHEON AND PICNIC:

Employees are honored each year with an Employee Appreciation Day luncheon in December and a City Picnic in the summer, subject to available funding.

SOLD VACATION PAY:

Employees are allowed to receive pay in lieu of time off for up to one week of vacation time per fiscal year.

ADVANCED SICK AND VACATION TIME:

Under certain conditions, if an employee exhausts all earned sick and vacation time, they may be advanced up to two weeks of sick leave and two weeks of vacation leave.

UNIFORMS AND CLEANING SERVICES:

Uniforms are provided for City employees, other than clerical and others wearing normal street clothes, for Public Works, Police, Fire, Parks and Recreation, and the Animal Shelter. Clothing allowances are provided for Police Detectives, building, plumbing and mechanical inspectors, and department heads as well as reasonable amounts for laundry and dry cleaning.

DEATH OF AN EMPLOYEE:

Upon the death of a City employee, his/her beneficiary shall receive pay for all wages due the employee, all accrued vacation and compensatory time, plus an additional two weeks full pay.

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TENNESSEE**

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