

RESOLUTION NO: 784

A RESOLUTION OF THE CITY OF REDMOND, WASHINGTON,
ENDORING CERTAIN CHANGES TO CHAPTER 6 OF THE PERSONNEL
MANUAL PERTAINING TO EMPLOYEE BENEFITS

WHEREAS, the City of Redmond Personnel Manual provides that the City Council must approve changes to the manual that modify employee benefit programs; and,

WHEREAS, City administration has revised Chapter 6 of the Personnel Manual pertaining to employee benefits due to changes in State law, and the desire to streamline certain practices, clarify ambiguities, and correct unworkable or undesirable practices; now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council approves the changes to Chapter 6 of the Personnel Manual pertaining to Employee Benefits as shown in Exhibit "A" attached hereto and incorporated by this reference as if set forth in full.

Section 2. The effective date of the changes in the Personnel Manual effectuated by this resolution is 1 November 1988.

RESOLVED this 1st day of November 1988.

APPROVED:


MAYOR, DOREEN MARCHIONE

ATTEST/AUTHENTICATED:


CITY CLERK, DORIS A. SCHAIBLE

FILED WITH THE CITY CLERK: 10-27-88
PASSED BY THE CITY COUNCIL: 11-1-88
RESOLUTION NUMBER: 784

Chapter 6

EMPLOYEE BENEFITS

SECTIONS:

- 6.10 General Policy
- 6.20 Paid Time Off
- 6.30 Special Pay
- 6.40 Insurance Benefits
- 6.50 Retirement Benefits
- 6.60 Other Benefits
- 6.70 Benefits for Regular Part-Time Employees
- 6.80 Special Rule for Part-Time PERS I Employees
- 6.90 Pay and Benefit Practices for Fire Shift Personnel

6.10 General Policy

Employee benefit programs promote productivity and help the City attract and retain quality employees. Priorities are employee health and fitness, financial security for retirement and practices competitive with other public and private employers in the local area. The personnel director is responsible for reviewing benefits from time to time.

6.20 Paid Time Off

Holidays

(1) Basic Holiday Schedule All regular employees receive 11 paid holidays in each calendar year. They are:

- * New Years Day
- * Washington's Birthday
- * Memorial Day
- * Independence Day
- * Labor Day
- * Veterans Day
- * Thanksgiving Day
- * Day after Thanksgiving
- * Day before Christmas
- * Christmas Day
- * One day selected by the employee (Floating Holiday)

11/01/88

6.20 Paid Time Off (continued)

Holidays (continued)

(1) Basic Holiday Schedule (continued)

Holidays are observed on the dates established by the State, or as otherwise established for the Police and Fire Departments. In the event a holiday falls on a Saturday, the holiday is treated as occurring on the preceding Friday. In the event a holiday falls on a Sunday, the holiday is treated as occurring on the following Monday.

(2) Alternative Non-Union Schedules Where holiday schedules contained in collective bargaining agreements differ from the basic schedule, non-union employees in the same work group observe the holiday schedule established by the collective bargaining agreement.

(3) Holidays During Time-Off When a holiday falls during an employee's scheduled time off, the employee usually takes compensating time off with pay in the same pay period. Exceptions to this policy are approved by the department head and payroll is notified.

(4) Floating Holiday An employee is eligible for one personally selected holiday (floating holiday) each year. To be eligible, an employee must have completed six months continuous City employment. The date for each employee's floating holiday is approved by the employee's supervisor. Floating holidays must be used within the calendar year and may not be carried over from one year to the next.

11/01/88

6.20 Paid Time Off (continued)

Holidays (continued)

(4) Floating Holiday (continued)

An employee hired between July 1 and August 31 becomes entitled to one-half day as a personally selected holiday after four months of continuous City employment.

On termination, an employee receives payment as compensation for an unused floating holiday. If terminating January 1 through June 30, the employee receives one-half day's pay. If terminating July 1 through December 31, the employee receives a full day's pay.

(5) Pay for Holiday Work Regular employees who are required to work on a holiday receive two times their regular rate of pay for the hours worked on the holiday, with such pay to be in addition to their regular holiday pay.

(6) Religious Holiday If an employee's religious beliefs require observance of a holiday not included in the basic holiday schedule, the employee may (with supervisor approval) take the day off using vacation, comp time, administrative leave or leave without pay. Requests for religious holidays are made in writing to the employee's immediate supervisor, preferably 14-21 days before the holiday.

12/14/87

6.20 Paid Time Off (continued)

Vacation

- (1) Vacation Schedule Each regular full-time employee earns vacation leave at the rates listed below for each full month worked. Monthly accrual rates apply at the start of each year of employment specified in the schedule.

<u>Years of Employment</u>	<u>Monthly Accrual Rate</u>	<u>Annual Vacation Days Earned</u>
1st year	7.33 hours	11 days
2nd year	7.33 hours	11 days
3rd year	8.0 hours	12 days
4th year	8.67 hours	13 days
5th year	10.0 hours	15 days
7th year	10.67 hours	16 days
9th year	11.33 hours	17 days
11th year	12.0 hours	18 days
13th year	12.67 hours	19 days
15th year	13.33 hours	20 days
17th year	14.0 hours	21 days
20th year	14.67 hours	22 days

Department heads with less than 15 years service are credited with 20 vacation days on January 1 of each year. Department heads with more than 15 years service are credited with all their annual vacation days on January 1 of each year according to the above schedule.

- (2) Last in, First out Vacation hours are paid to employees on the "last in, first out" basis. That is, when employees take vacation, they are paid with the vacation time they most recently earned.
- (3) Scheduling Each department is responsible for scheduling its employees' vacations without undue disruption of department operations. When possible, departments try to comply

11/01/88

6.20 Paid Time Off (continued)

Vacation (continued)

(3) Scheduling (continued)

with employee requests. An employee wishing to schedule vacation leave must receive approval for requested dates from his or her immediate supervisor.

(4) Vesting Employees begin earning vacation credit immediately upon hiring, but vacation credit is not vested in the employee until he or she completes probation and becomes a regular employee. If employment is terminated during probation, the terminated employee receives no compensation for unvested vacation credits.

(5) Accrual Limits Effective 1 January 1990, employees may accumulate vacation leave time to a maximum of 360 hours (inclusive of the current year's credit). Any unused vacation time above the maximum is forfeited.

For department heads, calculation and forfeiture of excess vacation is determined at the end of each year.

(6) Vacation and Other Leaves

- a. Earned vacation days may be taken during a period of sickness after paid sick leave credits are exhausted.
- b. Vacation leave credits do not accrue during leave without pay.

(7) No In-Lieu Pay Employees are not paid for vacation in-lieu of taking it, except upon separation from City employment.

11/01/88

6.20 Paid Time Off (continued)

Sick Leave

- (1) Rate of Accrual Each regular full-time employee accrues eight hours of sick leave at the completion of each full calendar month of continuous employment.

[Special circumstances relating to accumulation and use of sick leave by LEOFF I employees in the Fire Department who work 24 hour shifts are described in Section 6.90.]

- (2) LEOFF I Sick Leave Each non-union employee covered under LEOFF I is credited with 96 hours of sick leave annually on December 1. Sick leave may not be accumulated from one year to the next.

- (3) Limit Except for LEOFF I employees, sick leave may be accumulated to a maximum of 960 hours.

- (4) Eligibility Employees are eligible to use sick leave from their date of hire.

- (5) Use of Sick Leave: Sick leave may be used for the following purposes:

- a. Bona fide personal injury or illness;
- b. Forced quarantine of the employee;
- c. Inpatient and outpatient medical care;
- d. Dental care;
- e. Medical and dental appointments;

6.20 Paid Time Off (continued)

Sick Leave (continued)

(5) Use of Sick Leave: (continued)

- f. To care for the employee's spouse or a family member in the employee's immediate household with a health condition that requires treatment or supervision.

[See also Chapter 6.20
"Bereavement Leave"]

- g. For paternal parenting on the birth of an employee's child (up to five days).

[See also Chapter 8.10
"Medical Leave - Pregnancy
and Childbirth"]

- h. To care for a newly adopted child (up to five days).

- (6) LEOFF I Disability Leave LEOFF I employees initially use sick leave exclusively. If the employee's sick leave reaches zero hours, sick leave ends. Any LEOFF I disability leave granted is then used exclusively.
- (7) No Coordination with Vacation or Comp Time Sick leave is used when an employee is absent due to illness, unless no sick leave is available.
- (8) Illness on Holidays Absences by employees scheduled to work on a holiday are not charged against sick leave, but taken as a paid holiday.

11/01/88

6.20 Paid Time Off (continued)

Sick Leave (continued)

(9) Claiming Sick Leave

- a. Employees must report absences promptly to the supervisor at the start of the workday.

[See also Section 7.50
"Attendance"]

- b. Employees submit a sick leave request form at the time they submit time cards, indicating time off work and the reasons for absences, and requesting compensation for time off. The sick leave form is submitted to the employee's supervisor for approval together with any other pertinent information required by the department or personnel director. The sick leave form, with attachments, is then sent to the Finance Department.

- c. Absences are charged in quarter-hour increments.

- (10) Sick Leave Abuse An employee found to have abused sick leave privileges by falsification or misrepresentation may be dismissed, forfeit sick leave compensation or be subject to other disciplinary action, including dismissal.

[See Chapter 11 on discipline]

- (11) Doctor's Certificate A doctor's certificate may be required of an employee requesting sick leave at the discretion of the employee's supervisor, department head, or personnel director.

11/01/88

6.20 Paid Time Off (continued)

Sick Leave (continued)

- (12) No Payout (Except at Retirement) Sick leave credits lapse on termination of employment and are not compensated for on separation other than at retirement.

[See also Section 6.50, "Retirement"]

- (13) Other Short-Term Disability Benefits
The City Council at its sole option and discretion may offer City employees other short-term disability benefits. The terms and conditions of these other benefits are set by the City Council.

Administrative Leave

- (1) Eligibility/Annual Leave Limits In recognition of hours worked by exempt employees beyond the standard workweek, exempt employees not represented by a bargaining unit may be granted up to six days of administrative leave each calendar year. Administrative leave is prorated for exempt part-time employees and for exempt employees who start mid-year. Exempt employees who work little or no hours outside the standard workweek are not granted administrative leave.

(2) Use of Administrative Leave

- a. Administrative leave is intended to be used for occasional paid days off without reducing an employee's accrued vacation.
- b. Use of administrative leave is approved by an individual's supervisor.

11/01/88

6.20 Paid Time Off (continued)

Administrative Leave (continued)

(2) Use of Administrative Leave
(continued)

- c. Administrative leave may not be used to substitute for sick leave unless all sick leave has been used.
- d. Any administrative leave not used during the course of a calendar year lapses on December 31.
- e. Unused administrative leave is not compensated on separation.

Bereavement Leave

Policy In the event of death or serious illness threatening death in the immediate family, a regular employee may receive up to four days off with full pay and benefits.

Bereavement leave is granted by the department head. If extenuating circumstances (such as travel time) necessitate a longer period of leave, an extension may be granted by the department head. However, any extension of leave is charged against the employee's accrued leave accounts (sick leave, vacation time, compensatory time).

For bereavement leave, "immediate family" is limited to the following relations:

Spouse	Parent
Child	Sibling
Grandparent	Mother-in-law
Stepchild	Father-in-law
Foster-child, or legal ward	

11/01/88

6:10

6.30 Special Pay

Longevity Pay Regular full-time, non-exempt employees who are not covered by a collective bargaining agreement receive longevity pay in accordance with the following schedule:

<u>Completed Years</u> <u>Continuous Service</u>		<u>Added To</u> <u>Monthly Salary</u>
6-1/2	years	\$ 30.00
10	years	\$ 45.00
15	years	\$ 60.00
20	years	\$ 75.00

Sick Leave Bonus

- (1) **Description** As a bonus for consistent attendance, regular City employees (except members and employees represented by the Redmond Firefighters Union) are entitled to a credit equal to 25 percent of unused sick leave accrued during the preceding 12 months. At the employee's option, the credit may be added to the employee's vacation leave or paid to the employee at their regular rate of pay.
- (2) **Calculation Period** Sick leave credits are determined on or about November 30 each year.
- (3) **On-the-Job Injuries** In the event sick leave has been taken as a result of an on-the-job injury (through no fault or negligence on the part of the individual) and a Workers Compensation claim has been approved by the Washington State Department of Labor and Industries, the amount of sick leave taken is not deducted when computing the credit on which a bonus is allowed.

6.40 Insurance Benefits

Health Insurance

- (1) Basic Benefit The City provides health insurance coverage (including major medical, dental and vision) to non-union regular full-time employees as prescribed by the City Council.
- (2) During Unpaid Leave At the employee's option and expense, the City will continue health insurance coverage during unpaid leave. Health benefits during unpaid leave are handled as under COBRA (see item 3 below). Monthly premium costs are prorated against the actual time on unpaid leave. (During leave without pay resulting from an approved time-loss injury, the City waives reimbursement and continues to pay for the employee's health benefits.)

[See also Chapter 8 "Leave of Absence"]

- (3) Continuation of Coverage On separation from City employment or other qualifying event, an employee or their dependents may elect to continue City health benefits at their own expense to the extent provided for under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). An administrative handling fee over and above the cost of the insurance premium is charged to the employee or the dependents who choose to continue health benefits.

An employee may elect to continue coverage:

- Upon separation (unless terminated for gross misconduct); or

12/14/87

6:12

6.40 Insurance Benefits (continued)

Health Insurance (continued)

(3) Continuation of Coverage (continued)

A dependent may elect to continue coverage if: (continued)

- If working hours are reduced, causing loss of coverage
- They lose dependent status because of age, change in marital status or termination of the spouse's or parent's employment;
- The spouse or parent who is an employee dies;
- The spouse or parent who is an employee becomes eligible for Medicare;
- The dependent is divorced or legally separated from an employee.

(4) Adding and Removing Dependents

Employees notify the Personnel Department when adding or removing dependents from health coverage. Personnel may require appropriate documentation, such as copies of birth certificates or divorce decrees, to process changes.

Employees who through negligence fail to remove ineligible dependents from health coverage will be charged for any unnecessary premium expenses incurred by the City.

11/01/88

6:13

6.40 Insurance Benefits (continued)

Life Insurance and Accidental Death and Dismemberment (AD&D) Insurance

- (1) City-Paid Benefits The City provides group term life insurance and accidental death and dismemberment (AD&D) benefits at City expense to all regular full-time non-union employees as follows:

	<u>Life Insurance Value of Policy</u>	<u>AD&D Value of Policy</u>
Non-Exempt Employee	\$20,000	\$20,000
Exempt Employee	\$50,000	\$50,000

- (2) Optional Group Life Insurance The City may (at its choosing) offer participation in a voluntary group life insurance plan offering coverage above that provided at City expense. Employees selecting optional group life insurance pay the premiums for it.

- (3) Public Safety Officers' Benefit Program The Federal government provides a special \$50,000 death benefit to the eligible survivors of City police officers and firefighters whose death was the result of traumatic injury sustained in the line of duty. This program is administered by the Bureau of Justice Assistance, U.S. Department of Justice. More information is available from the Personnel Department.

6.50 Retirement Benefits

MEBT All regular full- and part-time employees are covered under the Municipal Employees Benefit Trust instead of Social Security. Benefit levels and contribution rates are set by the trust.

11/01/88

6.50 Retirement Benefits (continued)

LEOFF All regular uniformed employees are covered by the Law Enforcement Officers and Firefighters Retirement System. Benefit levels and contribution rates are set by the State of Washington.

PERS All regular full-time and eligible part-time non-uniformed employees are covered under the Public Employees Retirement System. Benefit levels and contribution rates are set by the State of Washington.

Retirement Bonus

(1) PERS I Employees Upon retirement an employee under the PERS I plan receives one lump sum payment for:

- all accrued (unused) vacation leave (up to a maximum of 240 hours), and
- 25% of all accrued (unused) sick leave. In calculating the 25% of an employees sick leave, 48 hours are deducted from the result.

Any accrued (unused) vacation in excess of 240 hours and the first 48 hours of the 25% of accrued (unused) sick leave is used by the employee as paid leave before the official retirement date.

EXAMPLE: Employee Jones is about to retire. He has 300 vacation hours and 800 unused sick leave hours on the books. He receives:

	<u>Lump Sum</u>	<u>Paid Leave</u>
Vacation (300 hrs available)	240	60
Sick Leave (800 hrs x 25% = 200 hrs available)	<u>152</u>	<u>48</u>
<u>TOTAL:</u>	392	108

11/01/88

6.50 Retirement Benefits (continued)

Retirement Bonus (continued)

(1) PERS I Employees EXAMPLE: (continued)

So, employee Jones would receive a lump sum check for 392 hours of pay and take 108 hours off prior to his retirement date.

(2) PERS II and LEOFF II Employees Upon retirement an employee under the PERS II or LEOFF II plans receives one lump sum payment for 25 percent of all accrued (unused) sick leave. The payment equals 25 percent x the number of accrued sick leave hours [not to exceed 960] x the employee's regular rate of pay.

(3) LEOFF I (Non-Union) Upon regular, non-disability retirement an employee under the LEOFF I plan (non-union only) receives one lump sum payment for 240 hours. This payment is in lieu of the sick leave based retirement bonus received by other employees. The retirement bonus is not paid in cases of disability retirement. The payment equals 240 hours x the employee's regular rate of pay. (Regular rate = annual salary ÷ 2080 hours. This formula applies for the retirement bonus regardless of duty assignment.)

(4) Payment to Beneficiaries In case of an employee's death, the retirement bonus is paid to the beneficiary designated under the pension or retirement system; or in the event no beneficiary has been named, to the employee's estate.

Disability Retirement Benefits Disability retirement benefits are provided through the MEBT program and as otherwise required by law.

11/01/88

6:16

6.50 Retirement Benefits (continued)

Deferred Compensation Plans The City may (at its option) offer voluntary deferred compensation plans as a supplement to retirement benefits. The benefits and terms of each plan are set by the applicable plan documents.

6.60 Other Benefits

Employee Assistance Program The City may (at its option and expense) offer an employee assistance program providing counselling and referral service to regular employees. If offered, the nature, scope and administration of a program is set forth by contract between the City and program provider. Benefits and terms are set by plan documents.

Management Physicals The City pays up to \$150.00 towards the cost of a general physical examination for exempt non-union employees as shown in the following schedule:

<u>Employee's Age</u>	<u>Frequency Of Exam Benefit</u>
Over 45	Every Year
35 - 45	Every 2 Years
Under 35	Every 3 Years

6.70 Benefits For Regular Part-Time Employees

Holidays Regular part-time employees are paid on a prorated basis for holidays based on the employee's work schedule on file with payroll. When a holiday falls during an employee's scheduled time off, the employee usually takes compensating time off with pay in the same pay period. Exceptions to this policy are approved by the department head and payroll is notified.

[See also Section 6.20 "Paid Time-Off -- Holidays"]

6.70

Benefits For Regular Part-Time Employees
(continued)

Vacation Effective 1 January 1988, regular part-time employees accrue vacation leave benefits according to the following ratios based on the regular full-time employee's schedule:

<u>Part-time Hours/Week</u>	<u>Vacation Accrual Ratio</u>
25	0.625
30	0.75
35	0.875

Different part-time work schedules are rounded to the nearest level on the schedule above.

[See also Section 6.20 "Paid Time-Off -- Vacation"]

Sick Leave Effective 1 January 1988, regular part-time employees accrue sick leave credits each month according to the following schedule:

<u>Part-Time Hours/Week</u>	<u>Monthly Sick Leave Credits</u>
25	5 hours
30	6 hours
35	7 hours

Different part-time work schedules are rounded to the nearest level on the schedule above.

[See also Section 6.20 "Paid Time-Off -- Sick Leave"]

6.70 **Benefits For Regular Part-Time Employees**
(continued)

Health Benefits Regular part-time employees have the option to participate in the City's health benefit plans (for themselves and their dependents) by paying 50 percent of the premiums for the City's basic major medical carrier and any additional premiums for additional optional coverage.

Retirement Regular part-time employees become members of MEBT and PERS or LEOFF retirement systems.

6.80 **Special Rule for Part-Time PERS I Employees**

Any part-time employee, regardless of regular, non-regular, or temporary status, who is eligible for participation in PERS I and works 70 or more hours per month for more than six consecutive months becomes a member of the PERS I retirement system, retroactive to their starting date of employment.

6.90 **Pay and Benefit Practices for Fire Shift Personnel**

Scope This section describes pay and benefits unique to exempt non-union fire department employees who work 24-hour shifts.

Basic Rate of Pay The basic hourly rate of pay is calculated as follows: multiply the monthly salary by 12 to obtain the annual salary which is divided by the standard annual hours of work.

The standard annual hours of work for these employees is 2,648 hours. Effective 1 January 1989, the standard annual hours of work is 2,624 hours.

Overtime Paid overtime may be approved by the Chief or by a member of the Fire Department designated by the Chief. The overtime rate of pay is one-and-one-half times the base rate of pay.

6.90 Pay and Benefit Practices for Fire Shift Personnel

Bereavement Leave Employees may receive up to 48 hours off per year in the event of death or serious illness with impending death in the immediate family. "Immediate family" is defined in Chapter 6.

Holidays, Vacation And Sick Leave

- (1) Holidays A full-time, non-union employee assigned to 24-hour shifts receives 108 hours off in lieu of established paid holidays. Dates and hours to be taken off are selected by mutual consent of the employee and the supervisor. Each employee is credited with nine hours holiday leave for each full calendar month of employment. On December 1 of each year, any credited holiday leave time over and above 96 hours is cashed out and paid to the employee at the basic rate of pay.
- (2) Vacation Non-union 24-hour shift employees accrue vacation leave as follows:

<u>Years Of Employment</u>	<u>Monthly Accrual</u>	<u>Annual Vacation Benefit</u>
1 Month - 2 Years	8 hours	4 shifts
3 Years	10 hours	5 shifts
4 Years	12 hours	6 shifts
5 Years	12 hours	6 shifts
7 Years	14 hours	7 shifts
9 Years	14 hours	7 shifts
11 Years	16 hours	8 shifts
13 Years	16 hours	8 shifts
15 Years	18 hours	9 shifts
17 Years	18 hours	9 shifts
18 Years	20 hours	10 shifts
20 Years	22 hours	11 shifts

An employee taking leave without pay does not accrue vacation or sick leave for any month in which more than 144 hours are taken as leave without pay.

11/01/88

6:20

Holidays, Vacation And Sick Leave (continued)(3) Sick Leave

- a. LEOFF I Sick Leave Each non-union employee covered under LEOFF I is credited with 144 hours of sick leave annually on December 1. Sick leave may not be accumulated from one year to the next.
- b. LEOFF I Disability Leave LEOFF I employees initially use sick leave. If the employee's annual sick leave allowance reaches zero hours, sick leave ends. Any LEOFF I disability leave granted is then used exclusively.
- c. LEOFF II Accrual Each 24-hour shift employee covered under LEOFF II is credited with 72 hours sick leave when hired. Thereafter and until the fourth anniversary of the employee's hiring, the employee accrues 24 hours sick leave per month. After the fourth anniversary of the employee's hiring, the employee accrues 12 hours sick leave per month. Employees may accrue sick leave up to (but not beyond) 1,300 hours.

In the event an employee terminates (voluntarily or not) before completing probation, any sick leave used by the employee (up to 72 hours) is deducted from the employee's final paycheck.

- d. Usage Calculation For each 24-hour work shift missed due to illness, 24 hours are deducted from the employee's accrued sick leave.

11/01/88

6:21

6.90 Pay and Benefit Practices for Fire Shift Personnel

Holidays, Vacation And Sick Leave (continued)

(3) Sick Leave

d. Usage Calculation (continued)

In the event less than a full 24-hour shift is missed due to illness, the actual number of hours missed is deducted from the employee's accrued sick leave.

Sick Leave Bonus

As a bonus for consistent attendance, exempt non-union 24-hour shift employees receive a cash bonus based on accrued unused sick leave hours.

The bonus is calculated as .22125 times the number of hours of unused sick leave times the employee's base rate of pay [$.22125 \times \text{unused sick leave} \times \text{rate of pay}$]. (The multiplier figure of .22125 represents the .885 differential of sick leave accrual between 40-hour week employees and 24-hour shift employees multiplied by the standard sick leave bonus rate of .25; thus $.22125 = .885 \times .25$).

11/01/88

6:22