



CITY OF ISSAQUAH
EXEMPT
EMPLOYEES
BENEFITS
HANDBOOK

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INTRODUCTION AND DISCLAIMER

This handbook is not a contract but is intended to provide you with general information about the benefits currently provided to you as an exempt employee with the City of Issaquah. It is not intended, and should not be construed, as a promise of future benefits.

All benefits described in this handbook are currently in effect. Circumstances may occur that will require that the benefits described in this handbook may change from time to time. As such the City reserves the right to modify, amend, supplement, or rescind any or all provisions of this handbook as it deems appropriate. This document should not be construed or relied upon by anyone as a legal document, covenant or contract of any kind.

If you have questions about any part of this handbook, please feel free to contact Human Resources.

SECTION 1: HOURS OF WORK

The City's normal work week is Monday – Friday. The City allows for flexible work schedules and telecommuting where appropriate with approval of the Department Director.

SECTION 2: COMPENSATORY TIME

Exempt employees are eligible to earn hour for hour comp time for hours worked in excess of 40 hours in a work week to use at a later date.

Employees hired or promoted into a FLSA exempt position **prior to June 1, 2014** are allowed to accrue 100 hours per year until they reach a maximum balance of 1050 hours. ***Hours in excess of the annual accrual limit will be forfeited at the end of the year. The end of the year is defined as December 15. No exceptions will be made.*** It is the employee's responsibility to manage their accrued hours. When exempt employees reach the maximum balance of 1050 hours, the annual hours earned up to the annual accrual rate will be paid out in January of the following year. Specifically, employees will be paid up to 100 hours per year.

Directors hired or employees promoted to a Director with a **hire date prior to June 1, 2014** are allowed to accrue 150 hours per year until they reach the maximum balance of 1050 hours. ***Hours in excess of the annual accrual limit will be forfeited at the end of the year. The end of the year is defined as December 15. No exceptions will be made.*** It is the employee's responsibility to manage their accrued hours. When directors reach the maximum balance of 1050 hours, the annual hours earned up to the annual accrual rate will be paid out in January of the following year. Specifically, Directors will be paid up to 150 hours per year.

Employees hired into a FLSA exempt position or promoted from a non FLSA exempt position into a FLSA exempt position **after June 1, 2014** are allowed to accrue 100 hours per year until they reach a maximum balance of 500 hours. ***Hours in excess of the annual accrual limit will be forfeited at the end of the year. The end of the***

year is defined as December 15. No exceptions will be made. It is the employee's responsibility to manage their accrued hours.

Directors, the Deputy City Administrator and the City Administrator **hired after June 1, 2014** are allowed to accrue 150 hours per year until they reach a maximum balance of 500 hours. **Hours in excess of the annual accrual limit will be forfeited at the end of the year. The end of the year is defined as December 15. No exceptions will be made.** It is the employee's responsibility to manage their accrued hours.

Upon termination of employment with the City, accrued comp time will be cashed out in full on the employee's final paycheck.

SECTION 3: HOLIDAYS

Employees shall receive eleven (11) paid holidays as set forth below. Part-time employees are eligible for pro-rated holidays based on the budgeted FTE for the position.

First day of January, commonly called New Year's Day

Third Monday of January, the anniversary of the birth of Martin Luther King

Third Monday of February, known as Presidents' Day and the anniversary of the births of Abraham Lincoln and George Washington

Last Monday of May, commonly known as Memorial Day

Fourth day of July, the anniversary of the Declaration of Independence

First Monday in September, known as Labor Day

Eleventh day of November, known as Veterans' Day

Fourth Thursday in November, known as Thanksgiving Day

Day immediately following Thanksgiving Day

Twenty fourth day of December, commonly called Christmas Eve

Twenty-fifth day of December, commonly called Christmas Day

One additional "floating holiday" designated by the employee after consultation with the employer. This day will be added to the employee's leave balance and will appear on the first pay stub following their date of hire. The hours will appear under the leave title of "annual day". The floating holiday must be taken by December 15th of the current calendar year. Failure to use these hours by December 15th will result in forfeiture of these hours.

SECTION 4: VACATION

At the time of hire and annually thereafter, employees shall have the option of selecting from two vacation/sick leave schedules based on years of service. Once a selection is made, it will remain intact until such time as the employee requests a different schedule. This change can only be done during the annual open enrollment period at the end of each year. If no selection is made at the time of hire, then Schedule 1 will be assigned.

VACATION SCHEDULE 1 w/12 days per year sick leave					VACATION SCHEDULE 2 w/8 days per year sick leave				
Years	Days Per Year	Hrs Per Month	Max Days Allowed	Max Hrs Allowed	Years	Days Per Year	Hrs per Month	Max Days Allowed	Max Hrs Allowed
0 – 4	12	8.00	24	192.00	0 – 4	16	10.67	32	256.08
5 – 9	16	10.67	32	256.08	5 – 9	20	13.33	40	319.92
10 – 14	20	13.33	40	319.92	10 – 14	24	16.00	48	384.00
15 – 19	22	14.67	44	352.08	15 – 19	26	17.33	52	415.92
20 +	24	16.00	48	384.00	20 +	28	18.67	56	448.08

SICK LEAVE SCHEDULE 1			SICK LEAVE SCHEDULE 2		
Days Per Year	Hrs Per Month	Hours Per Year	Days Per Year	Hrs Per Month	Hours Per Year
12	8.00	96	8	5.33	64

Vacation shall be taken in accordance with the policy established by the City, in writing, by ordinance, or administrative decision in writing.

A regular employee, upon separation from the City after one year for any reason, will be paid the hourly rate for vacation accumulated but not taken.

Regular status employees shall be eligible for vacation upon accrual of leave.

SECTION 5: HEALTH AND WELFARE INSURANCE BENEFITS

MEDICAL AND DENTAL INSURANCE PREMIUMS

Medical insurance: Employees shall have the option of choosing from four medical plans and shall be eligible for coverage the first day of the first month following employment. Once an employee chooses a plan, he and any covered dependents must stay on that plan until open enrollment which usually occurs during the month of

October. If a new plan is selected, coverage will begin in January of the following year. Premiums are determined by the plan chosen as well as if the employee elects to participate in the City's Wellness Plan.

If an employee does not work at least 50% of scheduled hours in the pay period, they will be responsible for paying additional premiums for their benefit coverage. If an employee takes unpaid time due to a qualifying FMLA event, the employee and dependents premiums will be paid during the FMLA leave. If an employee does not return to work after FMLA leave, they may apply for COBRA and may be required to reimburse the City for the cost of the medical premiums.

Part time regular employees are eligible to receive this benefit based on their budgeted FTE.

Dental Insurance: Premiums shall be paid by the Employer (100%) for all regular, full-time & regular part time employees as well as their dependents or domestic partner as recognized under Washington State law. The plan under this contract is Delta Dental Service - Plan F or employees may opt for Willamette Dental. Both plans are purchased through the Association of Washington Cities (AWC) New employees shall be eligible for said benefits the first day of the first month following employment.

HEALTH REIMBURSEMENT ACCOUNT (HRA)

The employer contributes to an account on behalf of exempt employees an amount equal to the amounts listed below. Part-Time employees shall receive an amount equal to their budgeted FTE position.

This account is administered by Flex Plan Services and can be used to request reimbursement for any qualifying non covered expense for medical, dental, vision, hearing, orthodontia or any other allowable expense under IRS section 213. Employees enrolled in a HSA medical plan may receive reimbursement for qualified dental and vision expenses. Employees may submit their request to Flex Plan at www.flex-plan.com or reimbursement request forms may be found on the "R": drive under Human Resources. Information as to what is an allowable expense can be found on Flex Plan Services website at www.flex-plan.com or call Flex Plan at 425-452-3500 or 800-669-3539

New employees shall be eligible for said reimbursement after three months (90 days) as a regular employee. Costs not reimbursed to an employee in a calendar year may be reimbursed in subsequent calendar years. Any funds not used in the prior two calendar years, may be carried forward into the current calendar year. The funds carried forward may not exceed the prior two years contributions. Costs incurred pre or post-employment with the City are not eligible for reimbursement.

Regular, full-time employees shall be eligible for annual employer contributions to a Health Reimbursement Account (HRA) in the following amount:

- \$1550

FLEXIBLE SPENDING ACCOUNT (FSA)

Employees may elect to contribute to a voluntary Flexible Spending Account (FSA). A flexible spending account allows an employee to set aside pre-tax dollars for qualifying medical, dental, or day care expenses. Employees may enroll in this program within the first 30 days of employment or during the annual open enrollment period. Per IRS regulations any funds not spent in the current calendar year must be used or the funds will be forfeited to the employer.

ORTHODONTIA

The Employer shall provide eight thousand five hundred dollars (\$8,500) each calendar year for use by regular employees and part-time employees to help offset the cost of orthodontic care. A reimbursement form along with supporting documentation as to expenses paid must be submitted to Human Resources during the month of November. Reimbursements will then be disbursed by mid-December. Costs not reimbursed to any employee during one calendar year may be reimbursed in subsequent calendar years.

EMPLOYEE ASSISTANCE PROGRAM

EAP coverage is provided at no cost to employees and their dependents. EAP services provide confidential counseling services including assessment, short term problem solving and referral options to deal with personal, family or job related issues. These services are also available to dependents or relatives living in the employee's household.

LIFE & DISABILITY INSURANCE

Life Insurance: The Employer shall pay each month on behalf of each regular, full-time and part-time employee those premiums necessary for the purchase of a fifty thousand dollar (\$50,000.00) Group Basic Term Life Insurance Plan.

Life Insurance – voluntary: Employees may purchase additional life insurance through a group plan. Insurance purchased within the first 30 days of employment will not require completion of a health questionnaire. After the first 30 days of hire an employee may purchase additional life insurance but they will have to complete a health questionnaire and submit the information to the insurance company. If interested please contact Human Resources for additional information.

Long Term Disability Insurance: The Employer shall pay for a long-term disability plan for regular full-time employees as approved by Human Resources. The long-term disability plan is a 90-day elimination period and will take effect on day 91 from the qualifying event. Employees are responsible for completing the necessary forms and submitting to the insurance plan in effect at the time of the qualifying event. Forms are available in the Human Resources Department

Workers Compensation Insurance (L&I): Employees and Employers must pay into the State of Washington workers comp fund. This is insurance for injuries incurred while working on the City's premise. Employees are required to pay seventy five percent (75%) of the premiums and the employer is required to pay the additional twenty-five

percent (25%) of the premiums. Premiums are set by the State of Washington Department of Labor and Industries and are set based upon the type of work an employee performs.

Long Term Care Insurance: Long Term Care Insurance is available to purchase at group rates on a voluntary basis. If an employee purchases the plan within the first 30 days of being hired, the employee does not need to go through a health exam and will be accepted into the plan. Employees who purchase a policy after 30 days from hire are subject to the specifications of the plan and may be denied insurance due to health conditions. Premiums will be deducted from payroll

SECTION 6: WELLNESS PROGRAM

WELLNESS DAY

Employees shall be eligible for a wellness day off in the following calendar year based on guidelines established by the Wellness Committee and approved by Human Resources. The program is based on a calendar year, so an employee may choose to participate every January 1st. There are no pro-rated allowances from date of hire. Part time employees will receive a pro-rated day off based on the budgeted FTE.

COMMUNITY CENTER PASS

Regular, full-time and part time employees are eligible for an annual family pass for drop-in activities at the Community Center and Pool. See *Appendix C* for guidelines.

SECTION 7: SICK LEAVE

Sick leave shall be accrued at the rate specified in the schedule selected by the employee. Employees shall not carry over an excess of twelve hundred eighty (1280) hours accrual into the next year. All sick leave hours earned in excess of twelve hundred eighty (1280) hours shall be converted to vacation leave at fifty percent (50%) of the sick leave accrual rate unless they choose to use the conversion of sick leave program described below.

SICK LEAVE INCENTIVE PROGRAM

Two additional annual leave days shall accrue to any regular employee (part-time pro-rated based on the budgeted FTE) who did not use any sick leave in the previous *full* calendar year. One additional annual leave day shall accrue to any regular employee (part-time on a pro-rated basis) who in the previous full calendar year used 16 hours or less of sick leave in the previous full calendar year. These additional days must be used in the calendar year they are awarded or the employee will forfeit the additional day(s).

Conversion of Sick Leave: Employees with 30 days sick leave base (240 hours) may convert 1/3 of unused sick leave accrued in the past calendar year to straight pay or to paid vacation, as long as the conversion does not cause the balance to go below the 240 hour (30 day) base. Conversion to paid vacation requires approval of the

employee's Department Director. Requests must be submitted to Finance Department (payroll) no later than January 10th of each calendar year.

Employees who reach the 60 day sick leave base (480 hours) may convert 1/2 of unused sick leave accrued in the past calendar year to straight pay or to paid vacation. Conversion to paid vacation requires approval of the employee's Department Director. Requests must be submitted to Finance Department (Payroll) no later than January 10th of each calendar year.

Upon leaving the City's employment in good standing, employees with a minimum of five years' employment with the City may receive 1% per year of service (to a maximum of 25% or 320 hours) of the dollar value of their sick leave accrual balance. The cash out of the hours will be contributed to the employee's individual ICMA Retirement Health Savings Account (RHS). The maximum sick leave is 1280 hours.

BEREAVEMENT

An employee shall be allowed up to three (3) bereavement days for the death of an immediate family member. Immediate family member shall include: father, father-in-law, mother, mother-in-law, spouse, domestic partner, brother, sister, children, step-children and the employee's grandparents.

In the event of a death in the employee's immediate family, an employee may be approved to use up to seven (7) days of sick leave to attend funeral services of a member of their immediate family. Immediate family, for this SECTION, shall be defined as follows: spouse, parent, child, brother, sister, father-in-law, mother-in-law, brother-in-law & sister-in-law grandparent, grandchild, aunt, uncle, niece, nephew, domestic partner. In addition an employee may be approved to use up to 5 days of sick leave to attend funeral services for close personal friend. The amount of leave granted will be at the discretion of the Department Director.

Part time employees shall receive this benefit based on their budgeted FTE.

SECTION 8: EDUCATION INCENTIVE LEAVE

Regular employees (part-time on a pro-rated basis) shall be allowed one (1) day off per calendar year to be used as a personal education incentive day. This day will be added to the employee leave balances and will appear on the first pay stub following their date of hire. The hours will appear under the leave title of "annual day". The Education Incentive Leave Day must be taken by December 15th of the current calendar year. Failure to use these hours by December 15th will result in forfeiture of these hours.

SECTION 9: EDUCATION TUITION REIMBURSEMENT

It is the City's Policy to encourage regular employees to obtain additional training and education that will facilitate their advancement in City employment and be consistent with the best interests of the City. The City may, therefore, provide an education assistance plan to improve regular employee's current and future job-related skills, knowledge, and abilities. Prior to the beginning of each budget year, the City Council

will approve a maximum amount of money for tuition reimbursement. All reimbursements will be based on available funding as approved by the Council. Completion of any course or program should be appropriately reflected in City records so that achievement may be considered in decisions regarding the employee's placement.

Eligibility and Selection of Applicants:

- Financial support of employee enrollment in college and university academic programs will be limited to candidates for degrees.
- To be eligible for participation, an employee must be on the active payroll as a regular employee at the time application is made.
- Each written application must be approved by the employee's Department Director prior to the beginning of the calendar year.
- In determining which applications to approve, the Director will consider the following factors:
 - a. The value to the City of the course of study to be pursued by the applicant.
 - b. Recommendations by the applicant's supervisors.
 - c. Length of City service.
 - d. The City's interest in encouraging the maximum employee participation within the budgeted funds available.
 - e. The potential of the employee obtaining funding from another source.
 - f. Part-time regular employees shall receive 50% of a full time employee.
- Applicants shall not normally be approved for reimbursement in excess of six hours per semester or quarter. The Mayor may authorize additional hours in unusual cases.
- Approval of an employee's application will be for an academic year or portion thereof, subject to review of his academic achievement and the employee's City work record at the end of each quarter or semester. Failure to complete any course satisfactorily may be considered cause for cancellation of approval.

Reimbursement of Tuition:

- Each applicant will furnish a grade report or transcript of college course completion from the college or university attended.
- A regular employee will be reimbursed (part-time will be reimbursed at 50% of a full time employee) for the total amount of tuition following the successful completion of the course with a grade equivalent to or higher than "2.0". The employee shall be responsible for all associated expenses, e.g. costs of books, course materials, and transportation costs directly-related to attending the course.

- At the conclusion of the course, an expense reimbursement request shall be submitted by the employee for approval of the Department Director.
- In the event the employee should leave the employment of the City during the two-year period following the date of satisfactory completion of such course, the employee shall repay to the City any amount provided for tuition.
- If an employee who is enrolled in a course approved for reimbursement under this program is terminated due to circumstances beyond his/her control, employee will be reimbursed for current tuition costs upon termination.
- Any unused tuition reimbursement funds will be redistributed to members of the bargaining unit who have qualified for tuition reimbursement. This redistribution will be on a City wide basis.

SECTION 10: EDUCATION MERIT PAY

Employees shall be eligible for a maximum of 2% of annual salary as "Education Merit Pay." Said merit pay shall be approved by the Department Director and/or the City Administrator. Payment is in January of the following year. Participation shall be subject to the general guidelines set forth in *Appendix B*.

SECTION 11: DEFERRED COMPENSATION

457 PLAN

Exempt Employees are eligible to receive matching contributions from the City toward the 457 ICMA Deferred Compensation Plan. The City's contributions are a one-to-one match up to \$300.00 maximum for a full-time employee. Part time employees are eligible to receive a pro-rated matching contribution on a one to one match based on their budgeted FTE. Directors shall receive a \$100 monthly contribution towards their 457 plan with no employee contribution required.

- Participating staff are responsible for following the procedural requirements as dictated by the ICMA deferred compensation plan.

401 (A) PLAN (DIRECTORS ONLY)

Department Directors are eligible to receive matching contributions from the City towards the ICMA 401(a) Deferred Compensation Plan. The Director must contribute a minimum of 5% of their monthly base pay and the City will provide a match of 3.5% of their monthly base pay. This is an annual election so Directors may change their percentage contribution rate during the annual open enrollment period in December.

- Participating staff are responsible for following the procedural requirements as dictated by the ICMA deferred compensation plan.

WASHINGTON STATE RETIREMENT SYSTEM (PERS)

Employees and Employers are required to contribute to the appropriate PERS plan that the employee is enrolled in. Each PERS plan has specific requirements as to their benefit calculation and employees should refer to their PERS handbook or they may contact the State of Washington for specific questions. The State determines for PERS plan 1 and PERS plan 2 the employer and employee rates. Employees enrolled in PERS 3 determine their contribution rate. Contributions to all PERS plans are pre-tax dollars. Additional information may be found at the Department of Retirement Systems (DES) website at www.drs.wa.gov/.

SOCIAL SECURITY

The City is a member of the Social Security System and therefore must deduct the rate as determined by the Social Security Department.

APPENDIX A

Proficiency Level Increases:

If an employee's anniversary date occurs on the 1st through the 15th of the month, any merit increases shall be effective on the 1st of that month. If the employee's anniversary date occurs on the 16th through the 31st of the month, any merit increases shall be effective on the 1st of the following month.

Merit increases are based on the employee performing adequately at a satisfactory rate of improvement. These increases become effective upon completion of the annual performance evaluation completed by the Department Director.

Pay at the top 10% of any salary range shall be only for sustained, superior, outstanding skill and ability, effectiveness, and results. These increases must be approved by the Department Director.

Effective January 1, 2015, the Master Employee Pay (MEP) program will be eliminated and effective on January 1, 2016 will be replaced by adding steps H and I. Employees hired prior to January 1, 2015 shall be eligible for steps B through I.

Effective January 1, 2015 employees hired on or after January 1, 2015 are eligible for steps B through G.

Administration of MEP program replacement:

Employees hired prior to January 1, 2015 who are at step G in 2015 will be moved to step H or I depending upon their MEP eligibility rate on January 1, 2016. Employees not at step G will continue to be eligible to advance to step I based on their annual review date. Before an employee can move to step I, they must be at step H for four years.

APPENDIX B

GUIDELINES FOR EDUCATION MERIT PAY

1. All regular employees are eligible for a maximum of 2% of annual salary as Education Merit Pay, upon approval of the Department Director and Mayor.
2. All classes/courses must be taken on employee's off-duty hours and/or on the employee's own time.
3. Eligibility for Education Merit Pay is dependent on successful completion of any classes/courses, all of which must be approved in advance by the Department Director.
4. A minimum of eight hours class/course time must be successfully completed for every .5% eligibility for Education Merit Pay.
5. Education Merit Pay is payable no later than the end of the pay period of the first month in the next calendar year.
6. Requests for Education Merit Pay must be accompanied by a:
 - a. one-page written report regarding course content and applicability to employee's position; and
 - b. grade report or certificate of completion for each class/course.
 - c. copy of the class syllabus.

APPENDIX C

GUIDELINES FOR USE OF PARKS AND RECREATION DEPARTMENT ANNUAL PASS

Regular full-time employees are eligible for an annual family pass for drop-in activities at the Community Center and Pool; regular, part-time employees are eligible for an annual individual pass and may pay the additional amount to upgrade to a family pass.

1. Passes and daily drop-ins include: Computer Lab, Fitness Area, Track, Open Gym, Youth Center, Lap Swim and Public Swim.
2. You must be 16 or older to use fitness equipment
3. Youth Center is for teens, grades 6-12. Passes may not be used by anyone other than the card holder. Teen Nights are not included in passes.
4. Family Pass qualifications: Family members must reside within the same household. Children over 18 must be full-time students and provide school identification. City ID may be required.
5. Miscellaneous:
 - a. Drop-in childcare note included in passes
 - b. Scholarships and working volunteer opportunities are available for passes.