



Personnel Policies and Procedures

SECTION 500

INSURANCE AND RETIREMENT

Table of Contents

Employee Benefits	501
Eligibility for Insurance	502
Life Insurance Program.....	503
Medical and Dental Insurance Programs	504
Retirement Plan	505
Deferred Compensation Plan	506
Benefit Provisions upon Layoff	507

SECTION 500. INSURANCE AND RETIREMENT

501. Employee Benefits

Benefits provided to City of Tulsa employees and employees of associated agencies (unless specifically excluded), includes medical, vision, and dental insurance in addition to other health and welfare plans. Benefits packages are reassessed annually and benefits are subject to change. This section includes employee information concerning these benefit programs. Plan documents describe the governing provisions or rules for each of these benefits as well as other health and welfare plans offered. More specific information, including the plan documents, is available from the Insurance and Retirement Services Division of the Human Resources Department. For employees covered by collective bargaining agreements, other information may exist in Union contracts or State Law relating to variations in the provision of some of these Section 500 benefits.

502. Eligibility for Insurance

- .1 All permanent, full-time employees, elected officials, and employees of approved agencies who have been actively employed for more than thirty (30) continuous days are eligible for insurance benefits.
- .2 Coverage elected by employees shall begin on the first day of the month following completion of thirty (30) days continuous service. Employees are responsible for providing information regarding changes of address or any other benefit changes after initial enrollment.
- .3 Coverage ends on the last day of the month in which an employee terminates except under COBRA provisions (see sub-Section 504.5).
- .4 Employee's children are eligible for insurance coverage until age twenty-six (26). Dependent children over the age of twenty-six (26) may remain on the insurance coverage if mentally or physically incapacitated (incapacitation must be verified).

503. Life Insurance Program

- .1 Basic Life Insurance:
 - .11 Basic Life Insurance provides an insurance benefit to a designated beneficiary in the event of the employee's death.
 - .12 The City pays the cost of Basic Life Insurance and all eligible employees are required to participate.
 - .13 The amount of coverage is based on basic earnings plus any longevity pay and is equivalent to two hundred percent (200%) of the employee's combined annual earnings. See the current carrier policy for conditions, including maximum benefits

.14 A conversion policy is available that allows an employee to continue Basic Life Insurance as an individual policy by contacting the Insurance and Retirement Services Division within thirty (30) days of termination or retirement.

.2 Accidental Death and Dismemberment

.21 Accidental Death and Dismemberment (AD&D) provides an insurance benefit to the designated beneficiary in the event of an employee's accidental death or to the employee in the event of dismemberment.

.22 The City pays the cost of Accidental Death and Dismemberment and all eligible employees are required to participate.

.23 Amount of Coverage:

.231 Death-Two hundred percent (200%) of the participant's basic annual earnings plus any applicable longevity pay. See the current carrier policy for conditions, including maximum benefits

.232 Accidental Death and Dismemberment benefits are in addition to Basic Life Insurance benefits.

.233 Dismemberment- This coverage pays a prescribed benefit in the event of the loss of a hand, foot, sight, etc. that is caused by accidental bodily injury. The amount is determined by the type of loss. See the current carrier policy for conditions.

504. Medical and Dental Insurance Programs

.1 Medical and Dental Insurance provides employees with certain levels of coverage for physician visits, hospital care, dental care, prescriptions and other medical expenses. Participation is voluntary, unless an employee is required to cover children by a state issued qualified medical support order. Members of an employee's immediate family who qualify as dependents may be enrolled at the employee's option upon hire; unless an employee is required to cover children by a state issued qualified medical support order.

.2 It is the responsibility of the employee to provide Human Resources information regarding any changes in coverage.

.3 Upon completion of benefit elections upon hire, during open enrollment or as a result of a qualifying event, an employee acknowledges the following:

.31 The employee is responsible for paying a portion of the benefits deductions in the form of payroll deductions;

.32 Said elections can only be changed during open enrollment or upon a

qualifying event;

- .33 Employees are responsible for paying any deductions during leave. If leave is unpaid, the employee will be billed for the deductions and bills must be paid within 30 days of the billing date. Failure to pay deductions will result in the termination of the employee's benefits until the employee returns from leave and payroll deductions resume;
- .34 Any misrepresentation by the employee of an individual's eligibility for coverage or any inaction by the employee which allows an ineligible individual to retain coverage will be dealt with through the disciplinary process.
- .4 Retirees- A retiree may elect to participate in the City of Tulsa medical plan until age sixty-five (65). Should the retiree obtain insurance elsewhere and cancel coverage or should the retiree decline coverage upon retirement, the retiree will no longer be eligible to participate in the medical plan. When an enrolled retiree becomes age sixty-five (65), the spouse can continue medical coverage to age sixty-five (65) and dependents may continue coverage until age twenty-six (26).
- .5 COBRA- Participants (employees, retirees and dependents) under the group medical and dental plan are covered by the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985. COBRA provides the right for participants to continue medical and/or dental coverage under certain conditions and events including loss of employment, etc. Employees and/or their covered dependents interested in continuation of medical or dental coverage must notify the Employee Benefits Division within sixty (60) days of termination or retirement.

505. Retirement Plan

- .1 Eligibility: With the exception of elected officials, Police Officers and Firefighters, all permanent full-time employees are eligible and required to participate in the Municipal Employees Retirement Plan (MERP). Police Officers and Firefighters are required to participate in retirement programs in accordance with applicable provisions of state law.
- .2 Participation: Eligible employees enter the plan on the first day of the month coinciding with or next following their first day of employment.
- .3 Cost of Program: The cost of the retirement plan is shared by the City and the employee. The employee contribution is treated as a pre-tax deduction. Employees are required to contribute 6.5%, and the City contributes 11.5% of the employee's salary.
- .4 Vesting:
 - .41 Participants will be one hundred percent (100%) vested after five (5)

years of continuous employment or after the attainment of age sixty-five (65).

- .42 Participants with less than five (5) years of continuous employment are not vested and, upon termination, shall receive a refund of basic employee contributions plus credited interest of five percent (5%) per year. It is the responsibility of the employee to contact Insurance & Retirement Division of Human Resources upon termination to receive this refund.
- .43 Contributions to the plan will cease upon termination. If the employee is vested at the time of termination, he/she may elect to leave his/her contributions plus interest in the plan. This will entitle the participant to a vested deferred retirement benefit.

.5 Retirement Age:

There are three (3) methods under which an employee can qualify for retirement benefits.

- .51 Normal Retirement: Normal Retirement under this plan is the first of the month following the participant's attainment of age sixty-five (65). Normal Retirement provides an unreduced monthly benefit to the participant based on years of credited service and the highest thirty-six (36) months of salary out of the last sixty (60) months of employment.
- .52 Rule of 80: This rule provides an unreduced monthly retirement benefit for participants based similarly on credited service and compensation per .51 above. The Rule of 80 requires that the employee's age plus his or her years of continuous employment must total 80.
- .53 Early Retirement: An employee may elect to retire before the normal retirement age of sixty-five (65); however, the earliest a retirement benefit can be received is age fifty-five (55) and is subject to reduction for Early Retirement. The benefit reduction is two and a half percent (2.5%) for each year prior to age sixty-five (65) prorated on a monthly basis.

.6 Retirement Options:

There are five (5) options concerning retirement benefit payments.

- .61 Straight Life: The Straight Life option pays a monthly benefit for the lifetime of the retiree. Upon the retiree's death, the monthly payments stop and survivors receive no continuing benefit.
- .62 Joint and Survivor: The Joint and Survivor option pays a monthly benefit for the lifetime of the retiree and continues monthly payments to the surviving spouse or other designated beneficiary of 3/4, 2/3 or 1/2 of the

retiree's benefit after the retiree's death based on the employee's election at retirement.

- .63 Guaranteed Period Income: The Guaranteed Period Income (5 or 10 year period) pays a monthly benefit for the lifetime of the retiree. Upon the retiree's death, if payments have not been made for at least five (5) or ten (10) years, payments in the same amount will be continued to the beneficiary for the balance of the five (5) or ten (10) year period based on the employee's election at retirement.
- .64 Level Income Option: If a retiree begins receiving a Life Annuity or Joint and Survivor Annuity before reaching age sixty-two (62) or age sixty-five, the employee may elect to have an increased monthly payment until he/she begins receiving Social Security. When the retiree starts receiving Social Security benefits, the monthly retirement benefit will be reduced. This allows retirement income to stay approximately level before and after Social Security benefits begin. The benefit adjustment is made according to tables prepared by the plan's actuary.
- .65 Partial Lump Sum Distribution: In addition to the above payment options, an employee may elect to receive a portion of his or her earned retirement benefit at the time of retirement in the form of a lump sum. The amount of the lump sum is limited to one, two or three times the annual dollar benefit the participant would receive from the plan in the form of a straight life annuity. The lump sum will reduce the employee's monthly benefit.

Regardless of the retirement option chosen, an employee's designated beneficiary shall receive a benefit that includes at least all employee contributions plus applicable interest upon the death of an employee.

506. Deferred Compensation Plan

- .1 Deferred Compensation provides a benefit to participants by allowing employees to supplement their retirement income by saving and investing a portion of their salary on a pre-tax basis under IRS 457 rules. The City offers one (1) Deferred Compensation provider with several different investment options.
- .2 Eligibility: All permanent full-time employees, elected officials and employees of approved agencies may voluntarily participate in the Deferred Compensation Plan.
- .3 Participation: The City will provide a monthly deferred compensation contribution only during the first two (2) years an employee initially participates in the Deferred Compensation Program. These monies will be provided by a match at the rate of fifty cents (\$.50) for each dollar (\$1.00) on the first fifty dollars (\$50.00) of employee contributions into the employee's deferred compensation savings account providing up to a maximum of twenty-five dollars (\$25.00) per

month. (Revised June 26, 2003)

- .4 Normal Limitation: The maximum amount that a participant may defer under this plan for a taxable year is the lesser of \$8,000 or twenty-five percent (25%) of the participant's gross compensation (or any updated amount prescribed by the Secretary of Treasury).
- .5 Catch-Up Provision: A participant who will attain the age of 50 or more by the end of the calendar year is permitted to elect an additional amount of Annual Deferrals, up to the maximum age 50 catch-up Annual Deferrals for the year, subject to the limitations of Code Section 414(v). For three (3) years prior to expected retirement, participants are eligible to contribute an amount equal to two times the annual limit in accordance with IRS 457 rules.
- .6 Employees may participate in the Deferred Compensation plan with a minimum contribution of ten dollars (\$10.00) per pay period.

507. Benefit Provisions Upon Layoff

- .1 Employees placed in a lower position as a result of a layoff shall have their salary reduced according to Section 200, "Pay Rate in Demotion", provisions. In determining the new rate of pay in the lower position, the rate of pay of the prior incumbent and the department's funding availability shall be considered.
- .2 Laid off employees shall be paid for any accrued Vacation Leave at the time of the layoff. In addition, laid off, non-probationary employees with less than six (6) years of service shall receive eighty (80) hours of severance pay. Laid off employees with at least six (6) years of service shall receive fifteen (15) hours of severance pay for each year of completed service not to exceed one hundred and eighty (180) total hours of severance pay. Laid off employees electing recall shall be eligible to preserve all sick leave and seniority credits for one year and have such benefits reinstated if recalled during the one-year recall period. All severance pay shall be provided on a lump sum basis, less applicable withholding. Laid off employees shall not accrue any additional benefits during layoff.
- .3 Laid off employees with at least ten (10) years of service at the time of the layoff shall be eligible to elect to receive payment for sick leave accruals per the policy provisions of Section 300 regarding sick leave payment upon normal retirement. This option to be paid Sick Leave shall be available regardless of the laid off employee's status for actual retirement eligibility and shall be limited to a maximum sick leave exchange providing an additional four weeks of (severance) payment. Laid off employees accepting the sick leave pay shall not be eligible for reinstatement of such sick leave benefits exchanged for payment if recalled or rehired. An employee who does not elect to receive sick leave pay at the time he or she is laid off waives any further opportunity to receive sick leave pay.

- .4 Laid off employees shall be covered by medical insurance according to normal benefit coverage practices for terminating employees per Section 500.
- .5 Laid off employees who do not elect recall shall be eligible for a MERP refund of contributions at the time of layoff. Laid off employees electing recall shall be eligible for a MERP refund of contributions at the conclusion of the one (1) year recall period if he or she is not rehired.