

***City of Concord***  
***Human Resources Department***  
***Benefits Summary***

**BENEFLEX PROGRAM SUMMARY (Effective July 1, 2020)**

Employee compensation consists of two parts - direct wages and benefits. The City of Concord provides a “flexible benefit plan” or “cafeteria benefit plan” known as “BENEFLEX”. This plan offers a range of benefit choices in the areas of: Health Plans, a Dental Plan, Life Insurance, a Medical Flexible Spending Account, a Dependent Care Reimbursement Account as well as Accident/Sickness (Disability) Plans.

The City provides each full-time employee with benefit dollars, subject to annual City Council appropriation, for use in purchasing both medical and dental benefits, based on Federal eligibility guidelines. The exception to the Federal eligibility guideline falls under Healthcare Reform’s Affordable Care Act with regard to adult dependent children between the ages of 19-26. The Affordable Care Act requires employers offering dependent coverage to cover adult children between the ages of 19-26, regardless of student status. Selection of additional benefits, such as a medical plan with a more expensive premium, flexible spending accounts or increased life insurance, may be paid for through payroll deduction on a pre-tax basis. If there is money left over from an employee’s benefit dollars after benefit selection, it is treated as taxable income. Benefits take effect on the first of the month following 30 days of employment. An orientation/enrollment session with a full explanation of the Beneflex plan and its options is held once each month for new employees.

Because of the tax implications, this type of a benefit program is governed by Section 125 of the Internal Revenue Service Code. The Beneflex “Plan Year” is July 1 through June 30. After initial new employee enrollment, changes in benefit selections are only allowed during the group re-opening period just prior to each plan year, within 30 days of a birth, adoption, death, marriage, divorce, a change in the employment status of the employee or employee’s spouse or within 60 days of a loss of Medicaid coverage or loss of coverage under the Children’s Health Insurance Program (CHIP).

***Wellness Program***

The City of Concord continuously strives to offer comprehensive, responsive, and flexible health benefit plans and programs. All full-time employees and City-insured spouses are eligible to participate in the City’s Wellness Program.

In partnership with its insurers, the City of Concord is pleased to offer employees a unique opportunity to improve their overall health and create a healthier lifestyle. The City provides dollars (“wellpoints”), which can be used to offset the employee share of health insurance premiums. Wellpoints are earned for your participation in:

- Beneflex education sessions
- Health Questionnaires (every other year)
- Wellfit Challenges (every other year)
- Your choice of health education programs
- Your choice of physical exercise activities
- On-site health screenings

Wellpoints earned the previous Wellness year (May through April) will be awarded during the City's open enrollment period, typically held during the month of May. If an employee does not need the additional wellpoints to purchase medical insurance, they may be used for other aspects of the Beneflex program.

Research has clearly shown that promoting health and fitness at the workplace and at home helps employees reduce the rate of premium increases and related health insurance costs, improve overall participant health, reduce stress levels, and become wiser health care consumers. The potential value of wellness programs to employers is just as impressive, with results such as reduced absenteeism, lower healthcare costs, improved employee morale, reduced employee turnover, better customer service, and enhanced employee recruitment. It is a win-win situation for everyone and it is fun!

**Current Options Available Under Beneflex Program Include:**

***Health Care Plans***

Three plans are available through Harvard Pilgrim:

- Harvard Pilgrim HealthCare HMO 500 (\$25 copay)
- Harvard Pilgrim HealthCare Elevate Health (T1-\$25 copay/T2-Deductible then 20% coinsurance)
- Harvard Pilgrim HealthCare HMO High-Deductible HSA (\$2000/\$4000 Deductible)

***Dental Insurance Plan***

One plan is available through MetLife:

Provides full coverage on certain diagnostic and preventive services, and limited coverage on certain restorative, prosthodontic (bridges, crowns, etc.), surgical, endodontic, periodontic, orthodontic coverage, and emergency services.

***Vision Insurance Plan***

One plan is available through MetLife:

Provides coverage on a wide range of services (routine eye exams, glasses, contact fittings, evaluations and lenses) and offers additional savings on non-prescription sunglasses and laser vision correction. This plan is voluntary and is available through a post-tax payroll deduction.

***Life Insurance Plans***

Core coverage with a benefit equal to one year's base salary (up to a \$150,000 max) is funded by the City. Employees may upgrade to two or three times their salary by funding the premium difference themselves.

***Income Protection Plans***

The Income Protection Plan is provided at no cost and includes a sick leave program, Short-Term Disability Insurance, and Long-Term Disability Insurance.

***Flexible Spending Account (FSA)\****

A FSA can be set up for Health or Dental Care expenses, allowing an employee to set aside a predetermined amount of money on a pre-tax basis and be reimbursed for eligible expenses under the IRS code. Permanent part-time employees may also participate in this benefit at their own expense.

*\*cannot be used if enrolled with the Harvard Pilgrim HMO High-Deductible HSA. Must be enrolled in one of the other available options through the city.*

***Dependent Care Reimbursement Account***

A Dependent Care Reimbursement account can be set up for dependent care expenses, allowing an employee to set aside a predetermined amount of money on a pre-tax basis and be reimbursed for eligible expenses under the IRS code. Permanent part-time employees may also participate in this benefit at their own expense.

***Limited Purpose Flexible Spending Account (LPFSA)***

A limited purpose FSA can be set up for Dental and Vision Care expenses only, allowing an employee to set aside a predetermined amount of money on a pre-tax basis and be reimbursed for eligible expenses under the IRS code. This is only available to those employees enrolled in a High-Deductible Health Plan with a HSA.

***Health Savings Account (HSA)\*\****

A savings account, used in conjunction with a High-Deductible Health Plan (HDHP), allowing an employee to set aside a predetermined amount of money on a pre-tax basis to cover out-of-pocket qualified medical expenses. An employer may also contribute to this account.

*\*\*must be enrolled in a High-Deductible Health Plan through the city.*

**OTHER BENEFITS**

***Annual (Vacation) Leave***

Generally speaking, most employees accrue annual leave at the rate of approximately one work day per month during their first 5 years of employment, with accruals increasing at certain anniversary dates thereafter. Leave cannot be used during an employee’s first six months of employment. The Personnel Rules & Regulations, departmental approval procedures, and/or any applicable collective bargaining agreement should be referred to for details.

***Paid Holidays***

Subject to the terms of applicable collective bargaining agreements and/or the Personnel Rules and Regulations, employees generally observe 11.5 paid holidays each year.

***Retirement – Pension System (mandatory participation)***

Upon employment, all full-time employees (35 hours or more) are enrolled in the New Hampshire Retirement System with a mandatory pre-tax payroll deduction each week of 7% of their gross income (11.55% for Group II Police employees and 11.8% for Group II Fire employees). The City also makes contributions to the New Hampshire Retirement System on behalf of full-time employees. The rate of contribution varies by Group I and II membership, as follows:

<b><u>Group</u></b>	<b><u>Rate as of 7/1/20</u></b>
Employees (Group I)	11.17%
Police Officers (Group II)	28.43%
Firefighters (Group II)	30.09%

***Retirement – Investment Opportunities (voluntary participation)***

Three additional optional 457 deferred compensation plans managed by ICMA-RC (International City Management Association Retirement Corporation), PFPOPE and Empower are also available through payroll deduction. A Roth IRA managed by the ICMA-RC or a Roth 457 managed by Empower and PFPope are also available through payroll deduction.

***Accident/Critical Illness Plans***

Two plans are available through Allstate offering cash benefits payable upon the event of an accident or diagnosis of a critical illness or condition. This benefit is voluntary and available through a pre-tax payroll deduction.

***Legal and ID Theft Plan***

Two plans are available through Legalshield providing the option of either Legal services or ID Theft Protection plans. This benefit is voluntary and is available as a post-tax payroll deduction.

***Merit Pay Plan***

Employees are eligible for a merit pay increase, typically one step on the applicable wage schedule, upon satisfactory completion of their probationary period and annually thereafter (again subject to satisfactory performance).

*This document is a summary, only for purposes of providing general information to job applicants, and is subject to periodic revision by the Human Resources Department. It does not constitute any sort of guarantee, commitment or contract for any aspect of the Beneflex Program or the Personnel Rules & Regulations, which are also subject to change. The Beneflex Program is administered by the City of Concord at its sole discretion, subject to annual City Council appropriation and any applicable collective bargaining agreements.*