

CHAPTER 8 – BENEFITS

8.1 Eligibility for Health Insurance.

8.1.1 The City will make health insurance available to full-time employees, as defined below, and their dependents. Health insurance coverage will also be available to elected officials. Payment for health insurance premiums is subject to yearly budget allocations and individual employee eligibility as defined herein. Health insurance coverage begins on the first day of the month following the date of employment and ends on the day of separation.

Amended by Resolution 20-0527.

8.1.2 For purposes of this section the following definitions will apply:

“Administrative period” shall mean a period of time not exceeding thirty (30) days after the measurement period has ended and prior to the beginning of the stability period during which Cedar City may evaluate the results of the measurement period.

“Full time employee” shall mean: (1) an employee that is regularly scheduled to provide thirty (30) or more hours of service per week or in excess of one hundred and thirty (130) hours of service per month and is not classified as a seasonal employee; or (2) an employee that averages thirty (30) or more hours of service per week or in excess of one hundred and thirty (130) hours of service per month during an applicable measurement period.

“Hours of service” shall mean hours when work is actually being performed; and hours where no work was performed, and the employee was using leave time.

“Leave time” shall mean an employee’s use of any of the paid leave benefits defined under the terms of Cedar City’s personnel policy. Unpaid leave will not be considered leave time unless the unpaid leave qualifies as special unpaid leave time and it is anticipated that the employee shall return to service once the leave time is used.

“Measurement period” shall mean either the initial measurement period or the standard measurement period. The initial measurement period shall only be used for the first year of employment for an employee that is hired and classified as a variable hour employee. All other references to the measurement period shall refer to the standard measurement period. The initial measurement period shall mean a continuous twelve (12) month period beginning the first day of the month

following the employee's date of hire. The standard measurement period shall mean the same twelve month period that is designated by law as the City's fiscal year.

"Non-service" shall mean a period of time when an individual is not employed by Cedar City. Non-service is different than leave time in that during leave time there is a mutual expectation that the employee is still employed by Cedar City. During non-service time there has been an event that has terminated the mutual expectation of continued employment. Examples of such events include, but are not limited to, retirement, termination of employment, layoff, quitting.

"Part time employee" shall mean an employee that provides twenty eight (28) hours of service per week or less.

"Seasonal employee" shall mean an employee that is employed for a maximum of twenty six (26) weeks during a twelve (12) month period. For purposes of considering provision of health care benefits there is not a limit on the number of hours of service per week a seasonal employee may provide. Seasonal employees shall not qualify for health care benefits paid by Cedar City. All provisions of the Fair Labor Standards Act, and other applicable state and federal law are not impacted by this definition of seasonal employee.

"Special unpaid leave" shall mean unpaid leave taken by the employee pursuant to the Family and Medical Leave Act, the Uniform Services Employment and Re-employment Rights Act, and unpaid leave for jury duty.

"Stability period" shall mean a period of time equal in length to the immediately preceding measurement period during which if the employee continues to work for Cedar City, and it was determined based on the measurement period that they qualify for health care benefits, then the City in accordance with its practices and policy shall provide health care benefits.

"Variable hour employee" shall mean an employee that is not a full time employee, part time employee, or seasonal employee; and that by designation or practice works variable hours. Employees that were originally designated as part time or seasonal and that work more hours than originally planned may be reclassified as variable hour employees. Variable hour employees shall have their hours of service measured by the measurement period and if they qualify for health care benefits receive health care benefits during the stability period.

8.1.3 Subject to yearly budget allocations and in compliance with all other provisions of State and Federal Law, Cedar City shall offer health insurance coverage and pay the health care insurance premiums for all full time employees. Also Cedar City shall offer health insurance coverage and pay the health care insurance premiums for all variable hour employees during the stability period as long as during the applicable measurement period the variable hour employee has provided an average of thirty (30) hours of service.

The health care plan offered by the City shall, at a minimum, be of such a nature and contain such coverage as is required by State and Federal law. The City's payment of health care insurance premiums shall, at a minimum, comply with the provisions of State and Federal law.

8.1.4 The City will not will not pay the health care insurance premiums for: (1) part time employees; (2) seasonal employees; and (3) variable hour employees that average less than thirty (30) hours of service per week or one hundred and thirty (130) hours of service per month during the applicable measurement period.

8.1.5 For employees other than variable hour employees, when determining the hours of service an employee provides to the City the City shall use the actual hours of service provided by the employee.

For employees that are either pre-determined to be variable hour employees or that become variable hour employees during the course of their employment the number of hours of service provided to the City shall be determined by using the actual hours of service provided during the measurement period.

In determining the number of service hours provided by variable hour employees during the measurement period the City shall average the hours of service per week during the measurement period excluding the special unpaid leave period. If the average number of hours of service equal or exceed thirty hours, then the City will provide health insurance and pay the associated premiums during the stability period.

8.1.6 If the City hires an employee that has previously provided hours of service to the City these employees shall be classified as either newly hired employees or as a continuing employee. An employee that is re-hired after twenty six (26) consecutive weeks or more of not working for the City is considered a newly hired employee. An employee that is re-hired after less than twenty six (26) consecutive weeks is considered a continuing employee.

Newly hired employees shall not receive credit for hours of service previously worked for the City.

Continuing employees shall receive credit toward the applicable measurement period for hours of service both prior to the break in employment and after the break in employment.

8.2 Health Insurance Coverage.

8.2.1 In compliance with State and Federal Law, the City shall determine during its annual budget process the percentage of health care premiums it will pay for employees and dependents. Elected officials will pay the entire premium for health coverage. Employees may elect to opt out of the City's health insurance plan as long as they can provide proof that they are insured by another policy and they opt out in compliance with the policies established by the City's health insurance provider.

8.3 COBRA.

8.3.1 Cedar City Corporation complies with the Health Insurance Coverage Act (1985) of the Comprehensive Omnibus Budget Reconciliation Account (COBRA).

8.4 Post-Retirement Health Insurance.

8.4.1 For purposes of this policy, an employee must have worked as a regular full-time employee for a minimum of ten (10) years, or fifteen (15) years for an employee hired after August 23, 2006, and retire on or before June 30, 2016. Upon compliance with the above criteria, the employee shall be eligible for continued health insurance coverage upon retirement for three (3) years, or to age sixty-five (65), whichever comes first. The maximum annual contribution for health insurance and health savings account contribution shall be five thousand dollars (\$5,000.00). The retired employee may choose to take an annual lump sum payment in lieu of the health insurance for three (3) consecutive years. The lump sum payment shall be in the same amount that the City pays in health insurance premiums for a single employee, not to exceed five thousand dollars (\$5,000). The retired employee may include a spouse for coverage, with the difference in the premium (single versus double) to be paid by the retired employee. If the retired employee expires prior to the expiration of post-retirement health insurance coverage and the spouse has no coverage from any other provider, the

spouse may continue coverage for the remaining period that the retired employee would have been covered. In such event, the premium shall be paid by the City. This section shall apply to an employee who meets the above criteria and is eligible for long term disability. **(AMENDED BY RESOLUTION 08-0611-1)** **(AMENDED BY RESOLUTION NO. 10-1013-1)**. **(AMENDED BY CEDAR CITY ORDINANCE 0608-2016)**.

8.4.2 The City will discontinue the post-retirement health benefit as of June 30, 2016. Therefore, any employee retiring after June 30, 2010 and prior to June 30, 2016 shall have the ability to use the post-retirement health benefit under the terms of the policy as it exists when the employee retires. Any employee retiring after June 30, 2016 shall not be able to use the post-retirement health benefit.

8.4.3 All employees that have retired prior to June 30, 2010, and who were using the post-retirement health benefit shall continue to use post-retirement health benefit for a total of five (5) years with the City's maximum annual contribution toward health insurance and health savings accounts limited to \$5,000.00. **(AMENDED BY RESOLUTION 10-1013-1)**.

8.5 Employee Retirement System.

8.5.1 The City participates in the Utah Retirement System (URS). The City pays the contribution amounts as determined by the URS. The URS provides a number of benefits to the employee, including an employee contribution 401(k) option. Because of complexities of the plan, employees should refer to the informational handbook regarding any questions concerning the plan.

8.6 Social Security (FICA).

8.6.1 All paid employees of the City contribute to the Social Security program as administered by the Federal Government. Social Security is a system of retirement benefits based on equal employer and employee contributions to public insurance reserves.

8.7 Workers Compensation.

8.7.1 Cedar City Corporation operates under the provisions of the State of Utah Workers' Compensation Act which provides that, "any employee injured, or the dependents of any employee, killed during the course of his/her duty shall receive compensation for loss sustained on account of such injury or death, and for medical, nurse and hospital services, medicines and funeral expenses...."

8.7.2 The size of the awards and the conditions connected with these claims are contained in the State Laws covering Worker's Compensation. Any injury occurring on the job must be reported to the Department Head immediately and forms prescribed by the State Industrial Commission must be completed and submitted to the Human Resources Specialist within three (3) days of injury.

8.7.3 See Section 8.9 governing benefits used in conjunction with sick leave.

8.8 Long Term Disability.

8.8.1 The City through the Utah Retirement System (URS), provides long term disability to employees who are disabled ninety (90) days or more. All cases are reviewed and determined by URS.

8.9 Holidays.

8.9.1 The following days have been designated by the City to be paid holidays:

New Years Day	January 1 st
Civil Rights Day	3 rd Monday in January
Presidents' Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4 th
Pioneer Day	July 24 th
Labor Day	1 st Monday in September
Veterans Day	November 11 th
Thanksgiving Day	4 th Thursday in November
Thanksgiving Day-after	4 th Friday in November
Christmas Day	December 25 th

When a holiday falls on a Saturday, it shall be observed on the preceding work day. When it falls on a Sunday, it shall be observed on the following work day.

8.10 Recreation Passes.

8.10.1 Regular full time employees, active volunteer fire fighters, and active volunteer in police Service (VIPS) are entitled to an Aquatic Center pass, a golf course pass, and an open riding (Cross Hollow Event Center) pass. The City shall make available to a retired employee who has worked as a full-time employee for Cedar City at least ten (10) years the same passes for five years following their retirement date.

Amended by Cedar City Ordinance No. 0608-2016

8.10.2 Regular part-time, part-time, seasonal, & variable hour employees shall receive a 50% discount on a daily single admission to the Aquatic Center and Cross Hollow Event Center and green fees at the golf course. No discount shall extend to Regular part time, part time, seasonal, or variable hour employees if they are not currently working for Cedar City.

Enacted by Cedar City Ordinance No. 0608-2016

8.11 EMPLOYEE APPRECIATION PROGRAM

8.11.1 Purpose:

The purpose of this policy is to set forth procedures for the purchase and distribution of employee appreciation awards. Employee appreciation awards are set up to benefit employees that excel in their job duties and interaction with coworkers and the general public. This policy is established to 1) ensure the transparent use of public funds, 2) to ensure compliance with the City's tax withholding and reporting obligations, and 3) to maintain reasonable internal controls.

8.11.2 Responsibility:

The responsibility for compliance of this policy rests with Employees, Department Heads, the Finance Department, and Human Resources.

8.11.3 Policy and Procedures:

1. A Department Head may only use the Employee Appreciation line item in the department's budget to fund employee appreciation awards.

2. Cash and cash-equivalent awards are always taxable as wages.
3. Non-cash awards and prizes are taxable as wages, except as excluded by the IRS.
4. City awards and prizes are limited to:
 - a. at the Mayor's discretion, City offices may close early on Christmas Eve and New Year's Eve,
 - b. gift cards or gift certificates,
 - c. luncheons, summer party, golf,
 - d. job performance recognition awards,
 - e. paid time off when no back filling or overtime is required and the cost is covered by the departments existing budget,
 - f. one (1) floating day off to be determined by the Department Head when no back filling or overtime is required and the cost is covered by the departments existing budget,
 - g. length of service awards,
 - h. safety achievement awards, and
 - i. infrequent non-cash or cash equivalent awards limited to:
 - i. gifts for holidays or birthdays not to exceed \$25.00,
 - ii. plaques, or similar items for special occasions, not to exceed \$50.00,
 - iii. flowers for a birth, death, or serious medical condition, not to exceed \$100.00, or
 - iv. a retirement plaque or gift for employees with 20 or more years of service, not to exceed \$750.00, unless purchased by the employee at fair market value, the gift or a badge, firearm, helmet, or other memento is part of the gift value calculation.

8.11.4 Gift Cards to Employees:

1. When gift cards are used as employee appreciation awards, the Gift Card Disbursement Log must be completed to properly record and track each gift.
2. Any gift card purchased with City funds and given to an employee will be considered taxable income to the employee and added to their W-2 during the calendar year the gift card was received. There is no minimum dollar amount for this rule. It is the responsibility of the person distributing the gift card to the employee to complete the Gift Card Disbursement Log and notify the Payroll Department in writing of any gift cards given to an employee.

3. Gift cards presented to non-employees for exemplary service may never exceed an accumulated annual amount determined by the IRS to be taxable and reportable income. This amount is currently set by the IRS at \$600. The City will track all compensation received by such individuals. It is the responsibility of the Department Head distributing the gift cards to complete the Gift Card Disbursement Log.
4. Gift cards may only be purchased via P-card or Purchase Order Request through Accounts Payable. The receipt must be attached to the purchase transaction for P-card purchases.
5. The Department Head awarding the gift card will be responsible for filling out a Gift Card Disbursement Log. The log is required to record the disbursement of all gift cards purchased. The Gift Card Disbursement Log will require the Department Head to collect the following information from the gift card recipient:
 - a. name,
 - b. recipient Status (Employee, Non-Employee, other),
 - c. amount of gift card awarded, and
 - d. recipient signature.
6. The department will need to be able to reconcile all gift cards purchased with the Gift Card Disbursement Log. The individual filling out the log should sign at the bottom. At the end of each month, an electronic copy must be sent to the City Treasurer for reconciliation.
7. Gift cards must always be kept under lock and key to ensure proper physical security and to protect from theft and loss. Access to the gift cards and keys to lock the areas should be limited to the Department Head for safekeeping of the gift cards. Any inventory of gift cards on hand and accompanying records will be subject to unannounced spot audits.

Added by Cedar City Resolution #21-0714-2

8.12 Annual Leave.

- 8.12.1 Each regular full-time nonexempt employee will be eligible to accrue leave contingent on either working or utilizing accrued leave for the entire bi-weekly pay period or will be prorated based upon hours of service. Employee's supplementing workers compensation pay will still be eligible for full bi-weekly leave accrues. City paid holidays, bereavement leave, required jury duty, and military service leave will be considered working time. Leave is not earned in pay periods during which unpaid leave, long term disability leave, or workers

compensation are taken. Annual leave is accrued upon the following schedule:

<u>Service Time</u>	<u>Days per Year</u>
6 months thru 1 year	56 hours
2 thru 4 years	104 hours
5 thru 9 year	128 hours
10 thru 14 years	152 hours
15 plus years	176 hours

Amended by Ordinance 0909-15, 18-0214-2 and 20-0527.

8.12.2 Annual leave schedule for exempt positions shall be:

<u>Service Time</u>	<u>Days per Year</u>
6 months thru 5 years	128 hours
6 thru 10 years	152 hours
11 plus years	176 hours

Amended by Ordinance 0909-15 and 18-0214-2.

8.12.3 As used in this section, “Service Time” shall mean the length of the employee’s present employment with the city and does not include periods of previous employment with the City that were terminated voluntarily or involuntarily, except in cases of reduction in force.

Amended by Ordinance 0909-15

8.12.4 Annual Leave is intended to benefit the employee, and employees are encouraged to take annual leave in the year in which it is earned. An employee may “carry over” into the following calendar year the amount of annual leave that he/she earns in one year plus forty (40) hours. Any accumulated annual leave in excess of yearly earned plus forty (40) hours will be lost at the end of the calendar year.

8.12.5 Annual Leave will be scheduled with the Department Head so as to meet the operating requirements of the City and, insofar as possible, the preference of the employees.

- 8.12.6 An authorized City holiday shall not constitute a day of annual leave.
- 8.12.7 Annual leave shall accrue from the date the employee completes probation at the appropriate number of hours per month.

Updated by resolution 17-0111-01

- 8.12.8 Annual leave may be taken in one-half (1/2) hour increments by non-exempt employees. Exempt employees shall take annual leave in 8 hour increments.

8.13 Sick Leave.

- 8.13.1 Sick leave is provided from the date of appointment of a probationary employee at the appropriate number of hours per month as insurance against loss of income when the employee is unable to perform his/her work because of the illness or injury of the employee or for the emergency care of ill or injured dependents of the employee.

Amended by Ordinance 0909-15

- 8.13.2 Leave shall accrue at the rate of 3.69 hours a pay period for full time employees upon hire. Leave shall accrue at the rate of 4.89 hours a pay period for fire fighters working under section 7(k) of the FLSA upon hire. Holidays which fall on a regular working day within a period when sick leave is being taken shall be credited as a holiday and not as a sick day.

Amended by Ordinance 0909-15 and 18-0214-2.

- 8.13.3 Sick leave shall accrue by the month and shall be available to eligible employees one month after date of employment. An employee who is ill or injured and unable to attend work shall notify his/her supervisor prior to the work shift, or as soon as practicable.

- 8.13.4 Any application for sick leave to cover absence which exceeds three (3) successive working days may be required to be supported by a medical certificate. Abuse of sick leave privileges may be considered grounds for discipline.

- 8.13.5 If an employee is injured on the job and is receiving workers compensation benefits, sick leave may be used to supplement the workers compensation amount so that the salary will be the same as when working. After accumulated sick leave is exhausted, accumulated annual leave and compensatory time may be used by the employee similarly as explained above. If an employee's accumulated sick leave, annual leave, and compensatory time have been exhausted, and he/she is, for medical reasons, unable to return to duty, the City Council may review the circumstances and take whatever action the City Council deems advisable.
- 8.13.6 The City may grant up to full restoration of sick leave time to an employee who is injured in the performance of his/her duties as a result of an assault by another party with a dangerous weapon, a high-speed chase of a motorist or felon, while effecting an arrest of a combative or resistant subject or an assault under riot conditions. Claims for restoration shall be evaluated by the City Council after receiving recommendation from the City Manager.
- 8.13.7 The City may grant up to full restoration of sick leave to a regular full-time or regular part-time employee who is injured when he/she is acting in the performance of his/her duties and when there is no negligence on the part of the employee. Claims for restoration shall be evaluated by the City Council after receiving recommendation from the City Manager.
- 8.13.8 An employee who has been absent from duty because of injury must provide a certification of fitness from a physician before being allowed to return to duty.
- 8.13.9 There shall be no limit on sick leave accrual. Sick leave may be taken in one-half (½) hour increments.
- 8.13.10 During the month of November each year, the payroll clerk shall calculate the sick leave used versus the sick leave earned during the previous twelve-month period for each regular fulltime employee who has accrued 480 hours and fire fighter working under section 7(k) of the FLSA who has accrued 636 hours of sick leave. Each employee may be paid twenty-five (25) percent of his/her unused sick leave for that period upon request of the employee. Remuneration shall be made in the first regular pay period in the month of December. The twenty-five (25) percent of the unused sick leave shall be deducted from the balance of the employee's total accrued. Sick leave sold back shall be lost. There shall be no buy-back at termination from employment.

Amended by Cedar City Resolution No. 18-0214-2.

- 8.13.11 If an employee, due to long-term illness or injury, uses all accrued sick leave, the department head may authorize the employee to request a donation of sick leave from other city employees. The donation amount is eight (8) hours and is not counted as used sick leave for buy-back purposes. If the receiving employee does not use the amount donated after one (1) year the entire remaining donated amount will be calculated and divided by the number of employees making the original donation. Each employee making the original donation shall have an equal amount of sick leave returned to them.

Amended by Cedar City Resolution No. 14-0827-1.

8.14 Administrative Leave.

- 8.14.1 Administrative leave may be used by the City in extraordinary circumstances only. It may be utilized in situations where it is deemed necessary to remove an employee from his/her duties due to potential health and/or safety risk to: (1) the employee; (2) the public; and/or (3) co-workers. Administrative leave may be utilized for definite periods of time only. Administrative leave shall be administered by the Department Head with concurrence of the City Manager and Mayor.

Amended by Cedar City Resolution No. 18-0214-2.

8.15 Emergency Leave.

- 8.15.1 A benefited full-time employee may, upon the approval of the Department Head, be granted leave with pay to attend to the death of immediate family member. The amount of time granted will be governed by the individual circumstances, but will normally be 8 hours and shall not exceed 24 hours. For purposes of this section, immediate family members shall include parents, grandparents, spouse, children and siblings (including in-laws).

Amended by Cedar City Resolution No. 18-0214-2 and 21-0714-2.

8.16 Jury and Court Leave.

8.16.1 A regular employee who is summoned to serve on a jury, or required by subpoena to appear as a witness, shall be granted leave and entitled his/her regular pay and compensation. Time absent by reason of subpoena in private litigation or by some party other than the Federal Government, the State of Utah or a political subdivision thereof, to testify not in official capacity but as an individual, shall be taken as annual leave.

Amended by Cedar City Resolution No. 18-0214-2.

8.17 Military Leave.

8.17.1 It is the policy of Cedar City Corporation to comply with the Uniformed Services Employment and Reemployment Act of 1994 (USERRA).

8.17.2 A regular employee who is a member of the organized reserve of the United States armed forces, including the National Guard shall be granted leave with compensation for workdays lost while on active duty for the purpose of the annual encampment, field competitions or other required duties in connection with reserve training and instruction.

Paid military leave shall not exceed 80 hours in any one calendar year. An employee who is entitled to a leave of absence under this provision shall on receipt of their orders promptly provide a copy of the relevant non-restricted portion of such orders to their supervisor and Human Resources.

Amended by Cedar City Resolution No. 21-0825

8.18 Leave of Absence.

8.18.1 A leave of absence without pay may be granted for a period not to exceed one (1) year to regular full-time employees because of illness, for educational purposes, that are mutually advantageous to the City and the employee; or and for other reasons deemed appropriate by the City. Such leave shall not be regarded as an acquired right by employees and shall be granted only when the City's service will not be adversely affected thereby. A request for leave shall be made in writing and, if approved by the City Manager and City Council, shall be placed in the employee's file. Leave granted to an employee who accepts regular or full-time employment outside the City's service shall be subject to the approval of

the City Manager and City Council and shall be denied unless the request thereof is accompanied by satisfactory proof that such employment is temporary and that the experience gained thereby will be for the betterment of the City's service.

8.18.2 A leave of absence without pay granted to an employee may be terminated prior to the expiration date thereof with the consent of the City Manager and City Council. Failure of an employee to report for duty promptly at the expiration of his/her leave or violation of an agreement or understanding entered into by him/her relative thereto shall be just cause for discharge.

8.18.3 The City will not pay for City insurance coverage for an employee on a leave of absence. An employee who wants to retain his/her City insurance coverage while on a leave of absence will be required to pay the insurance premium.

8.19 Family and Medical Leave Act (FMLA).

8.19.1 Regular full-time employees are entitled to 12 unpaid "work-weeks" of leave during any calendar year for one or more of the following conditions:

- A. The birth or adoption of a child;
- B. To care for a spouse, son, daughter, or parent with serious health condition; or
- C. Because a serious health condition makes the employee unable to perform any of the essential functions of his or her job.

8.19.2 Said leave may be taken intermittently. The City may require an employee to use any accrued vacation as part of FMLA leave. Employees have a right under FMLA for up to 12 weeks of unpaid leave in a 12-month period calculated as a rolling 12-month period measured backward from the date of any FMLA leave usage. If an employee takes leave for a condition covered under this policy for five (5) or more consecutive work days the supervisor with the cooperation of human resources shall require the employee to use FMLA leave. If an employee takes leave for a condition covered under this policy for five (5) or more

non-consecutive days the supervisor with the cooperation of human resources may require the employee to use FMLA leave.

- 8.19.3 Provisions applicable to local governments concerning FMLA as established by The Department of Labor shall be used as guidelines by the City.

Amended by Cedar City Resolution No. 13-0522, 14-0827-1 and 19-0731-1.