



For Board Consideration

Greater Salt Lake Municipal Services District (MSD)

May 17, 2019

Item Under Consideration: Employee Benefits.

Background:

The benefit evaluation committee met on May 14, 2019 and would like to recommend to the Board the following benefits:

Prescription Benefits. In comparing prescription benefit options, the Board would like to recommend option “C.”

Option “C” provides for a stable co-pay for the employee, in addition to being reasonably priced. The cost of the prescription has already been calculated into the health insurance premium; with option C there are no increased premium costs.

Some of the other options:

Option “A” had a negative impact on the employee, in that if any of the drugs listed in the tiers increased in cost, we would share the increase through increased premiums.

Option “B” was the most expensive option and would have increased the MSD’s premium cost by 1.5%.

Option “D” was not offered.

Option “G” was the most expensive choice for the employee.

HSA/FSA. The Board decided it would be beneficial to sponsor an HSA (Health Savings Account) or FSA (Flexible Spending Account) through PEHP. If either an HSA or FSA is chosen, it will be entirely funded by the employee.

Star High-Deductible Health Plan, Option 1. The Benefits committee is recommending that the MSD pay for the full premium, on behalf of the employee, of the High Deductible Plan (Star Option 1.)

Sick Leave Accrual. The question of increasing sick leave accrual was raised by the employees, to allow for surgeries or in place of parental leave. It is the recommendation of the evaluation committee to allow for 480 hours of sick leave carry over year-to-year, in case of significant health needs and to match the maximum FMLA (Family Medical Leave Act) leave (12 weeks).



Parental leave is allowed under FMLA however it is the intent of the MSD to offer *unpaid* Family Medical Leave. The employee can however, use their sick time during this time, to get compensation.

The increased sick leave accrual is in-lieu of the 20 hours a year buy-out of sick time.

Seniority. Employees inquired as to whether seniority will be factored into any RIF (Reduction in force) process. It is the recommendation of the benefit evaluation committee that this be addressed in the personnel policy.

Relevant Experience. The question was asked whether relevant experience would be considered into years of service for vacation.

Salt Lake County currently has an evaluation process whereby years of experience in a specific field, even if not with Salt Lake County, can be factored into level of vacation of accrual.

It was decided previously by the Board that the employees coming into the MSD will bring with them their years of accrual, to fit into the vacation-accrual matrix established by the MSD.

It was agreed by the Board that going forward, years of service, in a given field, should be considered when determining vacation accrual rates.

Autism Health Coverage. It is the recommendation of the evaluation committee, to offer autism health coverage at a subsidized rate, as all other health offerings: 80% District, 20% employee.

The autism coverage will cost \$1,000 per month, charged only for those employees who use the benefit. The employee’s portion would be \$200 per month.

Beginning Accrual for Sick and Vacation. It was previously decided by the evaluation committee that employees coming over to the MSD will get 10 days (80 hours) of sick leave upon hire. It is recommended that these employees also get 10 days (80 hours) of vacation leave upon hire; if they use this time prior to the time their probation is complete, they will re-pay the vacation pay they were given.

Vacation Accrual Limit. The benefit committee has proposed 200 hours for the maximum vacation accrual (carry over to the following year.)

Vacation and Sick Leave. The benefit committee has proposed the following vacation and sick matrix for earning sick and vacation time:

Years of Service	0-4	5-10	11-20	21+
Annual Hours:				
Vacation	96	120	144	192
Sick	96	96	96	96



Short-term Disability. The MSD will provide employer-funded short-term disability coverage. PEHP does not offer this benefit so the MSD will seek coverage through a competitive selection process.

County RIF (Reduction-In-Force) on August 31, 2019. Salt Lake County has made commitments to employees and created an expectation that they would receive OPEB (Other Post-Employment Benefits) at retirement and certain other benefits. This includes subsidized retiree health insurance.

The MSD will discontinue use and funding of Salt Lake County Planning and Development as of August 31, 2019, as stated in the 90-day letter issued to Salt Lake County and will no longer fund the County's Planning and Development Services Division.

The committee recommends that the MSD, as a new local district, not assume OPEB liabilities. Also, while the MSD will be providing a very good benefits package, the benefits will not be identical to the County's. In some cases, they will be better.

Because of the commitments the County has made to its employees, the committee recommends that Salt Lake County to continue suitable employment in other County agencies for those employees who choose not to, or who are not chosen to become employees of the MSD.

90 Days Compensation. The committee recommends that current Planning and Development employees who are not hired by the MSD will remain on the County's payroll for 90 days from the date they learn they will not be hired, or until they begin new employment, whichever comes first, if the County does not provide them ongoing employment. The MSD would cover the cost of this. Example: An employee who learns on June 15 he or she will not be an MSD employee would remain on the County payroll until September 15.

Thank you for your consideration of these items.