City of Lenexa Policy 4.3

EMPLOYEE BENEFITS

Purpose:

Total compensation is the sum of an employee's salary and benefits. Therefore, a total compensation program requires definition at two levels—both a compensation and benefits philosophy. This policy sets forth the details of the City's benefits philosophy and plan.

Additional Authority:

Lenexa City Code, Section 1-6-G-2.

Scope:

Specific categories of employees as indicated in the sections below.

I. Policy Statement

The City of Lenexa values its employees as the most vital resource for advancing the City's mission and programs. Through the total compensation program, the City strives to accomplish two primary goals: to attract, retain, and motivate a highly talented, diverse workforce, and to encourage and reward workplace activities that support the City's mission and overall objectives. A competitive total compensation package includes an effective salary administration program and a comprehensive benefits plan. Within its fiscal resources and in compliance with applicable statutes, the City shall administer this policy in a consistent and equitable manner. This policy section discusses the City's benefits plan. Current details about each section below are available on LexConnect.

- **A. Paid Benefits.** The City of Lenexa offers numerous benefit plans and programs, the costs of which are paid in full or in part by the City. These plans and programs include:
 - Health Care Plan. The City provides all full- and part-time benefit eligible employees and eligible dependents with a comprehensive health care plan, including medical, dental, vision, and prescription drug coverage. Eligible employees may enroll in coverage within 30 days of date of hire or eligible life event, or during any subsequent open enrollment period.
 - 2. Flexible Spending Accounts. The City offers full-time and part-time benefits eligible employees three optional Section 125/Flexible Spending Accounts: Healthcare Flex Spending Account (FSA), Limited Flex Spending Account (LPFSA) and Dependent Care Flex Spending Account. The Healthcare Flex Spending Account (FSA) allows employees on a low deductible medical plan (PPO) to make pre-tax payroll deductions to pay for medical expenses not covered by insurance, including office and prescription drug copays and

deductibles. The Limited Flex Spending Account (LPFSA) allows employees enrolled in a Qualified High-Deductible health care plan (QHDP) to make pretax payroll deductions to pay for dental and vision expenses only. The Dependent Care Flex Spending Account allows employees to make pre-tax payroll deductions to pay for dependent care expenses. All three FSAs are "use it or lose it" accounts, meaning employees lose whatever funds have not been spent on eligible expenses by the end of the plan year and/or grace period. Eligible employees may enroll in FSA coverage within 30 days of date of hire or eligible life event, or during any subsequent open enrollment period.

- 3. Health Savings Account. The City pairs a Health Savings Account (HSA) with the QHDP option. An HSA is an account in which pre-tax dollars can be used to pay for deductibles and other out-of-pocket medical, dental, vision, and prescription drug expenses. The City contributes money bi-annually to eligible employee's HSA.
- 4. Wellness Program. The City provides all full-and part-time benefits eligible employees and their spouses access to the City's annual wellness screenings, lifestyle coaching, behavioral health counseling and other personalized health management resources.
- 5. LiveWell Health Center. The LiveWell Health Center's board-certified providers provide all full and part-time benefits eligible employees and eligible dependents with on-site, quality healthcare, including primary care, lab draws, immunizations, physical exams, behavioral health, and physical therapy.
- 6. Retirement Plans. All full and part-time benefits eligible employees are automatically enrolled in the Kansas Public Employees Retirement System (KPERS) state retirement plan applicable to the employee's position. In addition to the mandatory state retirement plan, the City sponsors two supplemental retirement plans (457(b) and the 401(a)) for employees to save additional pre-tax dollars toward retirement. Employees can elect to contribute money from each paycheck into the 457(b) account. The 401(a) is funded by the City. City automatically contributes 4% of each employee's pay to the City's 401(a) plan and, in addition, will match 50%, up to an additional 2% contributed by the employee to the City's 457 plan. The 401(a) is fully vested after three years of employment.
- 7. Life Insurance. All full-time employees are provided with term life insurance equal to 1x annual base wages or salary. KPERS enrollment also provides a term life insurance benefit. Both policies are provided at no cost to the employee.
- 8. Short-Term Disability Insurance. All full-time employees are provided with short-term disability (STD) insurance equal to 60% salary replacement for illness and non-work injuries, in accordance with Policy 4.7 Short- and Long-Term Disability. STD insurance is provided at no cost to the employee.

- Employees who qualify to receive STD benefits also qualify for a leave of absence as provided in Section IV-(B) of Policy 5.2 Paid Leaves of Absence.
- 9. Tuition Reimbursement. Full-time employees who have completed their developmental trial period are eligible for reimbursement up to \$3,500 annually and \$25,000 total for the costs of approved college courses in accordance with <u>Policy 4.6 – Tuition Reimbursement</u>. Employees are also eligible for tuition discounts through select partnerships with colleges and universities.
- 10. Employee Assistance Program (EAP). All full- and part-time benefits eligible employees and immediate family members have no-cost access to confidential counseling services through the City's EAP program.
- 11. Employee Referral Bonus. Eligible City of Lenexa employees can help the City build its team of dedicated professionals and earn up to \$1,000 by successfully referring qualified applicants to our vacant positions.
- 12. Free Employee Core Pass Memberships to Rec Center. Full- and part-time benefits eligible employees are eligible for free, individual Core memberships to the Lenexa Rec Center. Interested employees can enroll at the Rec Center and will be required to re-enroll every six months thereafter. Family members can be added to this membership at the employee-discount price of 20% off the resident rate.
- 13. Discount Program. City employees are eligible for numerous discounts for various products and services such as movie tickets, recreation center classes, cell phone services, etc.
- **B. Unpaid (Voluntary) Benefits.** The City of Lenexa offers employees participation in numerous benefit plans and programs, the costs of which are paid in full by the employee. These plans and programs include accident insurance, critical illness insurance, hospital indemnity insurance, pet insurance, and identity theft insurance. Current details about each benefit are available on LexConnect.