

TOWNSHIP OF SCIO
WASHTENAW COUNTY, MICHIGAN
RESOLUTION #2023-16

TO CONTINUE RETIREE HEALTH BENEFITS FOR CURRENT ELIGIBLE TOWNSHIP EMPLOYEES

At a Regular Meeting of the Township Board of Scio Township, Washtenaw County, Michigan, held at the Scio Township Hall, 827 N. Zeeb Road, in said Township, on March 14, 2023, at 7:00pm.

Members Present: Hathaway, Flintoft, Palmer, Kerry, Knol, Reiser

Members Absent: Brazeau

The following preamble and resolution were offered by Trustee Reiser and supported by Clerk Flintoft.

WHEREAS, Scio Township wishes to continue providing a retiree health benefit for eligible current Township employees; and,

WHEREAS, Scio Township desires to modify the Scio Township Employee Handbook Section 6 Employment Status and Section 34 Retiree Medical Insurance to extend the eligibility for a retiree health benefit to permanent part-time employees; and,

WHEREAS, Scio Township desires to change the type of retiree health benefit it provides so to provide continued security for future retirees while better controlling costs;

NOW, THEREFORE BE IT RESOLVED, that the contents of Section 6 Employment Status and Section 34 Retiree Medical Insurance Part C Non-Union Employees of the Scio Township Employee Handbook last amended July 26, 2022, and as may be amended previously at this meeting, are amended as shown in blackline in Appendix attached hereto; and,

BE IT FURTHER RESOLVED, that the list of "Eligible Employees" as set forth in Section 34 Part C are Kristy Aiken, Rebecca Baiocco, Laurie Carey, Nancy Colasanti, Anna Cone, Matthew Donajkowski, Sandra Egeler, Jessica Flintoft, Andrea Garrett, Mary Gillis, William Hathaway, Andrew Houde, Richard Hughes, Howard Loughry, Rebecca Maute, Donna Palmer, David Podvoyski, Terry Soave, Frances Szuma, and Steven Wyzgoski.


ROLL CALL VOTE:

YES: Hathaway, Flintoft, Palmer, Kerry, Knol, Reiser

NO: None

ABSENT: Brazeau

RESOLUTION DECLARED ADOPTED.



Jessica M. Flintoft, Clerk Scio Township
DATED: March 14, 2023

APPENDIX to RESOLUTION 2023-16

Scio Township Employee Handbook

Section 6. Employment Status

Scio Township hires employees to fill full-time, part-time, and seasonal or temporary positions.

- A **full-time** position is one in which the employee ~~works at least~~ is scheduled to work forty (40) hours per week on a regular basis ~~and has satisfactorily completed the introductory period.~~
- A **permanent part-time** position is one in which the employee is scheduled to work a set number of hours per week on a regular basis. ~~works less than a full workweek on a regular basis and has satisfactorily completed the introductory period.~~ For purposes of the receipt of employment benefits, an employee in a permanent part-time position ~~a part-time employee shall be defined as one who is hired to work a minimum of twenty (20) hours or more per week, but less than 40 hours per week~~ accrue Paid Time Off and Holiday Pay, prorated to number of hours/week for which position is budgeted. Also, they shall receive benefits as set forth in Section 34 Retiree Medical Insurance. ~~Part-time employees who are hired to work less than twenty (20) hours per week shall be entitled to some benefits as described hereunder.~~
- A **seasonal or temporary** position is one in which the employee works a full or part-time schedule for a limited duration. Paid-on-call firefighters shall be included within this definition.

Unless otherwise indicated in this Handbook, ~~part-time~~, seasonal and temporary positions are not eligible to receive the fringe benefits afforded permanent part-time and full-time positions. ~~Unless otherwise specified in this Handbook, full-time and part-time employees during their introductory period are not eligible to receive fringe benefits until satisfactory completion of the introductory period and receipt of Board approval.~~ In no event shall any ~~introductory~~ employee become a full-time or permanent part-time employee until the Township Board shall have approved such status.

Section 34. Retiree Medical Insurance

Part C. Health Care Savings Program for Non-Union Employees

Effective April 1, 2023, Scio Township will provide each Eligible Employee with an account established under a Health Care Savings Program ("HCSP") in place of the retiree medical benefit described in Section 34 of the Scio Township Employee Handbook, as that section existed prior to this amendment ("Prior Plan"). The Township shall select the administrator of the HCSP. The Township reserves the right to amend any Participation Agreement with the HCSP administrator, including the required employer or employee mandatory contributions to the HCSP accounts, or to terminate its participation in the HCSP at any time.

"Eligible Employee" means an employee who is in a full-time or permanent part-time position who (i) is employed by the Township on or after April 1, 2023 and (ii) is not covered by a collective bargaining agreement.

Contributions: Beginning with the first payroll in April 2023 and continuing for as long as the individual is an Eligible Employee, the Township shall contribute to the Eligible Employee's HCSP account an amount equal to 3.5% of the Eligible Employee's gross wages for the pay period (the "Township Contribution") and each Eligible Employee shall contribute to the employee's HCSP account an amount equal to 1.5% of the Eligible Employee's gross wages for the pay period (the "Employee Contribution"). The Employee Contribution is a mandatory salary reduction contribution that the Township deducts from the Eligible Employee's gross wages on a pre-tax basis.

Vesting: An Eligible Employee is fully vested in his or her Employee Contribution. An Eligible Employee becomes vested in the Township Contribution portion of the employee's HCSP account based on eligible service with the Township. An Eligible Employee is 25% vested in his or her Township Contribution HCSP account upon achieving 5 years of service; 70% vested in his or her Township Contribution HCSP account upon achieving 10 years of service; and 100% vested in his or her Township Contribution HCSP account upon achieving 15 years of service. Only service while working for the Township in a full-time or permanent part-time position counts for vesting purposes. The Township will prepare a list of each non-union employee as of April 1, 2023, and his or her vesting service as of that date. Vesting service does not continue to accrue during an approved non-FMLA leave of absence.

Contributions for Service under the Prior Plan: As compensation for the benefits that might have been payable to an Eligible Employee under the terminated Prior Plan, the Township will make the following contributions. For an Eligible Employee hired on or before March 31, 2021, the Township will contribute to the employee's HCSP account an actuarially determined lump sum amount listed on the schedule attached to the Township's copy of the HCSP administrator's Participation Agreement. For an Eligible Employee hired after March 31, 2021 but before April 1, 2023, the Township will contribute to the employee's HCSP account an amount equal to \$1,500 per year of service or a pro-rated amount for periods of less than a year. The Township shall contribute these amounts as soon as reasonably feasible after the Eligible Employees' HCSP account are established. These Township Contributions are subject to the vesting schedule described in the prior paragraph.

Accessing an HCSP Account: The Township established the HCSP accounts to provide an Eligible Employee with funds that he or she may use after retirement or termination of employment for reimbursement of medical expenses. A former Eligible Employee must follow procedures established by the Plan Administrator to obtain reimbursement for medical expenses.

CERTIFICATE

I, Jessica M. Flintoft, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of Scio Township, County of Washtenaw, State of Michigan, at a Regular Meeting held on March 14, 2023 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



Jessica M. Flintoft, Clerk
Scio Township

DATED: March 15, 2023