BUCHANAN
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City of Buchanan
Employee Compensation Plan

In order to meet the requirements of State of Michigan Public Act 63 of 2011 and qualify for payments under the economic vitality incentive program established by the Act, the City of Buchanan has developed this employee compensation plan.

The City intends to implement this plan with any new, modified, or extended contracts for employees not covered under contract or employment agreements. The plan is currently posted on the City's Website.

The City of Buchanan values its full time employees and is dedicated to providing the most cost effective and beneficial Employment Compensation Package.

The following summaries the Employee Compensation Plan for all full time employees with regard to Health, Dental and Vision Insurance and Employee Pension Plans:

Please note: Health insurance benefit packages may be altered or changed periodically, in the event of staying cost effective for both the City and its employees, with union approval when applicable.

- ## Health & Dental Insurance

For all full time employees of the City of Buchanan the following health benefits apply:

Non Union Employees:
City of Buchanan pays 80% of health, dental and vision benefits, employee pays 20%
A.F.S.C.M.E. Local 2757.11:
City of Buchanan pays 80% of health, dental and vision benefits, employee pays 20%, contract expires June 30, 2015.
Police Officers Labor Council Union:
City of Buchanan pays 80% of health and dental benefits, employee pays 20%, contract expires June 30, 2018.
City Manager:
City of Buchanan pays 100% of health insurance, per contract that expires Oct. 31, 2016.

- **Michigan Employee Retirement Systems, Defined Benefit Plan**

The City of Buchanan will provide employees with a Defined Benefit Pension Plan, as defined by the Michigan Employees Retirement System (MERS). The City intends to implement the state requirements provided our MERS plan document allows such changes.

All full time employees will contribute 5% of all eligible wages for pension purposes to MERS.

The City does not offer post-employment health insurance benefits to its full time employees, permitting the current plans listed below comply with the state requirements.

Non Union Employees:
The City shall provide pension benefit B-2, with a FAC-5, 10 years vesting as defined by MERS.
A.F.S.C.M.E. Local 2757.11:
The City shall provide pension benefit B-2, with a FAC-5, 10 years vesting as defined by MERS.
Police Officers Labor Council Union:
The City shall provide pension benefit B-4, with the FAC-3 and an F-50 rider, 10 years vesting as defined by MERS.

For employees not covered under contract or employment agreements, final payout will not exceed 240 hours of paid leave and overtime hours will not be used in computing the final average compensation for MERS.