Town of Emerald Isle Benefit Summary

Effective July 2020

HEALTH INSURANCE

The Town of Emerald Isle provides health insurance for its full-time employees through MedCost Benefit Services. Website www.medcost.com Coverage is effective on the 30th day of employment. The benefits are explained in the Health Insurance packet provided during enrollment. Dependent child or children coverage can be purchased at the list premiums. The dependent coverage is deducted from the employees pay. The cost of the coverage monthly is shown below:

Employee Only.....$0 Employee/Child.....$283.00 Employee/Children…..$452.00

In-network Deductible for Employee, per benefit period $3,000 per benefit plan year
In-network Deductible for Family, per benefit period $6,000 per benefit plan year
The employee deductible applies if you selected employee only coverage; otherwise, the family deductible applies. Note: the above deductibles apply to "in-network" MedCost health providers.

The Town's current health plan for benefit period July 1, 2019 through June 30, 2020 is the MedCost Custom Medical with HSA, a high deductible health plan (HDHP) intended to be paired with a Health Savings Account (HSA). Your HDHP can qualify you to contribute to a HSA, unless you are not eligible under federal requirements (consult a tax advisor if you are unsure).

The Town pre-funded contribution as determined during the budget process for the benefit plan year to your Health Savings Account will be pro-rated for new employees based on date of full-time hire. Eligibility date for the establishment of your Health Savings Account is the first day of the month following 30 days of employment. You may also elect to have pre-tax payroll deductions contributed to your Health Savings Account from your pay if you so choose.

Newly hired employees will need to open their Health Savings Account with the Local Government Federal Credit Union. Prompt action to activate and open your health savings account is necessary in order that any Town pre-funded contributions may be deposited into your account along with any pre-tax contributions you may have elected to contribute to your HSA. (Employees should reference - IRS Publication 969 and IRS Publication 502 for complete details about health savings account at the IRS website www.irs.gov).

(Please note that children are eligible to remain on employee health plan until age 26).

Per IRS Regulations: The 2020 Annual Combined HSA Contribution Maximums are: Employee Only $3,550, Employee plus dependent coverage $7,100; Employees over 55 may contribute an additional $1,000.

Remember, annual maximums as determined by the IRS are total amounts; you will need to factor in any Town contributions as well when determining your allowable maximum contribution for tax purposes. The management of the HSA and additional related funding is the responsibility of the employee. The funds deposited to your HSA will belong solely to you, not the Town. Therefore, these funds roll over from year to year and continue to be available even after employment ends.

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These monies remain tax-free if used for qualified medical expenses (including dental, vision, etc.) Visit website: www.irs.gov and type HSA in the search box to stay current with the latest tax rules and regulations regarding your tax favored Health Savings Account.

DENTAL INSURANCE

The Town of Emerald Isle provides dental insurance for full-time employees through MedCost Benefit Services. Website is: www.medcost.com This plan covers a broad list of dental services. The coverage is effective on the 30th day of employment. The benefits are explained in more detail in the plan summaries provided at enrollment. The cost of the coverage monthly is shown below:

Dental II – Annual Maximum $1,000 – Town Plan

Employee Only.....$0	Employee/Spouse.....$31.00
Employee/Children.....$34.00	Family..... .$51.00

Dental III – Annual Maximum $1,500 – Buy-up Plan

Employee Only…….$10.00	Employee/Spouse……..$52.00
Employee/Children.….$55.00	Family……$77.00

Just to summarize, the Dental plan provides for dental service using any dentist. There is no network of providers for dental service. The dental plan *benefit year* deductible for individuals is $50 per person. Aggregate family maximum deductible if applicable is $100 per family. Our dental plan has a *benefit year* maximum benefit for Class I, II, III expenses per person.

(Please note that children are eligible to remain on employee dental plan until age 26).

Call: MedCost Benefit Services for Dental Benefit or Claim questions: 1.800.795.1023

VISION CARE INSURANCE

The Town of Emerald Isle provides vision care insurance for full-time employees through VSP. Website is www.VSP.com . The coverage is effective on the 30th day of employment. The benefits are explained in more detail in the plan brochure provided at enrollment. The cost of the coverage monthly is shown below:

Premier Vision – Town Plan

Employee Only.....$0	Employee/Spouse.....$6.00
Employee/Child.....$6.00	Family..... $13.00

Premier Plus Vision – Buy-up Plan

Employee Only…….$5.00	Employee/Spouse……..$14.00
Employee/Child……$14.00	Family……$25.00

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Just to summarize, the VSP Vision Services Plan when using a VSP network doctor provides for exams every 12 months, lenses and frames every 12 months, or elective contact allowance every 12 months. Exam co-pays are $10, Prescription glasses co-pays are $20. When you make an appointment tell the doctor you are a VSP member. If you decide not to see a VSP doctor, co-pays still apply, you may receive a lesser benefit, and you'll be required to pay an out of network provider in full and then submit a claim to VSP for partial reimbursement. If you decide to see a provider not in the VSP network, call VSP at the number below first.

(Please note that children are eligible to remain on employee vision plan until age 26).

Call: VSP (Vision Service Plan) for vision benefit or claim questions 1.800.877.7195

LIFE INSURANCE

The Town of Emerald Isle provides basic life insurance coverage through Unum Provident for its full-time employees equal to 1x annual salary amount of the employee. This coverage is effective on the 30th day of employment. The employee at enrollment may also choose to purchase dependent life insurance coverage ($2,000 per dependent, $1,000 live birth to 6 months) for a minimal monthly premium of $0.88.

SHORT TERM AND LONG TERM DISABILITY INSURANCE

The Town of Emerald Isle provides short-term and long-term disability insurance through Unum Provident.

RETIREMENT

All full-time employees become members of the N.C. Local Government Employees' Retirement Systems on the date of hire. Each employee is required to contribute 6% of their gross wages each month to their account with the Retirement System. This is a Pre-tax deduction, therefore Federal and State tax withholding is reduced. Retirement deductions do not affect FICA tax withholding. The Town of Emerald Isle also contributes to the gross wages each month and it is credited to the employee's retirement account. You become vested in the Retirement System once you have completed a minimum of five years of creditable service. Website: www.nctreasurer.com . Click on either Retirement to view handbooks or FAQ's and click on ORBIT to register and view your retirement account online.

To contact the State Retirement System call toll-free: 1.877.627.3287

SUPPLEMENTAL RETIREMENT - NC (401k) PLAN

All full-time employees are eligible to enroll in the NC 401(k) Plan administered through Prudential Retirement. The Town of Emerald Isle contributes 5% of the monthly gross wages and credits this amount to the employee's account. Like the retirement plan, the 401(k) plan is also tax deferred, which reduces Federal and State tax withholding. There are several investment options offered with the 401(k) Plan as well as a loan provision. Employees may contribute to the traditional 401(k), Roth, or a combination of both. Further details of the plan are explained in the 401(k) booklet

provided at enrollment or visit the website for detailed information or to view your 401(k): www.retirement.prudential.com/cws/ncplans or Call a 401(k) account representative toll-free at: 1.866.NC401K1, (1.866.624.0151)

VACATION LEAVE

All full-time employees shall earn vacation at the following schedule, prorated by the average number of hours scheduled in the workweek:

40 hour Average Workweek

Years of Service	Hours Accrued Per Month
0 - 5 years	8 hours
5 - 10 years	12 hours
10+ years	14 hours

42 hour Average Workweek

Years of Service	Hours Accrued Per Month
0 - 5 years	8.4 hours
5 - 10 years	12.6 hours
10+ years	14.7 hours

53 hour Average Workweek

Years of Service	Hours Accrued Per Month
0 - 5 years	10.6 hours
5 - 10 years	15.9 hours
10+ years	18.6 hours

Employees serving a probationary period following initial employment may accumulate vacation leave but shall not be permitted to take vacation leave during the first six months of the probationary period. Employees shall be allowed to take accumulated vacation leave after six months of service.

SICK LEAVE

Sick leave shall accrue at a rate of one day per month of service or twelve days per year.

Average Work Week	Hours Accrued Per Month
40 hours per week	8 hours
42 hours per week	8.4 hours
53 hours per week	10.6 hours

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LONGEVITY BONUS

Full-time employees of the Town may be compensated for years of service by payment of a longevity bonus based on continuous years of service as of December 1st of each year if funds are appropriated. Continuous service is continuous employment including any approved leave or involuntary reduction in force.

Longevity amounts shall be as follows:

Years of Service	Amount
0 - 1 years	$ 50
1 - 2 years	$100
2 - 5 years	1%
5 - 10 years	2%
10 - 15 years	3%
15 - 20 years	4%
20 + years	5%

HOLIDAYS

The Town will follow the holiday schedule as published by the State of North Carolina for state employees. In order to receive a paid holiday, an employee must be on paid status before and after the holiday. The Town Manager will post the designated holidays at the beginning of each fiscal year.

Specific holidays to be observed are as follows:

New Years Day
Martin Luther King, Jr. Birthday
Good Friday
Memorial Day
Independence Day
Labor Day
Veterans Day
Thanksgiving (2 days)
Christmas (2 or 3 days, depending on the day of the week for Christmas Day)

To be eligible for holiday pay, an employee must be in pay status for a full regular scheduled workday before and after the holiday, unless excused by the appropriate supervisor.

CREDIT UNION

Town employees are eligible to become a member of the N.C. Local Governmental Employees' Federal Credit Union, which offers a variety of banking services.

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DIRECT DEPOSIT FOR PAYROLL

Emerald Isle requires direct deposit for all regular payrolls. We offer direct deposit to any bank or credit union. The first payroll will be the Pre-Note (trial run) period and you will receive a paycheck. All payments thereafter will be by direct deposit.

SECTION 125 CAFETERIA PLAN

The Town of Emerald Isle operates certain benefits under this plan to provide Federal, State and FICA tax breaks to the employee. The following programs fall under this plan:

- Health Insurance, Dental Insurance, Vision Insurance, AFLAC, Health Savings Accounts, Childcare Expenditures

Please Note: The Town of Emerald Isle holds its open enrollment period in June of each year in order that employees pursuant to IRS Section 125 Guidelines may make changes to their coverage as needed, adding or deleting dependents, etc. to take effect on July 1, the beginning of the next benefit plan year. Notice of open enrollment with any changes in dependent coverage premiums is distributed each year at that time.

In addition, below are the Special Enrollment Rights that outline qualifying events that may allow changes during the benefit plan year outside of our normal Open Enrollment period.

Notice of Special Enrollment Rights

If you are declining coverage for yourself or your dependents (including your spouse) due to other health coverage, and that coverage ends due to the following qualifying events:

- Exhaustion of COBRA
- Loss of eligibility for other coverage due to legal separation or divorce
- Death of the employee
- Termination of employment or reduction in hours
- Or employer contributions for other non-COBRA coverage ceases:

You may in the future be able to enroll yourself and/or your dependents in this plan, provided you request enrollment within thirty days after your other coverage ends and you meet the eligibility requirements of the plan.

In addition, if you acquire a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within thirty days after the marriage, birth, adoption, or placement for adoption and you meet the eligibility requirements of the plan.

Benefits are subject to change at the Town's discretion.