

Compensation plan as it relates to Public Act 51, Section 18j,
MCL.247.668j,
Annual Certification of Employee-related conditions
2020

City employees working in the capacity as defined as a local road agency are members of either the SEIU or AFSCME Collective Bargaining agreements whereas; all benefits and wages are subject to negotiations. To the extent possible, The City of Saginaw does or plans to address benefits plans as follows:

1. New employee hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. For employees who are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.
2. For defined benefit pension plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, if postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible for social security benefits, a maximum multiplier of 2.25%, except, if postemployment health care is not provided, the maximum multiplier shall be 3.0%. This subparagraph does not apply to years of service accrued prior to September 30, 2013, or to contracts entered into prior to September 30, 2013.
3. For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee. This subparagraph does not apply to years of service accrued prior to September 30, 2013, or to contracts entered into prior to September 30, 2013.
4. Health care premium costs for new employee hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per-employee basis.

The City is in Compliance with PA 152 as all benefit plans fall below the State established Hard Caps.

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