Personnel Policies and Procedures

SECTION 500

INSURANCE AND RETIREMENT

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SECTION 500. INSURANCE AND RETIREMENT

501. Employee Benefits

Benefits offered to City of Tulsa employees and employees of covered agencies (unless specifically excluded), include medical, dental, and vision insurance in addition to other health and welfare plans. Benefits packages are reassessed annually, and benefits are subject to change or may be discontinued. This section includes general employee-related information about these benefit programs. Plan documents describe the governing provisions or rules for each of these benefits as well as other health and welfare plans offered and will govern in the event of any conflict. More specific information, including the plan documents, is available from the Insurance Division of the Human Resources Department. E mployees covered by collective bargaining agreements, should refer to the terms of the applicable agreement for additional related information.

502. Eligibility for Insurance

.1 All regular, full-time employees, elected officials, and employees of covered agencies who have been actively employed for more than thirty (30) continuous days and their eligible dependents are eligible for insurance benefits under the terms as described in the plan documents.

.11 For the purpose of insurance eligibility, full-time employees are defined as:

.111 Those employees who are scheduled to work at least thirty-six (36) hours per week; or,

.112 Those employees who are scheduled to work thirty-five (35) hours, or less, per week but who work at least an average of thirty (30) hours per week over a twelve (12) month period. To determine an employee's average hours worked per week, their total hours are divided by the number of weeks worked.

.2 Coverage elected by newly hired employees shall begin on the first day of the month following completion of thirty (30) days of continuous service. Coverages currently elected by non-sworn employees transferring from an Agency to City employment will transfer with no break in coverage. Sworn employees transferring to City employment will be allowed to enroll for eligible benefits to be effective on the first day of the month following their transfer. Employees are responsible for providing information regarding changes of address or any other benefit changes after initial enrollment.

.3 Medical, Dental, Vision coverage ends on the last day of the month in which an employee terminates except under COBRA provisions (see §504.5). Coverage for other health and welfare plans terminate on the employee's last day of employment.

.4 Eligible dependents include:

.41 An employee's legal spouse, same or opposite gender (including common-law; subject to verification).

.42 Children up to age 26- includes birth child(ren), stepchild(ren), legally adopted child(ren), child(ren) placed for adoption, foster child(ren), and child(ren) for whom you or your spouse have legal guardianship.

Child(ren) twenty-six (26) years or older if the child is unmarried and incapable of self-care because of a disability that was diagnosed prior to age 26 (subject to review and approval).

.43 Employee dependents are only eligible for coverage in a plan for which the employee has selected coverage for their own self.

.5 In-state residency may be required for eligibility if specified in the current vendor agreement.

503. Life Insurance Program

.1 Basic Life Insurance:

.11 Basic Life Insurance provides an insurance benefit to a designated beneficiary in the event of the employee's death.

.12 The City pays the cost of Basic Life Insurance, and all eligible employees are required to participate.

.13 Unless otherwise specified in a collective bargaining agreement, the amount of coverage is based on base pay and is equivalent to two hundred percent (200%) of the employee's combined annual earnings. See the current carrier policy for conditions, including maximum benefits.

.14 A conversion policy is available that allows an employee to continue Basic Life Insurance as an individual policy by contacting the Insurance Division within thirty (30) days of termination or retirement.

.2 Basic Accidental Death and Dismemberment

.21 Basic Accidental Death and Dismemberment (AD&D) provides an insurance benefit to the designated beneficiary in the event of an employee's accidental death or to the employee in the event of dismemberment.

.22 The City pays the cost of Basic Accidental Death and Dismemberment and all eligible employees are required to participate.

.23 Amount of Coverage:

.231 Death-Two hundred percent (200%) of the participant's base annual earnings, unless otherwise specified in a collective bargaining agreement. See the current carrier policy for conditions, including maximum benefits.

.232 Basic Accidental Death and Dismemberment benefits are in addition to Basic Life Insurance benefits.

.233 Dismemberment- This coverage pays a prescribed benefit in the event of the loss of a hand, foot, sight, etc. that is caused by accidental bodily injury. The amount is determined by the type of loss. See the current carrier policy for conditions.

504. Medical and Dental Insurance Programs

.1 Medical and Dental Insurance provides employees with certain levels of coverage for physician visits, hospital care, dental care, prescriptions, and other medical expenses. Participation is voluntary, unless an employee is required to cover children by a state issued qualified medical support order. Members of an employee's immediate family who qualify as dependents may be enrolled at the employee's option upon hire; unless an employee is required to cover children by a state issued qualified medical support order.

.2 It is the responsibility of the employee to make benefit elections and changes upon initial eligibility or during open enrollment, and to provide Human Resources information regarding any qualifying changes in coverage within the timeframes provided. Failure to enroll will result in no coverage for the benefits year.

.3 Upon completion of benefit elections upon hire, during open enrollment or as a result of a qualifying event, an employee acknowledges the following:

.31 The employee is responsible for paying a portion of the benefits deductions in the form of payroll deductions;

.32 Said elections can only be changed during open enrollment or upon a qualifying event;

.33 Employees are responsible for paying any deductions during leave. If leave is unpaid, the employee will be billed for the deductions and bills must be paid within 30 days of the billing date. Failure to pay deductions will result in the termination of the employee’s benefits until the employee returns from leave and payroll deductions resume;

.34 Any misrepresentation by the employee of an individual’s eligibility for coverage or any inaction by the employee which allows an ineligible individual to retain coverage is a serious violation of City policy and could lead to disciplinary action up to and including termination of employment.

.4 Retirees- A retiree may elect to participate in the City of Tulsa medical plan until age sixty-five (65). Coverage is through the end of the month prior to the month that the retiree or spouse reaches age sixty-five (65), or the month that a dependent reaches age twenty-six (26). Should the retiree obtain insurance elsewhere and cancel coverage or should the retiree decline coverage upon retirement, the retiree will no longer be eligible to participate in the medical plan. When an enrolled retiree reaches age sixty-five (65), or notifies the City of Medicare eligibility prior to age 65, the retiree and all dependents will be dropped from the retiree medical plan. After initial enrollment into the retiree medical plan, no changes may be made to covered individuals other than dropping coverage or dropping dependents.

.41 Current retirees as of December 31, 2023 will be grandfathered into previous coverage with respect to the requirements of this policy. Anyone with a retirement date effective January 1, 2024 or later will be subject to the provisions in this policy.

.5 COBRA Provisions: Participants (employees, retirees, and dependents) under the group medical, dental, vision and FSA plans are covered by the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985. COBRA provides the right for participants to continue medical, dental, vision, and FSA coverage under certain conditions and events including loss of employment, etc. Employees and/or their covered dependents interested in continuation of medical or dental coverage must notify the Insurance Division within sixty (60) days of termination or retirement.

.51 Participant/beneficiary must be given at least 60 days to choose whether to elect COBRA or not beginning from whichever is later, either:

(1) The date the election notice is provided, or;
(2) The date on which the qualified beneficiary would otherwise lose coverage under the group health plan.

505. Retirement Plan

.1 Eligibility: Except for elected officials, and Sworn Police Officers and Firefighters, all permanent and full time, classified or unclassified employees of the City of Tulsa or approved agency full-time employees are eligible and required to participate in the Municipal Employees Retirement Plan (MERP), Title 28 of the City of Tulsa Municipal Code. For purposes of this policy, “Title 28” and “MERP” refer to the most current legislation adopted by the municipality as amended. For more information, refer to https://library.municode.com/ok/tulsa/codes/code_of_ordinances.

Approved agencies that participate in the retirement plan are the Indian Nations Council of Governments, City of Tulsa-Rogers County Port Authority, Tulsa Airport Improvement Trust, Tulsa City-County Library, Tulsa River Parks Authority, Tulsa Authority for Economic Opportunity, and Metropolitan Tulsa Transit Authority except for those that are eligible to participate in the retirement program negotiated by the bargaining unit which represents all employees of such authority. Sworn Police Officers and Firefighters are required to participate in retirement programs in accordance with applicable provisions of state law.

.2 Participation: Eligible employees enter the plan on the first day of the month coinciding with or next following their first day of employment. This Plan shall not be deemed to constitute a contract of employment. This Plan has no effect on a person’s right to become an Employee. This Plan has no effect on an employee’s rights, duties or obligations related to the status as an Employee. Eligible employees will be referred to as “participant” in the remainder of Section 505.

.3 Cost of Program: The cost of the retirement plan is shared by the City and the participant. The participant contribution is required and is treated as a pre-tax deduction from the participant’s salary. The participant and City contribution shall be the amount specified or allowed by Title 28 of the City of Tulsa Code of Ordinances and may be amended through the approved process. Contributions shall be made by each participant on each payroll date to the retirement fund.

.4 Vesting:

.41 Participants will be one hundred percent (100%) vested after five (5) years of continuous employment or after the attainment of age sixty-five (65) while making contributions to the plan. Vesting provides participants a pension income upon reaching “Retirement Age” as described below in Section 505.5. Eligibility requirements are also described in Chapter 6 of Title 28.

.42 Participants with less than five (5) years of continuous employment and who are age sixty-four (64) or younger are not vested and, upon termination, shall receive a refund of basic employee contributions plus credited interest as described in Chapter 1, Section I in Chapter 28. It is the responsibility of the participant to contact the Retirement Division of Human Resources upon termination to receive this refund. Refund requests are processed as soon as administratively feasible.

.43 Contributions to the plan will cease upon termination. If the participant is vested at the time of termination, a participant may elect to leave the contributions plus interest in the plan or request a refund of basic employee contributions plus credited interest. Leaving the contributions and interest in the plan will entitle the participant to a vested deferred retirement benefit. The vested deferred option is only available to those that are under the age of sixty-five (65). All applicable retirement options as described in 505.6 are available to vested deferred participants upon retirement. These retirement options are also described in Chapter 6 of Title 28.

.5 Retirement Age:

There are multiple methods under which a participant can qualify for retirement benefits. All retirement benefits are based on a benefit formula which uses the years and months of credited service, the highest thirty (30) months of base salary out of the last sixty (60) months of employment, and a percentage factor as described in Chapter 6, Section 600, of Title 28.

.51 Normal Retirement: Normal Retirement under this plan is the first of the month following the participant's attainment of age sixty-five (65). Normal Retirement provides an unreduced monthly benefit to the participant.

.52 Rule of 80: This rule provides an unreduced monthly retirement benefit for participants. The Rule of 80 requires that the participant's age plus the years and months of continuous employment must total eighty (80). This provision applies only to participants who began employment prior to July 1, 2018.

.53 Rule of 90: This rule provides an unreduced monthly retirement benefit for participants. The Rule of 90 requires that the participant's age plus the years and months of continuous employment must total ninety (90). This provision applies only to participants who began employment on or after July 1, 2018.

.54 Early Retirement: For participants whose employment began prior to July 1, 2018, A participant may elect to retire before the normal retirement age of sixty-five (65); however, the earliest a retirement benefit can be received is age fifty-five (55) and is subject to reduction for Early Retirement. The benefit reduction is two and a half percent (2.5%) for each year prior to age sixty-five (65) prorated monthly. For participants whose employment began on or after July 1, 2018, the earliest a retirement benefit can be received is age sixty (60) and is subject to an early retirement reduction of six percent (6%) for each year prior to age sixty-five (65) prorated monthly. If a participant meets conditions for Rule of 80 or Rule of 90 described above in 505.52 or 505.53 they do not have to be age fifty-five (55) or age sixty (60) to retire.

.6 Retirement Options:

There are five (5) options for retirement benefit payments.

.61 Straight Life: The Straight Life option pays a monthly benefit for the lifetime of the retiree. Upon the retiree's death, the monthly payments stop and survivors receive no continuing benefit.

.62 Joint and Survivor: The Joint and Survivor option pays a monthly benefit for the lifetime of the retiree and continues monthly payments to the surviving spouse or other designated annuitant of 3/4, 2/3 or 1/2 of the retiree's benefit after the retiree's death based on the employee's election at retirement. The option of a designated annuitant may be restricted due to age of the desired annuitant.

.63 Guaranteed Period Income: The Guaranteed Period Income (5 or 10 year period) pays a monthly benefit for the lifetime of the retiree. Upon the retiree's death, if payments have not been made for at least five (5) or ten (10) years, payments in the same amount will be continued to the beneficiary for the balance of the five (5) or ten (10) year period based on the participant's election at retirement.

.64 Level Income Option: If a retiree begins receiving a Straight Life Annuity or Joint and Survivor Annuity before reaching age sixty-two (62) or age sixty-five (65), the participant may elect to have an increased monthly payment until the retiree reaches the elected age of sixty-two (62) or age of sixty-five (65). When the retiree reaches the designated age, the monthly retirement benefit will be reduced. This allows retirement income to stay approximately level before and after Social Security benefits begin. The benefit adjustment is made according to tables prepared by the plan's actuary.

.65 Partial Lump Sum Distribution: In addition to the above payment options, a participant may elect to receive a portion of the earned retirement benefit at the time of retirement in the form of a lump sum. The amount of the lump sum is limited to one, two or three times the annual dollar benefit the participant would receive from the plan in the form of a straight life annuity. The lump sum will reduce the participant's monthly benefit.

.651 A participant that elects to receive a partial lump sum distribution is not allowed to be reemployed as an employee as defined in Title 28, which states that an "Employee" is a permanent and full-time, classified or unclassified employee of the employer. Employees shall be considered full-time if their position contemplates a work week of forty (40) hours or more.

Regardless of the retirement option chosen, the total retirement income paid to a participant, annuitant, or other designated beneficiary, from the Plan on behalf of a participant, shall at least equal the sum of the participant's basic contributions with credited interest. The amount by which such payments are less than the sum of such contributions and interest shall be paid in a lump sum at the death of the last recipient of the form of retirement income paid according to 505.6 or Chapter 7 of Title 28.

506. Deferred Compensation Plan

.1 The Deferred Compensation Plan provides a benefit to participants by allowing employees to supplement their retirement income by saving and investing a portion of their salary on a pre-tax or Roth basis under IRS 457(b) rules. The City offers one (1) Deferred Compensation provider with several different investment options. The investment options offered to participants are overseen by a Review Board of participants appointed by the Mayor under executive order.

.2 All permanent full-time employees, elected officials and employees of approved agencies may voluntarily participate in the Deferred Compensation Plan.

.3 The City will provide a monthly deferred compensation contribution only during the first two (2) years an employee initially participates in the Deferred Compensation Program. These monies will be provided by a match at the rate of fifty cents ($.50) for each dollar ($1.00) on the first fifty dollars ($50.00) of employee contributions into the employee's deferred compensation savings account providing up to a maximum of twenty-five dollars ($25.00) per month. (Revised June 26, 2003)

.4 The maximum amount that a participant may defer under this plan for a taxable year is determined by IRS code contribution limits that apply to 457(b) plans.

.5 A participant who will attain the age of 50 or more by the end of the calendar year is permitted to elect an additional amount for Annual Deferrals, up to the maximum age 50 Catch-Up Annual Deferrals for the year subject to the limitations of IRS Code Section 414(v). For three (3) years prior to the expected retirement year, a participant may be eligible for a Special Catch-Up election to contribute an amount equal to two times the annual limit in accordance with IRS 457(b) rules. The age 50 Catch-Up may not be elected in any plan year that the Special Catch-Up has been elected.

.51 All catch-up contributions to qualified retirement plans are subject to Roth tax treatment. An exception is provided for employees with compensation of $145,000 or less (indexed).

.6 Employees may participate in the Deferred Compensation plan with a minimum contribution of ten dollars ($10.00) per pay period.

507. Benefit Provisions Upon Layoff

.1 Employees placed in a lower position as a result of a layoff shall have their salary reduced according to Section 200, "Pay Rate in Demotion", provisions. In determining the new rate of pay in the lower position, the rate of pay of the prior incumbent and the department's funding availability shall be considered.

.2 Laid off employees shall be paid for any accrued Vacation Leave at the time of the layoff. In addition, laid off, non-probationary employees with less than six (6) years of service shall receive eighty (80) hours of severance pay. Laid off employees with at least six (6) years of service shall receive fifteen (15) hours of severance pay for each year of completed service not to exceed one hundred and eighty (180) total hours of severance pay. Laid off employees electing recall shall be eligible to preserve all sick leave and seniority credits for one year and have such benefits reinstated if recalled during the one-year recall period. All severance pay shall be provided on a lump sum basis, less applicable withholding. Laid off employees shall not accrue any additional benefits during layoff.

.3 Laid off employees with at least ten (10) years of service at the time of the layoff shall be eligible to elect to receive payment for sick leave accruals per the policy provisions of Section 300 regarding sick leave payment upon normal retirement. This option to be paid Sick Leave shall be available regardless of the laid off employee's status for actual retirement eligibility and shall be limited to a maximum sick leave exchange providing an additional four weeks of (severance) payment. Laid off employees accepting the sick leave pay shall not be eligible for reinstatement of such sick leave benefits exchanged for payment if recalled or rehired. An employee who does not elect to receive sick leave pay at the time he or she is laid off waives any further opportunity to receive sick leave pay.

.4 Laid off employees shall be covered by medical insurance according to normal benefit coverage practices for terminating employees per Section 500.

.5 Laid off employees who do not elect recall shall be eligible for a MERP refund of contributions at the time of layoff. Laid off employees electing recall shall be eligible for a MERP refund of contributions at the conclusion of the one (1) year recall period if he or she is not rehired.