



HUMAN RESOURCES AND LABOR RELATIONS DEPARTMENT

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To: County Staff

From: Andrew S. McKinnon, Director
Human Resources and Labor Relations

Date: October 5, 2020

Re: Insurance Premiums

As you may or may not be aware, many of our newer employees make premium contributions to their health insurance. Beginning in 2012 (and in some cases, 2013), new employees have been required to pay \$100 for two person/couple contracts, and \$150 per month for three person/family contracts. This change was implemented in order to protect the County's ability to offer outstanding benefits to employees at competitive rates.

Another change was to require employees hired on or after January 1, 2016, to be enrolled in a defined contribution retirement plan (401a). Our 401a plan requires the County to make matching contributions to the employee's accounts. However, if an employee leaves before fully vesting in the County's contributions, the County is required to keep the unvested contributions in a separate fund which can only be used for limited purposes.

The forfeited contributions have grown significantly over the last 4 years. Therefore, we are pleased to announce that we are discontinuing premium contributions for all non-union employees and union employees not under an expired contract. This did require a modification of our collective bargaining agreements and our unions unanimously supported this move. This change takes place immediately and will be reflected on employees October 9, 2020, paycheck.

This move to eliminate contributions reduces a two tier system in our employee ranks and allows for all county employees to elect our health insurance without having to pay premium contributions. With our level of benefits, it is virtually unheard of in the public or private sector to not pay any premium cost. This is something we are very proud of in Human Resources and Labor Relations.

During my time at the County I have been incredibly fortunate to be able to be the one who communicates good news on the financial front in many instances. Whether it be the settling of contracts with 2% increases each year, continuing to keep our health insurance under the hard caps, implementing gratuity pay, or eliminating the

health insurance premium contributions, all of these things go to keeping or putting money in our employees' pockets. But I am only the messenger. Focusing on our employee's well-being is a directive from Executive Hackel and a belief of his entire team. It is made possible because of the conservative financial practices our finance department has employed. However, and maybe more than anything, it is a reflection of the shared sacrifice that our county employees made during the economic downturn at the beginning of the last decade. I have said it many times - this county's staff is unique and special and I am proud to count you all as colleagues.

We realize that we may not always be able to share good news and there may be rough waters ahead, depending on what the economy does. However, for today, I hope this is good news.

We hope you are all staying healthy and safe.