

4.8 Non-Union Post-Employment Healthcare Savings Plan

The PEHCSP is an employer-sponsored program that allows employees to invest in a tax-preferred medical savings account while employed by a Minnesota public employer.

All non-union employees hired after January 1, 1984, will participate in the post-employment healthcare savings plan, contributing as follows:

NON-UNION EMPLOYEES - PERA COORDINATED MEMBERS

- **GROSS WAGES:** Contribute 2% after 5 years of service and beyond.
- **SICK LEAVE CONVERSION:** At the end of the calendar year, contribute all hours greater than 960 at a conversion rate of 2 to 1.
- **VACATION:** Upon separation of employment, contribute unused accrued vacation time as follows:
 - 50% after 5 years of service through 10 years of service
 - 75% with 11 years of service through 15 years of service
 - 100% after 16 years of service and greater
- **SICK LEAVE SEVERANCE:** Upon separation of employment, contribute 100% of unused eligible accrued sick leave. Eligible sick leave is a percentage of the full balance, based on years of service.

NON-UNION EMPLOYEES - PERA POLICE & FIRE MEMBERS

- **GROSS WAGES:** Contribute 1% for all employees until 5 years prior to normal retirement age (55), at which time ongoing contributions increase to 4%.
- **SICK LEAVE CONVERSION:** At the end of the calendar year, contribute all hours greater than 960 at a conversion rate of 2 to 1.
- **VACATION:** Upon separation of employment, contribute 100% of unused accrued vacation time (regardless of years of service).
- **SICK LEAVE SEVERANCE:** Upon separation of employment, contribute 100% of unused eligible accrued sick leave. Eligible sick leave is a percentage of the full balance, based on years of service.

Eligible sick leave severance includes Earned Sick and Safe Time It will be defined as a lump-sum payment upon termination of employment, contributed to the PEHCSP, based on the following percentages of the employee's unused, accumulated sick leave:

- 33% after 5 years of regular employment
- 45% after 10 years of regular employment
- 50% after 15 years of regular employment

To qualify for eligible ESST severance pay, an employee must leave City employment in good standing.