

BENEFITS
Revised September 2026

SECTION: 29

A. PURPOSE

This Section establishes Tooele City's policies and procedures for select benefit-related matters, provides general information about the City's benefit programs, and summarizes employee benefit eligibility.

This Section does not establish a contract or guarantee future benefit coverage or eligibility. Tooele City reserves the right to change, modify, or discontinue benefits at any time. Many benefits are administered by third-parties. Detailed benefit information is available through the Human Resource Department, the insurance providers, or their websites. In the event of any conflict between this Section and provider's plan documents, contracts, or governing documents, the provider's applicable documents or contracts will control.

B. BENEFIT ELIGIBILITY

Benefit eligibility is based on employment status, schedule status, and benefit provider contracts. In general, eligibility is as follows:

Full-Time Employees			
	Full-time Regular or Appointed		Full-time Mayor
	40 Hours	30-39.75 Hours	
401K / Roth 401k / 457 / Roth 457	Yes	Yes	Yes
Annual Leave	Yes	Prorated	N/A
Dental	Yes	Yes	Yes
EAP Program	Yes	Yes	Yes
Education Reimbursement	Yes	Yes	No
Flexible Spending Account	Yes	Yes	Yes
Holiday Pay	Yes	Prorated	N/A
IRA/Roth IRA	Yes	Yes	Yes
Leave - Funeral, Jury & Witness, and Military	Yes	Prorated	N/A
Life Insurance & AD&D	Yes	Yes	Yes
Long-term Disability	Yes	Yes	Yes
Medical – Health Insurance or Waiver payment in lieu of coverage if evidence of other coverage is provided to Tooele City	Yes	Yes	Yes
Short-term Disability	Yes	Yes	No
Sick Leave	Yes	Prorated	N/A
State Retirement Benefits	Yes	Yes	Yes
Vision	Yes	Yes	Yes
Wellness/Recreation Pass	Yes	Yes	Yes
Worker's Compensation	Yes	Yes	Yes

Prorated = Benefits are prorated as percentage of hours worked as compared to a 40-hour schedule. See specific policies regarding benefits for additional information.

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Part-time Employees				
	Part-time Regular or Appointed		Part-time Elected Officials	
	20-29.75 hours	1-19.75 hours	Part-time Mayor	Part-time Council Member
401K / Roth 401k / 457 / Roth 457	Yes but no City Contribution	Yes but no City Contribution	Yes	Yes
Annual Leave	Prorated	Prorated	No	No
Dental	No	No	Yes	Yes
EAP Program	No	No	Yes	Yes
Education Reimbursement	No	No	No	No
Flexible Spending Account	Yes	No	Yes	Yes
Holiday Pay	Prorated	Prorated	N/A	N/A
IRA/Roth IRA	Yes	Yes	Yes	Yes
Leave - Funeral, Jury & Witness, and Military	Prorated	Prorated	N/A	N/A
Life Insurance & AD&D	No	No	Yes	Yes
Long-term Disability	Yes	No	Tier 1 = Yes, If salary meets URS eligibility criteria Tier 2 = No	
Medical – Health Insurance, or Waiver payment in lieu of coverage if evidence of other coverage is provided to Tooele City	No *See Variable Hour Employee Table for calculation of eligibility due to PPACA, if deemed applicable to a part-time employee)	No	Yes	No *Council policy change effective July 2023 and moved waiver equivalent to compensation.
Short-term Disability	No	No	No	N/A
Sick Leave	Prorated	Prorated	N/A	N/A
State Retirement Benefits	Yes	No	Tier 1 = Yes, If salary meets URS eligibility criteria Tier 2 = No, but equivalent URS rate is put into 401k plan as defined in this Section	
Vision	No	No	Yes	Yes
Wellness/Recreation Pass	No	No	Yes	Yes
Worker's Compensation	Yes	Yes	Yes	Yes

Prorated = Benefits are prorated as percentage of hours worked as compared to a 40-hour schedule. See specific policies regarding benefits for additional information.

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Variable Hour Employees Contingent: Temporary, Seasonal, Cyclical, or On-call	
Medical – Health Insurance	No, except an employee may become eligible pursuant to the Patient Protection and Affordable Care Act (PPACA) which requires coverage if an employee's average workweek was greater than or equal to 30 hours/week following certain measurement periods. Tooele City has adopted the PPACA Safe Harbor provision for calculating the average workweek for variable hour employees as it applies to PPACA. The average workweek will be calculated as follows: New Hires - A newly hired employee's average workweek will be calculated following an Initial Measurement Period of 12-month from date of hire. It will be calculated by adding all hours paid (even if not worked) and dividing the sum by 52. If the employee is deemed eligible, an administrative period will be applied from the end of the initial measurement period through the end of the second full pay period beginning after the end of the initial measurement period to provide time to facilitate enrollment. The employee remains eligible for coverage for a 12-month Stabilization Period provided employee premiums are paid and the employee remains an employee, or is on seasonal layoff status on payroll and employee premiums are paid. Ongoing - Once the Initial Measurement Period has passed, employee's future eligibility will be determined pursuant to the City's Standard Measurement Period which coincides with the City's fiscal budget preparation each year. The average workweek will be calculated by adding all hours paid (even if not worked) between April 1 of the prior year and March 31 of the current year, and dividing the sum by 52. If the employee is deemed eligible pursuant to PPACA, an administrative period will be applied from April to June 30 to provide time to facilitate enrollment. Coverage becomes effective July 1 and the employee remains eligible for coverage for a 12-month Stabilization Period (the fiscal year) provided employee premiums are paid and the employee remains an employee, or is on seasonal layoff status on payroll and employee premiums are paid. Future eligibility will be determined by recalculating the Standard Measurement Period each respective year. Tooele City's Cash-in-Lieu (Health Insurance Waiver) Payment is not available to Variable Hour employees who become eligible for health insurance coverage due to PPACA but decline coverage. Plan eligibility and premiums are established with each fiscal year budget.
Worker's Compensation	Yes
No other benefits are offered to variable hour employees.	

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C. FLEX / CAFETERIA PLANS

Tooele City offers Flexible Spending / Cafeteria Reimbursement Accounts, which allows employees to pay for eligible benefits and expenses using pre-tax dollars. This can lower taxable income, but may slightly reduce future Social Security benefits. Employees should contact the Human Resource Department or the plan administrator for plan details.

1. Premium Only Plan - Allows eligible insurance premiums (medical, dental, vision, etc.) to be deducted from pay before taxes. Eligible employees are automatically enrolled. Employees who prefer post-tax deductions must submit a written declination to Human Resource Department.
2. FLEX / Cafeteria Health Care Reimbursement Account - Allows employees to set aside pre-tax money to pay for eligible out-of-pocket medical expenses (such as deductibles and copays). Employees must enroll each plan year (July 1 – June 30). Changes are only allowed with a qualifying life event. IRS limits, “use-it-or-lose-it,” and plan year rollover rules apply.
3. Limited FLEX /Cafeteria Health Care Reimbursement Account - Similar to the Health Care FLEX Account, but limited to dental and vision expenses only. This option is generally for employees who also participate in a Health Savings Account (HSA).
4. FLEX / Cafeteria Cash-in-Lieu (Waiver) - Allows eligible employees who have other qualifying health coverage, other than Tooele City’s group health plan, to receive a cash payment instead of enrolling in the City’s group health plan. Proof of other coverage is required each plan year. The cash payment is taxable income and is not retirement-eligible wages. Employees enrolled in Medicare or Medicaid are not eligible for this option.
5. FLEX / Cafeteria Dependent Care Reimbursement Account - Allows employees to use pre-tax money for eligible dependent care expenses. Employees must enroll each plan year (July 1 – June 30). Changes are only allowed with a qualifying life event. IRS limits and “use-it-or-lose-it” rules apply.

D. HEALTH SAVINGS ACCOUNT (HSA)

Tooele City offers a Health Savings Account (HSA) option for eligible employees enrolled in a qualifying high-deductible health plan. Eligibility, contributions, and use of funds are governed by IRS rules and official plan documents. Employee contributions are made through payroll deductions, and the City may also contribute as approved through the annual budget process. HSA funds may be used for eligible medical expenses, and employees are responsible for using their accounts in compliance with all applicable requirements.

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E. UTAH STATE RETIREMENT PLAN

Employees are enrolled in a Utah State Retirement plan according to laws and regulations.

1. Tier 1 *(For employees enrolled in the Utah State Retirement System prior to July 1, 2011)*
 - a. Public Employees Contributory Retirement Plan
 - b. Public Employees Non-Contributory Retirement Plan
 - c. Public Safety Employees Non-Contributory Retirement Plan
 - d. Firefighter's Non-Contributory Retirement Plan

Tier 1 plans include a benefits protection contract between the Utah State Retirement System (URS) and Tooele City that allows employees to accrue retirement service credit while on approved leave covered by worker's compensation, the City's group short-term disability insurance, or the City's long-term disability insurance.

Tier 1 elected officials and appointed department heads may request to opt out of participation in the URS system (i.e. exempt). If approved, the City will instead contribute to the employee's Traditional 401(k) plan an amount equal to the URS Total Cost Rate (normal cost plus amortization of Unfunded Actuarial Accrued Liability) that would have applied to the employee. This rate is set annually by the URS office and may change each year. These contributions count toward IRS contribution limits and may be reduced if those limits are reached.

Employees who opt out of Tier 1 participation are not covered by the benefit protection contract with URS. However, by policy, the City will continue retirement contributions while the employee is on approved leave covered by the City's group short-term disability insurance and for up to three (3) months while on workers compensation leave. If the employee is approved for long-term disability benefits, or if the leave exceeds three (3) months, retirement benefit contributions will stop at the end of the applicable pay period unless continuation is required by law.

2. Tier 2 *(For employees first entering the Utah State Retirement System after July 1, 2011)*
 - a. Public Employees Defined Contribution Plan Only
 - b. Public Employees Hybrid Retirement Plan
 - c. Public Safety & Firefighter Employees Defined Contribution Plan Only
 - d. Public Safety & Firefighter Employees Hybrid Retirement Plan

Tier 2 plans include a benefit protection contract between the Utah State Retirement System (URS) and Tooele City that allows employees to continue earning retirement service credit and making required retirement contributions while on approved leave covered by worker's compensation or the City's group short-term disability insurance

Tier 2 plans do not provide benefit protection for periods of leave covered by the City's long-term disability (LTD) insurance, except as required by law for sworn police officers and firefighters whose line-of-duty LTD benefits extend beyond

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workers compensation. If a Tier 2 employee is approved for long-term disability benefits, retirement benefit continuation and contributions will end at the close of the pay period in which the LTD benefits became effective, unless continuation is required by law.

URS allows certain positions to be exempt from Tier 2 vesting requirements. Tooele City has designated full-time, benefit eligible mayoral-appointed department heads as positions eligible to request exemptions from the four (4) year vesting requirement. Because exemption rules are complex and governed by URS policy and statute, employees seeking an exemption must contact the URS office for questions.

Full-time elected officials in Tier 2 participate only in the Defined Contribution plan and are automatically exempt from the four (4) year vesting requirement.

3. Tier 2 Part-time Elected Officials Equalization Benefit

Tier 2 part-time elected officials are not eligible to participate in URS plans under Utah law. To provide comparable benefits for both Tier 1 and Tier 2 part-time elected officials, Tooele City will contribute to the official's URS Traditional 401(k) plan an amount equal to the URS Tier 2 Normal Cost Rate. This rate is established annually by URS. These contributions are combined with any other employer 401(k) contribution for purpose of the Internal Revenue Service (IRS) contribution limitations and may be reduced if those limits are reached.

4. Due to the complexity of the plans, employees should refer to the materials prepared by the URS Office regarding questions concerning the systems. Employees can also contact the URS Office, 540 East 200 South, Salt Lake City, Utah 84102. Their telephone number is available from the Human Resource Department.

5. Participation in and benefits provided through the Utah State Retirement Systems (URS) are governed by applicable state statutes, URS administrative rules, and URS plan documents. While Tooele City administers participation in URS for eligible employees, the City does not determine eligibility requirements, benefit levels, contribution rates, vesting provisions, or other plan terms established by URS. In the event of any conflict between this policy and URS statutes, rules, or plan provisions, the applicable URS requirements will control.

F. RETIREMENT SAVINGS PLANS

Tooele City provides eligible employees with access to Traditional 401(k), Roth 401(k), Traditional 457, Roth 457, Traditional IRA, and Roth IRA savings plans administered by the Utah State Retirement System (URS).

1. Employee Elective Deferrals - Employees may elect to have a portion of their wages deducted from their paycheck and deposited into one or more eligible retirement savings plans.
2. City Discretionary (Employer) Contributions - Tooele City may provide a discretionary employer contribution to eligible employees. The amount of any

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contribution is determined through the City's fiscal year budget process and is discretionary in nature. A discretionary contribution is not guaranteed. City discretionary contributions are deposited as Traditional 401(k) contributions. Employees are 100% vested in City discretionary 401(k) contributions.

3. Automatic Enrollment in Roth 457 Plan & Auto Escalation – Employees hired on or after October 1, 2026 and who are also eligible for enrollment in the URS Tier 1 or Tier 2 retirement plan, will be automatically enrolled in the URS Roth 457 plan. Upon enrollment, two percent (2%) of their eligible compensation will be automatically deferred as a Roth contribution. The employee's deferral rate will automatically increase by one percentage point (1%) each year, up to 10%, subject to applicable federal contribution limits and plan provisions.
 - a. Employees may elect to stop, decrease, or increase their deferrals or opt out of, change, or stop the automatic escalation at any time through their URS account.
 - b. Employee contributions made through automatic enrollment are immediately vested and may only be withdrawn in accordance with federal law and the provisions of the URS 457 Plan.
 - c. If permitted under the URS 457 Plan, an employee who has been automatically enrolled may elect, within ninety (90) days of the date the employee's first automatic contribution is made, to withdraw the automatic contributions and related earnings in accordance with applicable federal law and plan provisions.
 - d. Unless an employee makes an affirmative investment election through their URS account, automatic contributions will be invested in the age-related Target Date Fund as outlined in the URS Summary Plan Description (SPD).
 - e. Employees will be provided general information regarding retirement savings resources and access to their URS online account and may obtain additional information and assistance directly from URS.
4. Plan Administration and Summary Plan Descriptions - The URS retirement savings plans are administered in accordance with applicable IRS regulations, URS plan documents, and their respective adoption agreements.
5. Self-Directed Plans - Participation in the retirement savings plans is voluntary and self-directed. Tooele City and its employees do not provide tax, legal, or investment advice regarding retirement savings plans. Any information provided by the City is for administrative or educational purposes only. Employees seeking financial, tax, or legal advice should consult a licensed professional.
6. *The Tooele City Employees' John Hancock Savings Plan was closed for new participants. Tooele City anticipates merging the John Hancock Plan with the URS Savings Plan at a future date. Timelines and merger details will be communicated with John Hancock Savings Plan participants when applicable.*

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G. PREMIUMS & HEALTH INSURANCE AUTO ENROLLMENT DEFAULT PLAN

1. Premiums – Insurance premiums are established with the fiscal budget and may vary based on employment and schedule status. Failure to pay premiums by the due date may result in cancelation of coverage.
2. Health Insurance Automatic Enrollment/Default Plan - Employees eligible for health insurance will be automatically enrolled in the least expensive plan offered to Tooele City employees at the time of eligibility unless the employee declines, waives, or makes another health insurance election within 60 days of eligibility.

H. COBRA CONTINUATION COVERAGE

Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), employees and their eligible dependents may continue group health, dental, or flexible spending insurance coverage when it would otherwise end due to specific qualifying events. These events include termination of employment (except for gross misconduct), a reduction in hours, the death of an employee, divorce or legal separation, or a dependent child losing eligibility.

It is the responsibility of the employee or a covered individual to notify the Human Resource Department within 60 days of a change in status; failure to do so may result in the loss of continuation rights.

Once a qualifying event occurs, a written notice is provided to the employee and/or sent to the address or email on file, after which there is a 60-day grace period to elect coverage. If coverage is not formally elected, it will end effective the date of the qualifying event (except when a dependent turns 26, in which case coverage ends at the end of the month).

While COBRA coverage is identical to that offered to active employees, the insured is responsible for the full cost plus a permitted administrative fee. Generally, coverage lasts 18 months for employment changes and 36 months for other qualifying events, though extensions may be available for second qualifying events or for those receiving Social Security Disability benefits. Coverage may be terminated early if the City ceases to provide group health plans, premiums are not paid timely, the individual becomes entitled to Medicare, or the individual becomes covered under another group plan.

For specific questions or to report a life event, contact the Human Resource Department or the insurance provider directly.