



City of Frankfort

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OFFICE OF THE CITY CLERK/TREASURER

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Subject: City of Frankfort Employee Compensation Plan

In order to comply with the State of Michigan's Economic Vitality Incentive Program, this document shall constitute the City of Frankfort's Employee Compensation Plan. The City intends to implement the following compensation measures:

- New hires that are eligible for the City's retirement plan will be placed in a retirement plan that caps annual employer contributions at 10% of base salary for employees who are eligible for social security benefits.
- For the City's defined benefit pension plan, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, where post-employment health care is not provided, the maximum multiplier shall be 2.25%.
- For the City's defined benefit pension plan, 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.
- Health care premium costs for new hires shall include a minimum employee share of 20%; (currently employees are paying 15% of all healthcare costs) 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 plans to implement these measures when current employee contracts come up for renewal.


Kimberly K. Kidder
City Clerk/Treasurer