**VILLAGE OF CLIFFORD**

**EMPLOYEE COMPENSATION PLAN**

To meet the requirements of the State of Michigan set forth in Public Act 63 of 2011, the Village of Clifford has developed the following employee compensation plan. This will allow us to qualify for payments under the economic incentive program established by Public Act 63.

The village will implement this plan with any new, modified, or extended contracts or employment agreements for employees of the village not covered under contract or employment agreement. This plan will be available for viewing on the village of Clifford’s web site.

**Retirement Caps**

New hires eligible for a retirement plan will be placed on a plan that caps the Village’s contribution to 10% of the employee’s base salary. For defined benefit plans the maximum multiplier will be 2.25%, with the final average compensation of all employees calculated using a minimum of 3 years of compensation that does not include more than 240 hours of paid vacation. Overtime hours will not be used in computing final average compensation for an employee.

**Health Care**

Health care premium costs for all eligible new hires shall include a minimum employee share of 20%; or, at the village’s discretion, the Village’s share of the premium will be competitive with the new state of Michigan provider organization health plan on a per-employee basis. If the Village chooses to follow the “Hard Cap” option, beginning on January 1st 2012 the Village will not pay more than $5500 times the number of employees with single coverage, $11,000 times the number of employees with individual and spouse coverage, or $15000 times the number of employees with family coverage for all annual costs for medical benefits. These caps will be adjusted by the state by October 1st each year, and the village will follow these adjustments.

This plan will go into effect on May 1, 2012, by a majority vote of the village council on April 17, 2012 at the regular public meeting.

Laura Fenton, Clerk