

Dear Ima,

Many City of Rockford employees have asked for additional information regarding our employee benefits. There are many benefits available in addition to your wages. This statement gives you a snapshot of your total compensation including your pay and the value of your benefits for the time period 1/1/07 through 12/31/07.

It is important to understand that the money you see in your paycheck every other week is only part of your compensation. There are other factors you should take into account when calculating your Total Compensation package.



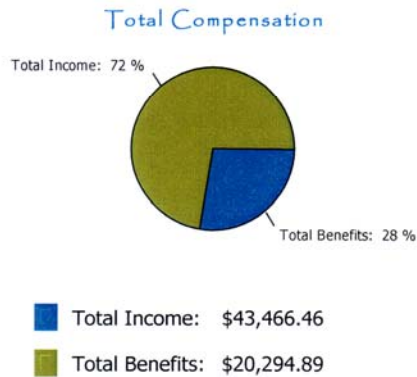
This statement will help you see the other benefits that you have and that are available to you. We will continue to communicate what benefits the City has to offer by sending to you one of these statements on an annual basis. We also hope to bring you additional information throughout the year as well as gather your input. If you have any questions about these or any other benefits, please contact the Human Resources Department.

Sincerely,

CITY OF ROCKFORD

**Putting it All Together - Your Total Compensation**

2007 Compensation Components	City Pays	You Pay
<b>Cash Compensation</b>		
YTD Base Earnings	\$ 43,466.46	
<b>Total Cash Compensation</b>	<b>\$ 43,466.46</b>	
<b>Mandated Taxes</b>		
FICA	\$ 3,252.22	\$ 3,252.22
Federal Unemployment	\$ 0.00	\$ 0.00
State Unemployment	\$ 63.00	\$ 0.00
Workers' Compensation	\$ 86.93	\$ 0.00
<b>Total Mandated Taxes</b>	<b>\$ 3,402.15</b>	<b>\$ 3,252.22</b>
<b>Insurance Benefits</b>		
Medical & Dental Insurance	\$ 12,480.00	\$ 780.00
Basic Life/AD&D Insurance	\$ 78.00	\$ 0.00
Voluntary Vision	\$ 0.00	\$ 174.00
Voluntary Life	\$ 0.00	\$ 152.40
Employee Assistance Program	\$ 18.48	\$ 0.00
<b>Total Insurance Benefits</b>	<b>\$ 12,576.48</b>	<b>\$ 1,106.40</b>
<b>Retirement Benefits</b>		
Pension Plan Contribution	\$ 4,316.26	\$ 1,955.94
<b>Total Retirement Benefits</b>	<b>\$ 4,316.26</b>	<b>\$ 1,955.94</b>
<b>TOTAL BENEFITS OF WORKING AT THE CITY OF ROCKFORD</b>		
Cash Compensation	\$ 43,466.46	
Mandated Taxes	\$ 3,402.15	
Insurance Benefits	\$ 12,576.48	
Pension Plan Contribution	\$ 4,316.26	
<b>TOTAL COMPENSATION:</b>	<b>\$ 63,761.35</b>	



\*The chart below illustrates your income versus the average household income in the City of Rockford:



\*Statistics from 2006 US Census Bureau  
If you have less than one year of service or are in a seasonal position, your income shown above is year to date income, so it is not a valid comparison to average household income.

<b>Your 2008 Coverage Elections</b>	
Med/Dent/RX Coverage	<b>SINGLE +1</b>
Vision Coverage	<b>SINGLE + 1</b>
Group Life Benefit	<b>\$25,000.00</b>
AD&D Benefit	<b>\$50,000.00</b>
Voluntary Life/AD&D Benefit	<b>\$50,000.00</b>
FSA Medical Election	<b>\$0.00</b>
FSA Dependent Care Election	<b>\$0.00</b>

Ima Sample  
NONU

## For Your Health & Well Being

**Health Plans:** Eligible employees have two medical plans to choose from; **City PPO and Destiny HSA.**

**City PPO Plan** - The City PPO plan offers you the option of in-network and out-of-network benefits, with 90% benefits being paid if you stay within the PPO network. Employees share in the cost of this program by paying a minimal amount of the overall premiums. Dental and Prescription Drug benefits are included with this plan at no additional cost.

**Destiny HSA Plan** - The Destiny HSA plan is a tax advantaged health spending account offered alongside a higher deductible plan. The HSA plan has a \$1,500 individual deductible and a \$3,000 family deductible, with the City funding 1/2 of the deductible. The HSA plan is provided with no employee contributions. Dental and Prescription Drug benefits are included with this plan at no additional cost.

You are currently enrolled in the **PPO** plan with **SINGLE +1** dependent coverage.

**IHAP:** The Integrated Health Advocacy Program (IHAP) is a holistic approach to help employees and their dependents work through difficult or continuing multiple health care problems. IHAP's goal is to help eligible employees or their dependents move from a lifestyle of chronic health concerns to a lifestyle that nurtures wellness. IHAP participants receive professional guidance and support for improved health and well being.

**Term Life and Accidental Death & Dismemberment Insurance:** City of Rockford pays the premiums for Basic Life insurance and Accidental Death and Dismemberment (AD&D) coverage for all eligible employees. The Basic Life insurance is \$25,000 with an additional Accidental Death and Dismemberment coverage in the amount of \$50,000.

**Supplemental Life and AD&D Insurance:** You may purchase supplemental insurance on your own life with Aetna through payroll deductions. If you purchase supplemental life coverage, you may also purchase supplemental coverage for your spouse and your dependents.

**Employee Assistance Plan (EAP):** City of Rockford believes in the wellness of its employees and provides the EAP for times when you may need help through a crisis or want to learn new ways to deal with a problem. Financial Resources, Legal Resources and Work-Life Resources are also available through this program.

**Flexible Spending Accounts:** Flexible Spending Accounts (FSA) are offered to assist employees in paying eligible out of pocket health care and dependent care expenses with pre-tax dollars. You may defer up to \$3,500 to the Medical Reimbursement Account and \$5,000 to the Dependent Care Account.

## Work/Life Balance

**Paid Time Off (PTO):** Paid Time Off is granted in the form of Vacation, Holiday, Personal Leave and Sick Time (some groups may earn other types of paid time off in addition to the following).

Annual Accruals	Hours	Annual Value
Holiday	96	2,060.16
Vacation	80	1,716.80
Sick	96	2,060.16
<b>TOTAL</b>		<b>5,837.12</b>

## For Your Future

**457 Deferred Compensation Plan:** The City provides the opportunity to participate in a qualified, tax deferred savings plan to help you meet financial planning goals for retirement. Our 457 Plan allows you to select from 5 different companies, each with a wide variety of investment options to adapt to your individual risk tolerance. Also, contributing to a 457 reduces the amount of taxable income reported on your W-2.

**Pension Plan:** Planning for your retirement is an important step in your future financial security. As an employee of the City of Rockford you are eligible for pension benefits at your normal retirement age. Please refer to Pension Plan Document for additional details.

## Other Benefits

- Jury Duty Leave
- Bereavement Leave
- Flu Shots
- Pneumonia Shots

**NOTE:** While every effort was taken to accurately report the figures contained within this statement, errors are always possible. In the event of a discrepancy between this statement and the actual plan documents, plan documents will always prevail. This is not a legal contract. Benefits quoted are based on current benefit program. This is not an employment contract. This report is meant to help you understand some of the benefits you have. It does not include everything contained in a Collective Bargaining Agreement that may or may not apply to you.