

# **Town of Sherborn**

## **Benefits Information**

### **For Benefit Eligible Employees**

To be benefit eligible, an employee must be a regular full-time or regular part-time employee (regularly work 20 or more hours per week) and be a member of the Middlesex or Mass Teachers Retirement System. Supplemental part-time, casual part-time Temporary or Seasonal employees are not eligible)

**Effective July 1, 2011**

**Managed by the Accountant's Office 508-651-7859  
19 Washington St., Sherborn MA 01770**

The following benefits and payroll deduction plans are available to benefit eligible employees of the Town of Sherborn (employees who receive compensation and work at least 20 hours per week on a regular basis).

### **MIDDLESEX RETIREMENT**

Employees (other than school teachers) who work 20 or more hours per week on a regular basis are required to participate in the Middlesex Retirement System. The contribution rate for new employees is 9% of regular earnings. An additional 2% contribution is assessed on earnings over \$30,000.

This deduction is pre-taxed for federal purposes meaning it reduces your taxable federal income.

### **MASSACHUSETTS TEACHERS RETIREMENT**

School teachers who work 20 or more hours per week on a regular basis are required to participate in the Massachusetts Teachers Retirement System. The contribution rate for new employees is 11% of regular earnings.

This deduction is pre-taxed for federal purposes meaning it reduces your taxable federal income

### **DEFERRED COMPENSATION PLAN**

#### Required deferred Compensation deductions

According to federal law all employees not subject to either the Middlesex or Mass Teachers Retirement Plans are required to participate in a deferred compensation plan. The current contribution rate is 7.5% and is pre-taxed for federal and state purposes meaning it reduces your taxable federal and state income.

#### Optional deferred compensation deductions

Employees are eligible to make additional voluntary contributions above the mandatory 7.5% amount. To start such deductions, employees must meet with a representative from Great West Insurance Company to have them calculate the allowed amount of deduction. Upon termination of employment from the Town, employees may withdraw their contributions to the plan, plus interest earned.

Contributions are deducted twice a month for employees who are paid bi-weekly and four times a month for employees who are paid weekly

### **MEDICARE**

All new employees are subject to the Medicare portion of Social Security. The current contribution rate is 1.45%.

### **HEALTH INSURANCE**

Benefit eligible employees who are eligible for health insurance programs. (Seasonal employees are not eligible.) Under IRS regulations, employee enrollment is a one-year contract. The Town pays a portion of each of the health and life insurance premiums. An employee is eligible to enroll at the time of initial employment, at subsequent open enrollment periods (usually in May of each year for coverage beginning July 1<sup>st</sup>), or for qualifying events (e.g. loss of coverage by spouse). The following plans are available: Harvard Pilgrim PPO, Harvard Pilgrim Health Plan (HMO Rate Saver), Tufts Associated Health Plan (HMO Rate Saver), Blue Cross Network Blue (HMO Rate saver) and Fallon Health Plan (HMO Rate Saver).

Under current law, employers are required to provide the employee, their spouse and dependents who qualify for coverage, the option of remaining in the group health plan for 18 months after termination of employment (other than for gross misconduct) and for 36 months after (1) the death of the covered employee, (2) divorce or legal separation, or (3) when a dependent child loses eligibility due to age. The person electing this continued coverage must do so within 60 days from the date of termination, death, divorce, etc. The employee pays 100% of the premium

Health insurance premiums are deducted twice a month for employees who are paid bi-weekly and four times a month for employees who are paid weekly. Deductions in a current month are premiums for the following month.

Health insurance premiums are pre-taxed for federal, state and Medicare purposes meaning it reduces your taxable federal, state, and Medicare income.

For Health Insurance Premiums, see separate rate sheet.

## **DENTAL INSURANCE**

Benefit eligible employees may enroll in the employee paid dental insurance plan. (Seasonal employees are not eligible.) Under the plan, employees pay the entire premium. An employee is eligible to enroll at the time of initial employment or at subsequent open enrollment periods (usually in May of each year for coverage beginning July 1<sup>st</sup>).

Dental insurance premiums are deducted twice a month for employees who are paid bi-weekly and four times a month for employees who are paid weekly. Deductions in a current month are premiums for the following month.

Dental insurance premiums are pre-taxed for federal, state and Medicare purposes meaning it reduces your taxable federal, state, and Medicare income.

For Dental Insurance Premiums, see separate rate sheet.

## **LIFE INSURANCE**

Benefit eligible employees may enroll in group term life insurance. An employee at the time of being hired must either decline or accept the life insurance. Enrollment at any other time after being hired will require a physical examination and approval of the life insurance company. Life insurance premiums are deducted twice a month for employees who are paid bi-weekly and four times a month for employees who are paid weekly. Deductions in a current month are premiums for the following month.

### **Basic Group Term Insurance**

“Basic” group term life insurance is available in the amount of \$5,000. The employee pays 50% of the premium. The employee’s premium is currently \$3.75 per month. Enrollment can continue until the employee leaves the employ of the town. Retirees may continue the coverage.

### **Voluntary Group Term Insurance**

Employees can purchase additional life and accidental death and dismemberment insurance in amounts up to \$30,000 with limited dependent coverage. To be eligible, employees must have enrolled in “basic” life insurance. Enrollment can continue until the employee leaves the employ of the town. Retirees may continue \$5,000 of coverage until age 75.

Under the plan, employees pay the entire premium.

## **DISABILITY INSURANCE**

Benefit eligible employees may enroll in the employee paid accident and disability insurance through AFLAC. (Seasonal employees are not eligible.) Premiums are deducted twice a month for employees who are paid bi-weekly and four times a month for employees who are paid weekly. Interested employees should contact the Treasurer’s office for information. These insurance premiums are pre-taxed for federal, state and Medicare purposes meaning it reduces your taxable federal, state, and Medicare income.

Under the plan, employees pay the entire premium.

## **FLEXIBLE SPENDING AND DEPENDENT CARE ACCOUNTS**

Employees may elect to have withheld from their pay an annual amount for a flexible health spending account and/or a flexible dependent care account which can be used to reimburse them for out-of-pocket medical costs they incur (co-pays, glasses, dentists, etc.) and dependent care costs. The minimum amounts for either plan is \$100 and the maximum is \$2,500. The amount selected for the plan will be deducted equally throughout the fiscal year from their paychecks (4 times a month for weekly and 2 times a month for bi-weekly employees).

The amounts withheld are pre-taxed for federal, state and Medicare purposes meaning it reduces your taxable federal, state and Medicare income.

#### **DIRECT DEPOSIT**

Employees can elect to have all or a portion of their payroll check deposited directly to a checking or savings account. The money is deposited to the bank account on the date of the payroll and is immediately available.

#### **UNION DUES**

Employees who are members of the Police, CM&D and Teachers Unions may elect to have their dues withheld from their pay. Dues are deducted twice a month for employees who are paid bi-weekly and four times a month for employees who are paid weekly.

#### **VOLUNTARY TAX SHELTERED ANNUITY AND DEFERRED COMPENSATION PROGRAMS – School Employees**

- 1) January 1<sup>st</sup> is the annual enrollment date for Tax Sheltered Annuities (TSA's) and deferred compensation contracts. Enrollment applications or changes must be received by December 15<sup>th</sup> for contracts effective January 1<sup>st</sup> of each year. During a calendar year, an employee may make one additional change in the amount (but not the carrier) of their monthly contribution. Requests for this change must be received in writing no later than the 15<sup>th</sup> of the month preceding the desired change. Contribution to TSA's and deferred compensation programs are deducted twice a month (24 times a year).
  - 2) An employee can cancel an annuity by informing the Treasurer's Office in writing no later than the 15<sup>th</sup> of the month preceding the month coverage is to terminate. Requests received after that date will be effective one month following.
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#### **Non-Union Employees – Personnel By-law - Vacation, sick time etc.**

Vacation:

Under the Town's Personnel By-law, non-union employees earn vacation days for each month of completed service. The number of days earned per month depends on length of service.

- a) An employee starts earning vacation in the first month of employment if employment begins no later than the 15<sup>th</sup> of the month. Vacation earned can begin to be taken after 6 months of employment.
- b) An employee earns up to two weeks of vacation for the first five years, three weeks of vacation between five and ten years, and four weeks of vacation after ten years.
- c) Generally vacation earned in one fiscal year (the period of July 1 through June 30<sup>th</sup>) must be taken by the end of the next fiscal year, except that one-week of vacation can be carried forward two years.

- d) If an employee leaves the employ of the Town, any earned and unused vacation will be paid to the employee.
- e) Each July 1, the Town Treasurer will calculate the amount of vacation time to which an employee is entitled at that time.

Sick leave:

Non-union employees earn one sick day per month. Employees can accumulate up to 60 days of sick time.

Personal leave:

Non-union employees are allowed 3 days of paid personal leave in any fiscal year.

Funeral leave:

Non-union employees are allowed 3 days of paid funeral leave in any fiscal year for the purpose of making arrangements and attending the funeral of members of their immediate family. The term "immediate family" shall mean parents and parents in-law, sister, brother, sister in-law, brother in-law, spouse, child and grandparents of the employee or their employee's spouse.

Military leave:

Upon request, non-union employees will be granted military leave in accordance with state and federal law.

Maternity leave:

Upon request, non-union employees shall be granted up to eight unpaid weeks of maternity leave in accordance with state law.

Administrative leave:

Department heads may grant non-union employees under their supervision with up to three days of unpaid leave each fiscal year.

Employee evaluation:

All non-union employees of the Town shall be evaluated annually by their immediate supervisor.

**Copies of the Personnel By-law are available on request.**