

# Town of South Hadley



## Benefits Policy Manual

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## **I. ELIGIBILITY**

**Active Employees:** Full Time permanent employee scheduled for 20 or more hours a week (as defined by law) are eligible for insurance coverage. New hires eligible for insurance will qualify for health, dental and life insurance benefits the first of the month following 30 days from the date of hire. Premiums are paid to the provider in advance for the subsequent month of coverage. Employees with a separation in service are considered new hires under this policy.

**Retirees:** Retirees can receive health insurance benefits if elected to do so at the time of retirement. Retirees who do not choose health insurance at the time of retirement will not be allowed back on to the plan after their date of retirement. Retirees who are unable to have their insurance premium deducted from their retirement benefit must contact the Payroll & Benefits Coordinator, at the time of retirement to make payment arrangements directly to the Town.

Non-payment in 30 days will result in termination of coverage.

### **Death of an employee/retiree:**

- A) Active: In the event an active employee passes and they are enrolled in an individual +1 or family plan, the surviving spouse/dependents are not eligible to remain on the Town sponsored plan. They are eligible for Cobra.
- B) Retiree: In the event a retiree passes and both the retiree and his/her spouse is on the Town insurance plan, the surviving spouse can remain on the plan at 100% of the premium.

## **II. GROUP INSURANCES**

The Town presently provides the following group insurance coverage for regular full-time employees and eligible part-time employees:

(a) Group Medical and Hospital Insurances are offered to eligible employees and their families in accordance with M.G.L. c. 32B. Such plans are contributory with the own paying a percentage of the premium and the employee paying the balance.

(b) Group Life Insurance is offered to each regular full-time employee including coverage of \$5,000 and AD&D with the Town paying a percentage of the premium and the employee paying the balance.

Details of insurance coverage are described in the Benefits Policy Manual and are subject to amendment from time to time as are the contributory amounts. In the event of a conflict between this Personnel Policy and the insurance plan itself, the insurance plan shall prevail.

### **III. HAMPSHIRE COUNTY RETIREMENT SYSTEM**

Town employees who work twenty (20) hours or more per week throughout the year (1,040 hours per year) are required to join the Hampshire County Retirement System. Membership is optional for elected officials.

Employees should contact the Hampshire County Retirement Board for additional details regarding the retirement system. (M.G.L. c. 32 and 630).

### **IV. ALTERNATE RETIREMENT PLAN**

Effective January 1, 1992, all wages earned by new hires not eligible to participate in either the Town or State retirement systems will be subject to a mandatory 7.5% withholding and to the Town's deferred compensation plan. These funds will be invested in a guaranteed interest account in the existing deferred compensation program. Also effective on January 1, 1992, for new hires no additional contribution will be made to Social Security, except for the 1.45% Medicare tax which is not subject to exclusion based upon participation in the deferred compensation program.

Employees not eligible for participation in either the Town or State retirement system or who already have made contribution since July 1, 1991, will be permitted to participate in the deferred compensation plan in lieu of continuing to be charged the Social Security Tax.

**V. DEFERRED COMPENSATION,457**

The Commonwealth SMART Plan 457 Deferred Compensation Plan is offered to the employees of state and local governments, subdivisions of state governments or certain eligible key employees of tax-exempt organizations. Deferred compensation plans allow participants to save for retirement now and pay taxes later by contributing a portion of their salaries to the plan.

Contact information is available in the Payroll & Benefits Office in Town Hall.

**VI. FLEXIBLE SPENDING (FSA) ACCOUNTS**

Flexible spending accounts let you set aside a portion of your paycheck tax free to pay for certain health and dependent care expenses. Contributions are deducted from your paycheck prior to federal, state and social security taxes. No tax on your contribution saves you money. Contact information is available in the Payroll & Benefits Office in Town Hall.

**VII. OTHER VOLUNTARY INSURANCE BENEFITS**

Employees may voluntarily enroll on short term disability, long term disability, cancer insurances and other products. Please visit the Payroll & Benefits Office for more information.

**VIII. FAMILY & MEDICAL LEAVE, MILITARY FAMILY LEAVE & SMALL NECESSITIES LEAVE**

The Family and Medical Leave Act (“FMLA”) of 1993 allows eligible employees twelve (12) weeks of unpaid leave (“FMLA Leave”) per year under the circumstances outlined below. Employees may take leave for the following reasons:

- (a) the birth of a child and to care for the newborn child within one year of birth;
- (b) the placement with the employee of a child (under the age of eighteen) for adoption or foster care and to care for the newly placed child within one year of placement;
- (c) to care for the employee’s spouse, child, or parent who has a serious health condition (child is defined as including biological, adopted, or foster children, stepchildren, or child of a person with legal guardianship

- or who has day-to-day responsibility to care for and financially support a child, even if there is no biological or legal relationship);
- (d) a serious health condition that makes the employee unable to perform the essential functions of his or her job

“Serious health condition” is defined by law and refers to in-patient care, and in some instances out-patient care, by a medical provider.

#### **A. Use Paid Leave First**

Employees are required to use certain types of accrued or available paid leave first, as part of the twelve weeks of FMLA leave, before commencing the unpaid portion of the leave. Employees who take leave because of the birth, or placement of a child or to care for an ill spouse, parent or child must first use all accrued vacation and personal time. Employees who take leave because of their own serious illness must use all accrued vacation, personal and sick time.

#### **B. Eligibility**

To be eligible for leave under this policy an employee must have been employed by the Town for at least twelve months, and must have worked at least 1250 hours during the twelve month period preceding the commencement of the leave. While the twelve months of employment need not be consecutive, employment periods prior to a break in service of seven or more years may not be counted unless the break is for military service.

#### **C. Conditions**

1. Twelve Weeks: Employees may take no more than twelve weeks of leave in a twelve month period. The twelve month period is a rolling twelve months beginning twelve months prior to the proposed commencement of requested leave. If both spouses are employed by the Town, they are together entitled to a total of twelve weeks of leave for the birth or placement of a child, or care of a sick parent.
2. Notice: Employees wishing to take FMLA leave must give 30 day notice if foreseeable. If the event giving rise to the need for leave is not foreseeable, then the employee must give such notice as is practicable under the circumstances. Employees must schedule planned medical treatments with due regard for the Town’s operational needs.

#### **D. Certification**

Employees requesting FMLA leave must provide medical certification to support a claim for leave for an employee's own serious health condition or to care for a seriously ill child, spouse, or parent. The medical certification must set forth: the date on which the serious health condition commenced; the probable duration of the condition; and, the appropriate medical facts within the knowledge of the health care provider regarding the condition. In its discretion, the Town may require a second medical opinion and periodic re-certification at its own expense.

The new FMLA regulations provide that an employer may contact an employee's health care provider to clarify or authenticate the medical certification if the employee has not cured deficiencies in the certification. Communication with the health care provider may require the employee to provide authorization compliant with the Health Insurance Portability and Accountability Act (HIPAA). If the employee refuses to provide the employer with authorization and does not otherwise clarify the certification, the employer may deny the FMLA leave.

#### **E. Reduced Schedule Leave**

If medically necessary for a serious health condition of the employee or his or her spouse, child or parent, leave may be taken on an intermittent or reduced leave schedule. If leave is requested on this basis, the Town may require the employee to transfer temporarily to a position, with equivalent compensation, which better accommodates recurring periods of absence or a part-time schedule.

#### **F. Benefits**

1. Health Coverage: Employees on leave are entitled to the continuance of group health coverage under the same conditions they received coverage prior to the leave. Employees who contribute to their health insurance premiums via payroll deduction must arrange to pay the premium contributions during the period of unpaid absence, if they wish to retain coverage. In the event that an employee elects not to return to work upon completion of an approved unpaid leave of absence, the Town may recover from the employee the cost of any payments made to maintain the employee's coverage, unless the failure to return to work was for reasons beyond the employee's control.

2. Other Benefits: Benefits based upon length of service will be calculated as of the last paid work day prior to the start of the unpaid leave of absence.

Employees do not accrue sick, vacation or personal time while on leave in excess of 30 days.

Sick Leave, Workers Compensation Leave, Injured Leave, or Other Absences  
Employees who are out of work for reasons that would qualify for leave under this policy, irrespective of whether leave has been requested under this policy, are required, upon request, to provide to the Town the information and certifications required by this policy. The Town shall designate all such qualifying leave as Family and Medical Leave, which shall run against the twelve weeks allowed under this policy.

#### **G. Return to Work**

Employees returning from FMLA Leave in accordance with this policy will be restored to their original positions, or to equivalent positions with equivalent pay and benefits. Employees should contact Administration and their supervisor at least two weeks before their return date to make arrangements. The Town may require returning employees to obtain and/or produce medical certification that they are able to perform all of the essential functions of the job, prior to the employee's return to work.

#### **H. Small Necessities Leave**

The Small Necessities Act, Massachusetts General Law Chapter 149, Section 52D, provides that an employee shall be entitled to a total of 24 hours of unpaid leave during a 12 month period (the twelve month period is a rolling twelve months beginning twelve months prior to the proposed commencement of requested leave), in addition to leave available under the Family and Medical Leave Act of 1993, for the following purposes:

- i. To participate in school activities directly related to the educational advancement of a son or daughter.
- ii. To accompany the son or daughter of the employee to routine medical or dental appointments, such as check-ups or vaccinations; or
- iii. To accompany an elderly relative of the employee to routine medical or dental appointments or appointments for other professional services related to the elder's care.

Employees who have accumulated sick, personal, or vacation time must use such time as part of the 24 hours before becoming eligible for unpaid time. The Town will not provide paid leave in any situation where it would not normally provide such paid leave.

#### **I. Military Family Leave**

Eligible employees may take up to 12 weeks of FMLA leave in any 12-month period for other qualifying exigencies connected with military service, and may take up to 26 weeks of leave in a single 12-month period if needed to care for a family member who is a covered service member with a serious illness or injury incurred in the line of duty while on active duty (military caregiver leave).

**J. Qualifying Exigency Leave**

Up to 12 weeks of FMLA leave is available for certain exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on covered active duty or called to active duty status in support of a contingency operation. The exigencies that may qualify for leave are:

- (1) Short-notice deployment;
- (2) Military events and related activities;
- (3) Childcare and school activities;
- (4) Financial and legal arrangements;
- (5) Counseling;
- (6) Rest and recuperation;
- (7) Post-deployment activities; and
- (8) Additional activities not encompassed in the other categories, but agreed to by the employer and employee.

Qualifying exigency leave is available to a family member of a military member in the Reserves or National Guard; it does not extend to family members of military members in the regular armed forces.

**K. Covered Service Member Care Leave.** Leave to care for a family member who is a covered service member is limited to a one-time leave of up to 26 weeks within a single 12-month period. An eligible employee must be needed to care for a family member injured in the course of duty while on active duty with the military. The leave is available on a one-time basis for an injury or incident befalling that family member. For purposes of this leave only, the definition of family member is extended to encompass "next of kin" to the extent not already encompassed by the applicable definition of family member under the FMLA.

Definition of Covered Service Member. A "covered service member" is a current member of the Armed Forces, including a member of the National

Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the service member medically unfit to perform his or her duties for which the service member is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

#### **L. Military Leave**

Employees of the Town who are members of a Reserve Unit of the Army, Navy, Marine Corps, Coast Guard, or Air Force of the United State or Massachusetts, shall be entitled to absent themselves from their duties, after giving due notice to their department head, while engaged in required field training in such a unit. No such employee shall be subjected to any loss or reduction of seniority, vacation, or holiday privileges. Such employees shall be paid the compensation that would have otherwise have been received during the leave, less all monies that the employee received from the military (excluding reimbursement of the employee's out-of-pocket expenses) as provided in M.G.L. c. 37, §59.

Any employee who leaves the service of the Town for the purpose of entering the armed forces of the United States shall be reinstated in his or her former position and duties, provided he or she makes application for return to such service within ninety (90) days after he and she has received a certificate of satisfactory service from the armed forces. The department head or appointing authority shall certify in writing that such employee is able and qualified to perform the work required and that there is work available. In considering the factor of availability of the work, the Town shall replace (by the returning employee) any employee with less service who was employed for the purpose of filling the position vacated by such returning employee. Any employee returning to the service of the Town shall be credited with the period of such service in the armed forces to the same extent as though it had been a part of the term of service to the Town.

If the laws of the United States provide for more extensive military leave rights than the provisions of the state statute, the Federal Laws shall prevail and the greater rights shall be granted.

**M. Qualifying Exigency Leave.** Up to 12 weeks of FMLA leave is available for certain exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on covered

## ***IX. Training***

The Town considers employee development an integral part of each department head's responsibility. The objective of this policy is to provide each employee with long term personal growth opportunities and the Town with qualified and promotable individuals.

Department heads may request approval of Administration or appointing authority to enroll employees in outside seminars and other educational programs designed to meet specific development objectives. Proposed seminars or training programs should be designed for immediate on-the-job application. The Town will pay related costs, which are reasonable and necessary, provided the educational program and estimated costs are approved in advance. To be eligible for reimbursement an employee must submit verification that s/he successfully completed the program and provide an itemized list of costs and expenses. All such requests for reimbursement shall be made within two weeks of the program's completion.

Administration may require attendance at any and all employees at professional development seminars provided in-house.

## ***X. Education Reimbursement***

The Town of South Hadley encourages the professional growth of its employees through the enhancement of their educational background. Courses for degree programs, courses for credit, non-credit courses, certificates, and licenses may be considered for tuition assistance, depending upon the relevance to an employee's current position or future career opportunities at the Town of South Hadley.

The eligibility requirements for tuition reimbursement are as follows:

- a) The employee must work at least full time; and
- b) The employee must be an employee in good standing who has been employed by the Town for one continuous year.

Reimbursement will be granted, up to a maximum of \$3,000 per employee per year provided that (reimbursement is for tuition and required materials)

- a) The employee completes a Tuition Reimbursement Form and submits a written course description to Administration **prior to** beginning the course;
- b) The employee receives back an approved copy of the Tuition Reimbursement Form;
- c) The employee successfully completes the course with a grade higher than a “C” (original grade report must be submitted); and
- d) The employee provides a **paid** copy of the tuition bill

Employees eligible for reimbursement from any other source (scholarship, fellowship, veteran’s program, or grant) may still seek assistance under this program, but are reimbursed only for the difference between the amount received from the other funding source and the actual course cost, up to the maximum reimbursement allowable under this policy based on the grade received. Tuition reimbursement provided for under a collective bargaining agreement supersedes this provision for employees covered by such an agreement.

If an employee wishes to obtain approval for a degree program, an acceptance letter or other documentation verifying enrollment is required.

#### ***XI. Regular Part-Time Employee Benefits***

As allowed and required by law.

#### ***XII. COBRA Benefits***

Employees who are members of the Town of South Hadley health insurance group and terminate employment (for reasons other than gross misconduct) are entitled to COBRA benefits that allow the employee to continue coverage in the group for up to 18 months at their own expense at 102% of premium costs.

Such continued coverage will be identical to the coverage provided under the plan for active employees and their covered families, but will cease if the premium is not paid on a timely basis or if they become covered under another group health plan. Health insurance coverage may be continued, at one’s own expense, for up to 36 months for a spouse or dependent child of an employee who dies while employed by the Town. In the case of a divorce or legal separation, health insurance may be

continued for dependents, in accordance with the divorce/separation agreement. Continuation of this coverage also ceases if the premium is not paid on a timely basis or if coverage is obtained through another group.

This provision is subject to amendment by federal law.