

## **Chapter 6 - Insurance & Other Benefits**

**The benefits contained in Chapter 6**

**are only applicable and available to**

**Full-time Regular employees.**

**These benefits are not applicable or available to**

**Part-time Regular employees**

## **Chapter 6 - Insurance & Other Benefits**

### **OPTIONS - FLEXIBLE BENEFITS PLAN**

The Town of Milford, by its Board of Selectmen, provides insurance to its full-time (35+/hrs/wk), regular employees under a Section 125 Flexible Benefits Plan. The purpose of the plan is to allow employees the flexibility of tailoring their benefits package to more directly meet their needs. Under this plan, an employee is given several different options as to health, dental, life, short-term, and long-term disability insurances. Also available are Employee Reimbursement Accounts for health care and dependent care which offer a tax-effective way for the employee to pay for certain health care and dependent care expenses. The Town offers re-enrollment in June for health insurance changes to be effective 1 July and in December for all other insurances for changes to be effective January 1st of the following year. Other than these two re-enrollment periods, the only other time an employee may change insurance coverage is as a result of a "life status change" defined as the marriage or divorce of the employee; the birth or adoption of a dependent; the death of a dependent; a dependent child no longer eligible; or the job status change of a spouse. The programs available under the Section 125 Flexible Benefits Plan are listed below. Please note: The following are merely summaries of the Town's benefit plans and should not be construed as actual terms of coverage. For terms of coverage, please refer to the individual policies.

### **HEALTH INSURANCE**

The Town of Milford makes available, on a cost-sharing basis, hospital and medical insurance for all full-time regular employees. Effective July 1, 2010, the Town will contribute 85% towards the cost of the HMO Plan for all eligibility levels (single/two-person/family). The cost for any health insurance selection over and above the Town's contribution towards the HMO Plan (e.g., POS) shall be paid for by the employee. Eligible employees who have medical insurance coverage through a spouse may elect not to participate in the Town's medical insurance plan and, as a result, will receive a cash-back amount per year equal to forty (40%) percent of the Town's annual contribution to a one-person plan in accordance with the Town's Section 125 – Flexible Benefits – Plan.

### **DENTAL INSURANCE**

The Town of Milford provides single basic dental insurance for all regular full-time employees. Dental coverage at other than the basic, single plan is at the employee's cost. Eligible employees who have dental insurance coverage through a spouse may elect not to participate in the Town's dental insurance plan and, as a result, will receive a cash-back amount per year equal to forty (40%) percent of the Town's annual contribution to the basic, one-person plan in accordance with the Town's Section 125 – Flexible Benefits – Plan.

## **LIFE INSURANCE**

The Town of Milford provides full-time regular employees with term life insurance in the amount of \$16,000.00 or two (2) times the employee's annual salary, whichever is greater. Employees may choose to decrease this life insurance coverage to one (1) times annual salary and receive the cost savings or have the opportunity to increase life insurance coverage to three (3) times annual salary at the employee's cost. Additionally, the Town provides spouse and dependent life insurance coverage at no cost to the employee outside of the provisions of the Town's Section 125 – Flexible Benefits - Plan.

## **SHORT-TERM DISABILITY INSURANCE**

The Town of Milford provides full-time regular employees with non-work related-accident and sickness (short-term) disability insurance in accordance with the Town's Section 125 – Flexible Benefits – Plan.

## **LONG-TERM DISABILITY INSURANCE**

As an option under the Town's Section 125 Flexible Benefits Plan, a full-time regular employee will have the opportunity to enroll in the Town's Long-Term Disability Insurance Plan. Enrollment in this Plan is strictly optional and the Town of Milford pays no portion of the premium for long-term disability.

## **EMPLOYEE REIMBURSEMENT ACCOUNTS**

Employee Reimbursement Accounts offer a tax-effective way for the employee to pay for certain health care and dependent care expenses. When contributing dollars to either or both reimbursement accounts, employees pay no taxes (Federal Income or Social Security) on those dollars. This means significant savings. In addition, if an employee has selected reduced health or disability benefits, some of the Town-provided benefit dollars may be left over to use in these accounts as well. During the year, an employee can deposit dollars in the health care and/or dependent care accounts on a bi-weekly basis. The employee can then use these funds tax-free to pay for health care expenses not covered or not paid for by medical/dental insurance or for dependent care reimbursement for dependents under the age of 13. The dollar amounts set aside in these account(s) during the year will be deducted in equal amounts from each paycheck and credited to the employee's account. When an eligible expense is incurred, the employee can apply for a reimbursement from the appropriate reimbursement account. Appropriate reimbursement forms may be obtained from the Human Resource Department. The employee will need to provide copies of bills and receipts that clearly state the type and amount of expense paid for by the employee and for which reimbursement is sought. The employee will also need to provide copies of health/dental insurance payments or denials for each expense to be reimbursed unless the policy clearly states that the expense is not covered. Effective 2007, employees will have an additional two and a half (2 ½ ) months into the next plan year (i.e., to March 15

of the following year) in which to expend health care Reimbursement Account funds. Per laws governing section 457 accounts, all funds must be paid by not later than March 30<sup>th</sup>, therefore, all claims must be submitted by **not later than** March 15<sup>th</sup> of a plan year for reimbursement for claims incurred during the prior plan year. Any funds not claimed during the foregoing time period become the property of the Town.

## **GROUP INSURANCE PROGRAM FOR RETIREES**

Retired personnel may continue to carry their health, dental and life insurance through the Town's group insurance programs. Retired personnel for the purposes of this section shall mean those employees who have retired from the Town under the NHRS and/or have been in the employment of the Town as a full-time regular employee for a minimum of ten (10) years or who are over the age of 60 and eligible for retirement under NHRS regulations.

## **CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985 ("COBRA") BENEFITS**

A Federal law, commonly referred to as "**COBRA**," requires that the Town offer continued health plan coverage at group rates to covered employees, their spouses and dependent children who would otherwise lose coverage due to certain events. Generally speaking, the events involved and the people entitled to continued coverage are: Death of a covered employee; termination or a significant reduction in hours of a covered employee's employment; divorce or legal separation of a covered employee; covered employee becomes entitled to Medicare; and/or dependent child no longer eligible for coverage due to age. The Town of Milford will require a person who chooses continued coverage to pay for it. The premium is set at one hundred and two (102%) percent of the cost of the premium and must be paid thirty (30) days in advance of the coverage period.

**Management Rights - Insurance Benefits:** The Board of Selectmen reserves unto itself the right to obtain – on behalf of the Town and its employees – insurances different from those noted above and from different sources.

## **RETIREMENT BENEFITS**

**A. New Hampshire Retirement System:** All full-time regular employees of the Town of Milford who work thirty-five (35) or more hours per week are required to be enrolled in the New Hampshire Retirement System (NHRS) immediately upon employment with the Town. Enrollment in the NHRS is mandated by State Law. Upon enrollment into the System, the employee will be provided with pertinent information regarding the NHRS. The appropriate share of the employee's gross earnings is deducted bi-weekly from the employee's paycheck and submitted monthly to the Retirement System. At the same time, the Town of Milford contributes a percentage towards each employee's retirement fund. All percentages are designated by the NHRS and are subject to change. Upon termination of employment from the Town, a form provided by the Retirement System is available in the Human Resource Department for the return of accumulated contributions made by the employee if the employee desires to withdraw these funds.

The form must be filled out by the employee, returned to the Town for completion and mailed to the Retirement System office by the Human Resources Director no sooner than thirty (30) days following date of termination.

**B. Section 457 Deferred Compensation Funds:**

Since the New Hampshire Retirement System does not allow for additional contributions other than those percentages permitted by law, the Town has contracted with individual Section 457 Deferred Compensation Plan providers. At present, the Town offers three (3) plans from which employees who wish to make additional, voluntary contributions to their retirement may choose. These are:

1. The International City/County Management Association (ICMA);
2. Nationwide Retirement Solutions, Inc. (formerly PEBSCO); and
3. The Variable Annuity Life Insurance Company (VALIC)

All contributions into any of the foregoing funds are strictly voluntary with dollar limitations on deferrals governed by the Section 457 plan. Deductions are made with pre-tax dollars. Any employee interested in enrolling in any of the foregoing Section 457 plans should contact the Human Resource Department for further information.

**Management Rights – Section 457 Deferred Compensation Plans.** The Board of Selectmen reserves unto itself the right to modify – on behalf of the Town and its employees – the Section 457 Deferred Compensation Plans.

**OTHER**

**Career/Education Reimbursement:**

1. Upon approval by the employee's Department Head, the Town shall pay for course work required for certification or minimum education mandated by Federal, State, or local regulations for the employee's current position. Upon approval by the Department Head, courses, seminars or workshops taken during working hours and required by the Town, shall be paid for by the Town.
2. Regular, full-time, non-union employees shall be eligible for tuition reimbursement of approved course work from an accredited college or university. Said tuition reimbursement shall be with Department Head approval, subject to annual budget appropriations, and in accordance with the Town's "Education Reimbursement Policy" as more particularly described and outlined in the "Policies" Section (Chapter 9) of this Handbook. **Note.** Books and/or other course supplies are not eligible for reimbursement.

**Ambulance Transports:** Per vote of the Milford Board of Selectmen on July 17, 2000, the following policy regarding ambulance transports was adopted: *"Invoices generated for Town of Milford employees and/or their immediate family members resulting from services provided by Milford Ambulance Service will be written off after all insurance*

*payments have been collected. For purposes of this policy, "immediate family member" is defined as: spouse, child(ren) (to include stepchildren and foster children) and parent(s) residing with the Town employee."*

**Computer Loans:** All regular full-time and part-time employees who have completed one (1) year of employment with the Town are eligible to participate in the Town's Computer Loan Program. This program allows employees to purchase computers (and computer-related equipment) through the Town of Milford and to pay for same with interest-free loans repaid through payroll deductions. Employees should contact the Human Resource Office for further information and appropriate forms to enroll in this program.

**Electronic Check Deposit:** Employees may have all (or a portion) of their paycheck electronically deposited into a bank or other financial institution of their choosing. Employees may choose up to four (4) different institutions/accounts in which to make deposits. Employees who choose to electronically deposit only a portion of their payroll check may select up to 2 partial direct deposits and receive the balance of their pay by check in hand. If an employee selects to make 3 or more separate electronic deposits, then that employee's entire payroll must be electronically deposited as no in-hand check will be issued for that employee. Employees should contact the Finance Department or the Human Resource Office for further information.

**Hampshire Hills:** All regular full-time and part-time employees (as well as volunteers) are eligible and encouraged to join the Town's corporate membership with the Hampshire Hills Sports and Fitness Club. Sign-up fees and monthly dues are at a significant cost savings. Employees should contact the Human Resource Office for further information and appropriate forms to enroll in this program.

**Library Cards:** All Town employees are eligible to obtain library cards at the Wadleigh Memorial Library and to borrow books therefrom. Employees should contact the Librarian for further information.

**Town Cemeteries:** All regular, full-time employees who have been employed by the Town of Milford for a minimum of ten (10) years are eligible to purchase a gravesite in one of the Town's cemeteries whether or not the employee resides in the Town of Milford. Employees should contact the Public Works Department for further information.