

The City of Martinsville

Employee Benefits

FY 08-09



Message from Clarence Monday, City Manager

“The City values its employees and offers a diverse package of benefits to not only recruit a competent workforce, but to also retain employees for a long and rewarding partnership.”

This summary describes the benefits currently available to employees under the jurisdiction of the City Manager and includes the following:

- Medical, Dental and Vision Coverage
- Basic and Optional Life Insurance
- Retirement and Deferred Compensation
- Reimbursement Accounts
- Cancer and Intensive Care Insurance
- Paid Leave Programs
- Education and Employee Assistance

These benefits are not a guarantee of continued employment with the City and may be changed or terminated at any time.

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(276) 403-5181
Fax: (276) 403-5375

THE CITY OF MARTINSVILLE BENEFITS PROGRAM—JULY 2008

Retirement Benefits—Employees become a member of the Virginia Retirement System (VRS) from their first day of employment and earn service credit that counts toward retirement eligibility. This benefit is provided at no cost to you. Unreduced retirement benefits are available at age 50 after thirty years of service and after twenty-five years of service at age 50 for public safety employees.

Basic Life Insurance—A natural death benefit equal to twice your annual salary is provided to you free; for accidental death, the benefit is the natural death benefit doubled. Under certain circumstances, supplemental coverage such as dismemberment, safety belt, repatriation, and felonious assault benefits may apply. Administered through the Virginia Retirement System, the group policy is issued by Minnesota Life. Within 31 days of your termination date, the policy can be converted to a private policy.

Optional Life Insurance gives you an opportunity to purchase **additional life insurance** for yourself and your family. Employees must enroll within 31 days of hire date or otherwise must complete a Health Status Form. You may purchase coverage for one, two, three, or four times your salary up to a maximum of \$600,000. Insurance is available for an employee's spouse and children: spouses are eligible for up to 50 percent of the maximum amount of members' optional group life insurance coverage not to exceed \$300,000. Minor children who are at least 15 days of age may be covered in increments of \$10,000, \$20,000 or \$30,000, depending on the level of coverage selected; one premium covers all children. The premium is based on your salary, coverage selected, and age. If both you and your spouse are eligible for Optional Life as employees, you may not elect spouse coverage. Likewise, either you or your spouse, not both, may elect coverage for your children.

Deferred Compensation Plan—You may set aside a portion of your earnings into a retirement investment program through a 457 Deferred Compensation Plan administered by ICMA-RC. Your deduction is not subject to federal and state taxes until you withdraw the money, usually at retirement. You may enroll in the plan or make changes in your deferral any time during the year. The maximum deferral is set by the Internal Revenue Service.

Social Security Benefits—You must contribute to Social Security at a rate of 7.65% of your gross wages. Of this amount, 6.2% is contributed toward social security and 1.45% for Medicare. The City shares equally in the cost of the program. Coverage begins immediately upon employment.

Medical Insurance—Group health insurance is provided through Southern Health, effective on the first day of employment; eligible dependents may also be covered. You may choose from two different plans, which includes vision coverage; the City contributes toward the cost of the benefit. Changes in coverage may be made once a year except where there is a qualifying event.

Dental Insurance—Employees may enroll in voluntary dental benefits through the Delta Dental Plan of Virginia. Major and orthodontics services are subject to a 12-month waiting period from the employee's effective date. Employees have an opportunity once a year to add or drop coverage.

Vision Care—After a co-pay, Spectera Vision Care provides voluntary vision care to eligible employees. The program covers a complete annual eye exam including prescription lenses, frames once every twelve months, or contact lenses (in lieu of spectacle lenses and frames) once every twelve months.

Cancer and Intensive Care Insurance—You and your family can have financial protection during a medical crisis when you are diagnosed with cancer or if you are confined to a hospital intensive care unit. Plans pay you a cash benefit to cover out-of-pocket costs or other expenses associated with this illness or confinement. Benefits are administered by AFLAC. Premiums are pre-taxed in accordance with Section 125 of IRS code.

Flexible Spending Accounts allow you to establish TAX-FREE accounts for reimbursement of eligible out-of-pocket expenses. These are expenses you currently pay with after-tax money. You determine how much to contribute. Look at the expenses you plan for the coming year: dependent care, dental procedures, eyeglasses and contacts, ongoing co-pays for prescriptions, etc. Receipts from the dependent day care or medical provider are sent to a FSA administrator to request a reimbursement.

Short-Term Disability—Provides a source of income if you become disabled due to a sickness or off-the-job injury after you have exhausted your personal paid leave. Monthly benefits are available for periods of 3, 6, 12 or 24 months.

Section 125 Benefit Plan—Saves taxes on the money paid toward certain group-sponsored benefit premiums. This plan allows employee contributions to be automatically deducted from your salary before taxes are taken out. Taxable income is reduced by the amount contributed, so you pay less in taxes and have more take-home pay. Changes may be made annually unless there is a qualifying event. To waive the pre-tax benefit, please contact Human Resources.

LEAVE TIME

Annual Leave—Employees earn annual leave (vacation) time based on length of continuous service. The amount earned starts at eight hours per month for the first four years and increases by two hours each month at five, ten, fifteen, and twenty-year milestones. Employees cease to earn annual leave after specific maximum amounts have been accumulated but not taken.

Sick Leave—Employees earn sick leave at the rate of eight hours per month. The amount increases to 16 hours per month after twenty years of service.

Family Medical Leave—The Family and Medical Leave Act of 1993 assists eligible employees in the care of newborn or newly adopted children and provides for absences to care for themselves, a child, a parent or a spouse faced with a serious health conditions. Eligible employees are entitled to up to 12 weeks of job-protected, unpaid leave during any 12-month period for certain purposes.

Temporary Disability—With a doctor's certification, regular employees are eligible for a temporary disability payment of 30% of salary up to 12 consecutive weeks in any 52-week period, or the maximum duration of the employee's FMLA leave, whichever is less, once the employee has exhausted all sick, annual, and compensatory leave, subject to certain restrictions.

Bereavement or Death Leave—Up to three working days of bereavement or death leave is available to be used when there is a death in the immediate family.

Holidays—The City observes twelve paid holidays per year.

Employee Assistance Program—REACH, the City's Employee Assistance Program, is available to employees and their dependents as a confidential counseling service for work and non-work related problems.

MISCELLANEOUS BENEFITS

Educational Incentive—Upon satisfactory completion of a GED or college-level courses relating to the employee's position, tuition and required textbook expenses may be reimbursed up to \$1000 per fiscal year, subject to prior approval from the department director.

Direct Deposit—As a matter of convenience and prompt payment, employees are encouraged to have their monthly paycheck directly deposited into their regular or savings account.

Credit Union—Employees may join the Virginia Credit Union and participate in a variety of savings, loan, and other financial programs. The Credit Union may be contacted at 1-800-285-5051.

Health and Wellness—The Wellness program encourages employee health and well being through fitness and health promotion activities. The City has a fitness facility in the lower level of City Hall. Annual health care screenings and other related health and wellness opportunities may be provided.

Service Awards—The City recognizes that long, stable service is a benefit both to the citizens we serve and to the organization. To recognize City employees who have reached a specific landmark in their career, and to show appreciation to the employee for his/her continued service, eligible individuals receive a cash award after five years of continuous employment and in subsequent five-year increments. Cash amounts range in value from \$150 to \$2,500.

YMCA—A reduced membership in the YMCA is available for employees and their immediate family members. Dues are payroll deducted and employees can enroll, make changes, or end their membership at any time.

IMPORTANT TELEPHONE NUMBERS

AFLAC – (540) 772-1684

Delta Dental – (800) 237-6060

Finance Department – 403-5145

Horace Mann – 632-3962

Human Resources – 403-5181

ICMA - (804) 379-9135

Minnesota Life – (800) 441-2258

Southern Health – (540) 265-6726

Spectera Vision – (888) 541-4841

Virginia Credit Union –
(800) 285- 6609

Virginia Retirement System –
(888) 827-3847

YMCA – 632-6427