

## SECTION 4 BENEFITS

***One of the most important things that the Town can do for its employees is to ensure that its benefits package is competitive with that of other organizations and that it provides protection and security for Town employees and their families. Our goal is for the Town's benefits package to be such that it retains existing employees, and attracts other highly qualified employees to the Town, helping them to achieve and to be the best they can be.***

### **4.1 GROUP MEDICAL INSURANCE**

The Town shall make a medical insurance plan available to all full-time and part-time employees working an average of 30 hours or more per week, Council Members and all qualifying Town retirees retiring after July 1, 1993. Eligibility for part-time employees shall be based on the weekly average number of hours worked during the initial year of employment and annually during the Affordable Care Act measurement period, which is designated as April 1 through March 31. Employee only coverage for full-time employees and Council Members shall be paid by the Town. For part-time employees eligible for group health insurance, the Town will pay a prorated amount of the premium based on the average number of hours worked per pay period, as compared to forty hours, with the employee paying for the balance of the premium. The premium for part-time employees will be rounded down to 30 hours per week or 35 hours per week, as applicable. The employee may elect to obtain dependent coverage. The amount, if any, the Town will contribute toward payment of the premium for dependent coverage shall be determined annually based on the Town's Annual Adopted Operating Budget. The employee electing to obtain dependent coverage shall be responsible for payment of any premium not paid by the Town for such coverage. The Town will contribute a reduced amount for the coverage of employees hired on and after July 1, 2012. Employees waiving coverage under the plan for themselves and any applicable dependents shall receive a monthly incentive payment for each month they waive coverage, subject to available funding. Employees waiving coverage must provide proof of other insurance coverage. A maximum waiting period of thirty days may be required before the coverage takes effect. Employees may change coverage only during an established open enrollment period unless a qualifying event occurs such as a marriage or divorce, birth or adoption, death, loss or gain of a spouse's health coverage, or disqualification of a child for dependent coverage.

### **4.2 GROUP DENTAL INSURANCE**

The Town shall make a dental insurance plan available to all full-time and part-time employees working an average of 30 hours or more per week, Council Members and all qualifying Town retirees retiring after July 1, 1993. Eligibility for part-time employees shall be based on the weekly average number of hours worked during the initial year of employment and annually during the Affordable Care Act measurement period, which is designated as April 1 through March 31. The Town shall contribute a percentage of individual coverage based on the Town's Annual Adopted Operating Budget. The employee electing to obtain dependent coverage shall be responsible for payment of any premium not paid by the Town for such coverage. For part-time employees eligible for group health insurance the Town will pay a prorated amount of the premium based on the average number of hours worked per pay period, as compared to forty hours, with the employee

paying for the balance of the premium. The premium for part-time employees will be rounded down to 30 hours per week or 35 hours per week, as applicable. The Town will contribute a reduced amount for the coverage of employees hired on and after July 1, 2012. A maximum waiting period of thirty days may be required before the coverage takes place. Employees may change coverage only during an established open enrollment period unless a qualifying event occurs such as a marriage or divorce, birth or adoption, death, loss or gain of a spouse's dental coverage, or disqualification of a child for dependent coverage.

#### **4.3 GROUP VISION INSURANCE**

The Town may offer a vision insurance plan to all full-time and part-time employees working an average of 30 hours or more per week, Council Members and all qualifying Town retirees retiring after July 1, 1993. Eligibility for part-time employees shall be based on the weekly average number of hours worked during the initial year of employment and annually during the Affordable Care Act measurement period, which is designated as April 1 through March 31. The Town shall contribute a percentage of individual coverage based on the Town's Annual Adopted Operating Budget. The employee electing to obtain dependent coverage shall be responsible for payment of any premium not paid by the Town for such coverage. For part-time employees eligible for group health insurance, the Town will pay a prorated amount of the premium based on the average number of hours worked per pay period, as compared to forty hours, with the employee paying for the balance of the premium. The premium for part-time employees will be rounded down to 30 hours per week or 35 hours per week, as applicable. The employee may elect to obtain dependent coverage. The amount, if any, the Town will contribute toward payment of the premium for dependent coverage shall be determined annually based on the Town's Annual Adopted Operating Budget. The employee electing to obtain dependent coverage shall be responsible for payment of any premium not paid by the Town for such coverage. The Town will contribute a reduced amount for the coverage of employees hired on and after July 1, 2012. A maximum waiting period of thirty days may be required before the coverage takes place. Employees may change coverage only during an established open enrollment period unless a qualifying event occurs such as a marriage or divorce, birth or adoption, death, loss or gain of a spouse's vision coverage, or disqualification of a child for dependent coverage.

#### **4.4 CONTINUED HEALTH/DENTAL BENEFITS UNDER CONSOLIDATED OMNIBUS RECONCILIATION ACT (COBRA)**

In accordance with Federal law, (1) insured pay plan employees and Council Members who cease to work for the Town (except for those discharged for gross misconduct) and (2) certain members or former members of the employees' families may participate in the Town's group medical insurance, dental insurance, vision insurance and flexible spending accounts for up to 18 months (or in the case of family members, up to 36 months) after leaving the Town's employ. These individuals shall pay the full cost of the insurance coverage selected plus a two percent administrative fee, prior to the first of each month, in order to continue the insurance. These payments shall be made to the Town of Blacksburg.

#### **4.5 GROUP LIFE INSURANCE**

The Town shall provide group life insurance coverage for all full-time and part-time employees (covered by the Pay Plan and scheduled to work thirty or more hours per week). Coverage for the employee shall be in an amount equal to double his/her annual salary, rounded to the next thousand. Coverage for full-time employees shall be fully paid by the Town. Coverage for part-time employees (covered by the Pay Plan) shall be prorated based on the average number of hours worked per pay period, as compared to forty hours.

#### **4.6 OPTIONAL GROUP LIFE INSURANCE**

The Town shall also make available to all full-time and part-time employees (covered by the Pay Plan and scheduled to work thirty or more hours per week) a voluntary, optional life insurance plan. Coverage is available for the employee at four levels of coverage. Spousal and dependent coverage is also available. The employee shall pay the full premium cost for coverage if elected.

#### **4.7 GROUP SHORT-TERM DISABILITY INSURANCE**

The Town shall provide short-term disability benefits for all full-time and part-time employees participating in the Virginia Retirement System's Hybrid Retirement Plan. This benefit is provided at no cost to the employee. Benefit enrollment for work-related injuries/illnesses occurs when the employee begins employment. There is a one-year waiting period for coverage for non-work injuries/illnesses.

The benefit provides income replacement for (i) 60% of the employee's predisability earnings for the first 60 months of continuous participation in the Hybrid Retirement Plan and (ii) thereafter, a percentage of the employee's predisability earnings during the periods specified by the Code of Virginia, § 51.1-169.

Accrued leave may not be used in lieu of filing a claim for short-term disability benefits. Accrued leave may be used to meet the short-term disability waiting period and to supplement the short-term disability benefits to receive 100% of the employee's predisability income.

#### **4.8 GROUP LONG-TERM DISABILITY INSURANCE**

The Town shall provide group long-term disability insurance for all full-time and part-time employees participating in the Virginia Retirement System's Plan 1 or Plan 2 Retirement Plan. Benefit enrollment occurs at the first of the month following the date of hire. Coverage for full-time employees shall be fully paid by the Town. Coverage for part-time employees (covered by the Pay Plan) shall be prorated based on the average number of hours scheduled to work per pay period, as compared to forty hours. Coverage for the employee shall be in an amount equal to two-thirds of his/her monthly salary.

The Town shall provide long-term disability insurance for all full-time and part-time employees participating in the Virginia Retirement System's Hybrid Retirement Plan. This benefit is

provided at no cost to the employee. Benefit enrollment for work-related injuries/illnesses occurs when the employee begins employment. There is a one-year waiting period for coverage for non-work injuries/illnesses. Coverage for the employee shall be in an amount equal to 60% of his/her predisability earnings.

#### **4.9 RETIREMENT PLAN**

All full-time employees shall be enrolled in the Virginia Retirement System (VRS). Pay Plan employees hired in a VRS covered position prior to July 1, 2010 and vested in VRS by December 31, 2012 are considered participants in Plan 1. Employees hired in a VRS covered position between July 1, 2010 and December 31, 2013 are considered participants in Plan 2. Employees hired into a VRS covered position on and after January 1, 2014 will be covered under the VRS Hybrid Retirement Plan. Law enforcement officers and firefighters covered under enhanced hazardous duty benefits will not be eligible to participate in the VRS Hybrid Retirement Plan, and will be participants in Plan 1 or Plan 2, depending on date of hire into a VRS covered position.

Effective July 1, 2012, payment of the 5% member contribution shall be made by all Plan 1 and Plan 2 employees through salary reduction on a pre-tax basis. All full-time and part-time participants in the VRS Hybrid Retirement Plan will be required to contribute 4% into a defined benefit account with VRS and 1% into a VRS defined contribution account. Hybrid participants will have the ability to voluntarily contribute up to an additional 4% into the VRS defined contribution account. These contributions shall be made through salary reduction on a pre-tax basis. All sworn Police Department employees shall be enrolled in the Law Enforcement Officers Special Benefits Program. All part-time employees (covered by the Pay Plan) scheduled to work thirty hours or more a week shall be enrolled in the Virginia Retirement System. The employer's cost for membership for these part-time employees shall be prorated based on the number of hours scheduled to work per week, as compared to forty hours. Effective July 1, 2012, payment of the 5% member contribution shall be made by all part-time Plan 1 and Plan 2 employees through salary reduction on a pre-tax basis.

#### **4.10 DEFERRED COMPENSATION PLAN**

The Town shall make a Deferred Compensation Plan available to all full-time and part-time employees (covered by the Pay Plan) who work 30 hours or more per week. Participation in this plan is at the employee's own expense.

#### **4.11 RETIREE HEALTH INSURANCE BENEFITS**

##### **1. Eligibility & Subsidy Calculation – Retiree Health Insurance Benefits Program**

A Retiree Health Insurance Benefits Program was established effective July 1, 1993. This program was established to include all Pay Plan employees actively at work on that date. Employees hired from July 1, 1993 through June 30, 2012 may also qualify for this benefit. To qualify, employees must be scheduled to work at least 30 hours/week and retire from the Town (as approved by the Virginia Retirement System (VRS) and/or the Social Security Administration). Additionally, only

employees with a minimum of 15 years of Town service are eligible to participate in the Retiree Health Insurance Benefits Program. All Pay Plan service with the Town will be counted towards total years of service for purposes of recognizing employee tenure, excluding any breaks that have occurred between service. Also eligible to participate are individuals who retire from the Town because of an allowable disability as determined and approved by the Virginia Retirement System.

The Retiree Health Insurance Benefits Program subsidy or credit for health insurance premiums will be based on the following number of years of service that an individual has accumulated with the Town:

<u>Length of Town Service</u>	<u>% of Health Insurance Subsidy or Credit per Month*</u>
15 through 19 years	25%
20 through 24 years	35%
25 through 29 years	45%
30 years and up	50%
Disability	50%

\*Percentage of individual subscriber rate

The subsidy is subject to Town Council’s discretion and may change in the future.

There shall be no subsidy or credit for vision insurance premiums unless specifically included in the Town’s Annual Adopted Operating Budget. In all cases, if the amount of the health insurance subsidy or credit exceeds the premium at any time, the credit will be adjusted to equal the premium amount.

2. Eligibility & Subsidy Calculation – Amended Retiree Health Insurance Benefits Program

Pay plan employees hired on or after July 1, 2012, will be eligible to participate in the Amended Retiree Health Insurance Benefits Program. To qualify, employees must be scheduled to work at least 30 hours/week, have 15 or more years of pay plan service, and retire from the Town (as approved by the Virginia Retirement System (VRS) and/or the Social Security Administration). Employees who retire because of a work related disability under the Amended Program will be eligible to participate in the program regardless of years of pay plan service.

The Amended Retiree Health Insurance Benefits Program subsidy or credit for health insurance premiums will be based on the following number of years of service that an individual has accumulated with the Town:

<u>Length of Town Service</u>	<u>% of Health Insurance Subsidy or Credit per Month*</u>
15 through 19 years	0%**
20 through 24 years	30%

25 through 29 years	40%
30 years and up	50%
Work Related Disability	50%

\*Percentage of individual subscriber rate

\*\*No subsidy/credit is applicable – only the ability to remain on the Town’s insurance plans

The subsidy is subject to Town Council’s discretion and may change in the future. There shall be no subsidy or credit for vision insurance premiums unless specifically included in the Town’s Annual Adopted Operating Budget. In all cases, if the amount of the health insurance subsidy or credit exceeds the premium at any time, the credit will be adjusted to equal the premium amount.

3. Payment Procedures

For those retirees who wish to remain on the Town’s health/vision/dental insurance plan, the monthly health insurance credit referenced above will be applied to the premium cost for the retiree’s coverage. The Financial Services Department will bill the retiree each month for the retiree’s portion of the premium. The retiree will then pay the remaining difference by the end of the month preceding the month of coverage. Payments will be made to the Town’s Financial Services Department. Retirees with a retirement date prior to January 1, 2012 may elect to have the payment drafted from their bank account. Retirees with a retirement date on or after January 1, 2012, must have the payment drafted from their bank account.

For those retirees wishing to obtain their own medical and/or dental insurance coverage, the Town will pay the insurance provider directly. The amount of the monthly health insurance subsidy will be determined in the same manner as the monthly health insurance credit. The subsidy will be paid upon receiving an invoice from the medical and/or dental insurance provider. This invoice should be received by the Town at least two weeks prior to the month of coverage. All balances, as well as any changes in coverage desired by the retiree, will be the responsibility of the retiree.

Because this new program falls under the guidelines for IRS Section 106, a health insurance subsidy or credit cannot be paid directly to a retiree. The health insurance subsidy or credit can only be used to offset the health insurance premium amount and be paid directly to the provider of the health insurance plan. Again, the amount of the monthly credit or subsidy cannot exceed the amount of the monthly health insurance premium for retiree coverage.

The health insurance credit or subsidy can be applied only to the premium cost of the retiree’s coverage. Should the retiree die, the credit or subsidy will end. In all

cases, the credit or subsidy cannot be used to offset the premium cost of spouse or dependents covered by the health/vision/dental insurance plan.

All changes desired by the retiree, whether continuing on the Town's health insurance plan or obtaining health insurance coverage with another health insurance provider, must be made at least two weeks prior to the month for which any changes take effect (for the Town's plan) or far enough in advance so as to allow the health insurance provider to process the desired changes and notify the Town. Again, this notification, and adjusted invoice, if applicable, should be received no later than two weeks prior to the month for which the changes take effect. It will be up to the individual retiree to find out from their health insurance provider how long it will take to process changes and to notify the Town. This only applies to those instances where coverage is not provided through the Town's health insurance plan.

#### 4. Retiree Enrollment

A retiree may remain on the Town's insurance plan until death, provided the retiree's share of the insurance premium is paid according to the provisions stipulated earlier in these procedures and the Town provides insurance for employees or their dependents.

A retiree under the Amended Retiree Health Insurance Benefits Program may remain on the Town's Insurance plan until he/she becomes eligible for Medicare, provided the retiree's share of the insurance premium is paid according to the provisions stipulated earlier in these procedures and the Town provides insurance for employees or their dependents.

#### 5. Spousal Enrollment

A retiree may cover his/her spouse. Effective January 1, 1998, the spouse or dependent must have been enrolled as a dependent of the employee (retiree) a minimum of six months prior to the employee's retirement date from the Town. The retiree will not be allowed to bring a spouse onto the plan at the time of or after his/her retirement date.

Upon the retirement of the employee, the spouse may be carried as a dependent of the employee or as a single subscriber until such time as the spouse becomes eligible for Medicare benefits. Once the spouse reaches Medicare eligibility, he/she will no longer be eligible to participate in the Town's insurance plan.

In order for the retiree to remain insured through the Town's health insurance plan, Parts A and B of Medicare must be elected by the individual and documentation from the Social Security Administration provided to the Town's Human Resources Manager.

All retirees enrolled in the Retiree Health Benefits Program prior to January 1, 1998 are considered to be “grandfathered” in the program regarding spousal enrollment.

6. Changing Plan Options

The retiree may change coverage at the time of retirement by dropping eligible dependents. During open enrollment each year, retirees may change plans and drop benefits and/or dependents. However, retirees may not elect to participate in benefits not elected at the time of retirement, unless noted otherwise. If a retiree drops a benefit plan after retirement, the retiree may not elect to participate in that plan at a later time.

7. Other Dependents

Retirees may cover other dependents, including dependent children up to age 26 or unmarried dependent children at any age who cannot support themselves due to a severe mental or physical disability, if the disability began before the child reached age 25 and was covered under the plan prior to disability. Such dependents must be enrolled a minimum of 6 months prior to the retiree’s date of retirement. A disabled dependent may remain on the town’s plan until the dependent is eligible for Medicare. Once a dependent is no longer qualified to remain on the Town’s plan, he/she would have continuing coverage rights under the provisions of the Consolidated Omnibus Reconciliation Act (COBRA) explained in the Town’s Rules and Regulations

Once a retiree is retired, he/she is no longer eligible to add a dependent to the medical or dental insurance plans.

8. Death

If a retiree dies, the spouse and any dependents would be able to remain on the plan as otherwise specified in these procedures.

9. Enrollment Declined

If the employee elects not to participate in the retiree health benefits program at the time of retirement, he/she will no longer be eligible to participate at any time in the future.

10. Change in Insurance Provider

The retiree may elect to convert from the group plan to a private plan with the Town’s existing health insurance provider. Otherwise, he/she must stay with the group and move to the new company. In either case the retiree’s credit/subsidy would remain as a percentage of the Town provided individual subscriber rate. If the retiree converts to a private plan, the amount of the credit/subsidy would be no



greater than the dollar equivalent of the percentage based on the Town's individual subscriber rate at the time.

#### **4.12 TRAINING AND EDUCATIONAL DEVELOPMENT**

1. The Town offers financial assistance to Pay Plan employees who have completed one year of employment in a pay plan position and complete educational courses, which are related to his/her duties and responsibilities or a logical career path. Wage employees are not eligible for this benefit; however, they may participate in the Town's BEST (Blacksburg Employees Succeed in Training) program as approved by their supervisor. This assistance program is not designed to fund a full-time course of study, but is intended to enhance the quality of work that the individual brings to the job. All educational course reimbursement will be considered on a class-by-class basis for job relevancy and in advance of coursework. The Town will not reimburse employees for books. Employees should request funding for classes during the annual designated timeframe identified by the Human Resources Office for each academic semester.
2. Upon the approval of the Human Resources Manager and the Department Head and the availability of budgetary funds, the Town will provide the following for education related to his/her duties and responsibilities:
  - A. Assistance or reimbursement for the tuition cost of job training programs, correspondence or home study courses, and college or graduate level courses from an accredited institution of higher education. Reimbursement will not be made if the employee fails to complete the training activity, if he/she receives less than a C (or less than a B at the graduate level) in courses for which grades are given, or if he/she receives tuition reimbursement from another public agency. Reimbursement for pre-approved, relevant college or graduate level courses shall be restricted to courses taken at an accredited institution of higher education.
  - B. Special monetary consideration, on a one-time only bonus basis up to a lifetime maximum of \$2,000, for all employees in the service of the Town who achieve the following level of higher education that is job related. (Employees hired after July 1, 1983, will not be eligible for this special incentive pay if they also have been reimbursed more than \$1,000 by the Town, as provided under paragraph 2 above, for the tuition cost of higher education courses leading to the degree.) Educational bonus pay is subject to payroll taxes.
    - Professional Certification, One-Year Trade Certificate, Diploma or G.E.D. Achievement – One-time bonus of 1.0 percent of annual salary
    - Associate's degree (at least 60 credit hours) or Professional Licensure – One-time bonus of 2.5 percent of annual salary.

- Bachelor’s degree (at least 120 credit hours) – One-time bonus of 5 percent of annual salary.
- Master’s degree (at least 30 credit hours beyond the Bachelor’s degree level) – One-time bonus of 7.5 percent of annual salary.

For employees entering the organization with partial degree requirements completed, the percentage of incentive pay shall be prorated according to the number of hours completed after being employed by the Town.

3. Tuition assistance/reimbursement should be viewed by the Town and employee as an investment. If an employee does not continue working for the Town for at least the time specified below, following receipt of tuition assistance or reimbursement, completion of the course, or incentive bonus pay, he or she must reimburse the Town on a prorated basis. Each month of continuous employment with the Town during the repayment period shall reduce the repayment amount proportionally.

College Credit Class	1 year
Trade or Professional Certification	1 year

The employee must sign an agreement to this effect before such payment shall be authorized. A copy of the agreement shall be placed in the employee’s personnel file.

4. Job related training and educational course work should be appropriately recognized in the employee’s annual performance evaluation and any promotional evaluations.

**4.13 WORKERS’ COMPENSATION**

The Town shall require any employee injured on the job and needing medical attention to limit the employee’s choice of physician to those on the Town’s panel of physicians or to a doctor to whom a panel physician refers the employee. The only exception to the panel use would be an emergency requiring immediate medical care. Any treatment by a doctor not meeting one of these criteria will be considered unauthorized treatment and, therefore, subject to nonpayment of certain Workers’ Compensation benefits.

The Town shall obtain the insurance necessary to provide the State mandated Workers’ Compensation coverage. In addition to the benefits provided by the insurance, the Town shall:

1. Pay the employee full salary for the day on which a job related injury occurs with hours off being counted as non-chargeable sick leave on timesheets.
2. Continue to pay the employee’s regular salary during the first seven calendar days following the job related injury, with the days off being counted as non-chargeable sick leave on timesheets.

3. Enroll the injured and still disabled employee under Workers' Compensation on the eighth calendar day following the accident. In addition to the Workers' Compensation benefit, if disability continues beyond the eighth calendar day following the injury, the Town will pay the employee the difference between his/her regular, gross payroll check and the Workers' Compensation benefit after the injured employee submits a copy of his/her Workers' Compensation benefits or other documentation from the insurance company. The procedure for payment to the employee of Workers' Compensation benefits and the difference will be determined by the Town. The amount equal to the Workers' Compensation rate (two-thirds of the employee's regular salary) for the first seven calendar days of work missed following the job related injury will be deducted from the difference, once the employee has missed any time over three weeks of work and has received payment from the Workers' Compensation insurance carrier for the first seven calendar days. It is the intent of these rules that the injured employee receives his/her full salary but not a double payment of wages from both the Town and the Workers' Compensation insurance company.
4. Six months following the injury, the payment of the difference between regular gross payroll and the Workers' Compensation benefit will be reviewed and subject to discontinuance. If this action is taken and the employee wishes to continue receiving this amount, he/she may use accumulated sick or annual leave at a rate of 1/3 day of leave for every day of disability. During this period, the employee shall continue to accrue both sick and annual leave. If the employee does not choose to use this leave, or has exhausted it, he/she must pay the Town in advance for the employee's share of any group benefits or they will be discontinued.
5. Discuss options with the employee in one year following the injury, provided he/she is unable to return to work. These options would include reassignment, disability retirement if the employee is found to be eligible through the Virginia Retirement System and the Workers' Compensation Commission, extension of time to remain on the payroll to be approved by the Town Manager, or removal from the payroll. If removal is needed, a lump sum payment equal to fifty percent of the amount of accrued sick leave (180 day maximum), accrued annual leave (30 or 40 day maximum), holiday leave and compensatory leave shall be paid.

An employee removed from the payroll under this policy, when medically able to work again, may re-apply for any vacant position that is commensurate with his or her skills and will be given priority consideration over other qualified candidates.

#### **4.14 HOLIDAYS**

The Town Council authorizes the following holidays to be observed with full pay for all full-time employees:

New Year's Day .....January 1  
Martin Luther King, Jr. Day ....3<sup>rd</sup> Monday in January  
President's Day .....3<sup>rd</sup> Monday in February  
Spring Break .....Friday of Montgomery County Public School Spring Break  
Memorial Day.....Last Monday in May  
Independence Day .....July 4  
Labor Day .....1<sup>st</sup> Monday in September  
Veteran's Day .....November 11  
Thanksgiving .....4<sup>th</sup> Thursday and following Friday in November  
Christmas .....December 24 and 25

The Town Manager has the authority to designate as either (i) a floating holiday or (ii) a holiday any day that the Governor declares a state holiday if that day is not already recognized as a Town holiday. Town offices will remain open for business on days designated as floating holidays.

Any official holiday that falls on a Saturday shall be observed the preceding Friday. Any official holiday that falls on a Sunday shall be observed the following Monday.

Any employee shall forfeit his/her right to payment for any holiday if he/she has an unexcused absence on the last regular workday preceding a holiday or on the next regular workday following a holiday.

Part-time employees on the Town's Pay Plan shall receive prorated holiday pay based on the budgeted number of workweek hours in addition to the regular holiday hours worked.

#### **4.15 HOLIDAY GIFT CERTIFICATE**

The Town shall provide a Gift Certificate to all Pay Plan employees and Wage employees actively working and hired prior to November 1. The value of the certificate shall be established in the annual budget and shall be distributed in December.

#### **4.16 UNIFORMS/CLOTHING ALLOWANCE**

The Town shall provide uniforms to uniformed members of the Police Department and uniforms and/or clothing allowance to certain employees in other departments, as recommended by the Department Heads and approved by the Town Manager. Employees receiving uniforms are required to wear a complete uniform during work hours and are responsible for cleaning them unless other arrangements have been made by the Town.

Uniforms provided to Police Department employees are Town property and must be returned if an employee resigns or is terminated. Other employees must return uniforms bearing the Town logo that were issued and reimburse the Town on a prorated basis for the purchase cost of the uniforms if they leave employment with the Town during their probationary period. In addition, such other employees (1) shall reimburse the Town on a prorated basis for the purchase cost of uniforms if they leave employment with the Town within six months after being issued uniforms and (2) shall return all uniforms bearing the Town logo prior to being issued final payment. Refer to the applicable department's uniform policy for additional clarification.

Certain non-uniformed employees of the Police Department receive an annual clothing allowance. The Police Chief shall determine which employees are eligible to receive this allowance. The amount of the allowance may be established annually in the Town budget.

#### **4.17 TOOL ALLOWANCE**

The Town shall provide an amount each year as an allowance or reimbursement for repair or replacement of tools owned by the employees but used to work on Town equipment. The following positions are eligible for this benefit: Fleet Operations Supervisor, Lead Mechanic, Mechanic, Mechanic Assistant, and Mechanic - Parts and Service Administrator. Employees shall reimburse the Town on a prorated basis for the allowance if they leave employment in an eligible position within six months of the issue of the allowance or reimbursement.

#### **4.18 EMPLOYEE SERVICE AWARDS**

The Town shall have an awards program whereby employees are presented an award increasing in value with the number of years of service the employee has with the Town. Awards will be presented at completed five-year service intervals. All service with the Town will be credited toward total years of service for purposes of recognizing employee tenure, even where breaks have occurred between service. All Wage employees are required to work a minimum of 500 hours each year to qualify for a service award.

#### **4.19 EMPLOYEE WELLNESS PROGRAM & APPLAUSE**

The Town, wishing to encourage the physical and mental well-being of its employees, shall provide a wellness program, in which all Pay Plan employees are encouraged to participate. This program, referred to as Be T.U.F.F. (Blacksburg Employees Team Up for Fitness), shall include, but not be limited to, the following:

1. Membership in the Be T.U.F.F. program making the employee eligible to exercise for incentive awards paid for and provided by the Town.
2. Membership in the Wellness Program, offered in conjunction with the Parks and Recreation Department and Be T.U.F.F., making Pay Plan employees and retirees eligible to use the Town's recreation facilities at the reduced cost of \$1.00 per pay period/\$26.00 per year. Employees participating in this program will be limited to one free game of golf per week. Wage employees are also eligible to participate in this benefit if he/she meets one of the following criteria:

- a) worked a minimum of 1,000 hours during the previous fiscal year, or
- b) worked a minimum of 500 hours during the previous fiscal year and has continuous employment for a minimum of five years.

Membership in the Wellness Program can be cancelled at the end of the fiscal year only.

The Applause program is an incentive program that allows eligible employees to earn awards based on training and safety achievements, as well as participation in the Employee Wellness program. Points earned through this program can be exchanged for incentive awards. All Pay Plan employees are automatically enrolled in the Applause Program. Wage employees hired prior to July 1, 2011, are grandfathered into the program until they end their current position(s) with the Town.

#### **4.20 EMPLOYEE ASSISTANCE PROGRAM**

The Town shall contract with a provider to offer a confidential employee counseling service to Town employees, volunteers of both the Fire and Rescue Squads, and immediate family members who reside in the home of the employee/volunteer.

#### **4.21 SICK LEAVE BANK**

The Town shall provide a Sick Leave Bank to all Pay Plan employees participating in the Virginia Retirement System's Plan 1 or Plan 2 Retirement Plan who have completed the first six months of original employment or re-employment and deposited the equivalent to one day of sick leave into the bank. The maximum deposit shall be eight hours, regardless of the number of hours worked by the employee.

1. The eligible employee may use the sick leave bank benefit for an extended illness or injury that requires the employee to use all accumulated sick, compensatory, exempt, holiday, Applause and annual leave. The benefit is for the employee's personal injury or illness, and not to be used for those of other family members.
2. The eligible employee must apply for this benefit by the completion of a Sick Leave Bank Application Form. A physician's certificate is required to support the illness or injury that prevents the employee from working. The application and supporting physician's certificate must be submitted to the Human Resources Office for processing.
3. To be eligible for a loan from the bank, an employee with less than 5 years of pay plan service with the Town must have a minimum of 40 hours of accrued leave at the time of the qualifying illness/injury. An employee with 5 or more years of pay plan service with the Town must have a minimum of 80 hours of accrued leave at the time of the qualifying illness/injury to be eligible for a loan from the bank. All accrued sick, compensatory, exempt, holiday, Applause and annual leave must be taken before obtaining a loan from the bank. If the employee is receiving compensation under the Town's Workers' Compensation Program or the Town's

Long Term Disability Plan, the employee will not be eligible for a loan from the bank. An employee who is disabled from work and has received approval for disability retirement benefits through the Virginia Retirement System and/or Social Security will not be eligible for a loan from the bank after the effective date of retirement.

4. The first 240 scheduled working hours of each illness or injury within a 12 month period must be covered by the employee's own accumulated leave or be taken as leave without pay.
5. An employee may borrow a maximum of 280 hours from the bank. Employees must return to work and must follow the procedures described above before becoming eligible again to utilize sick leave bank benefits. If the employee suffers a relapse within thirty calendar days, due to the same illness or disability, the member need not meet another waiting period. If the employee utilizes the bank more than once, the 280 hour maximum loan amount cannot be exceeded for all combined loans. In determining the 280 hour maximum, prior repayments of bank hours shall not be included in the 280 hour maximum.
6. Annual and sick leave will continue to accrue as long as the employee is on a paid status, including payment through loaned hours.
7. Upon the employees return to work following receipt of the loan, the employee shall have deducted 50% of each pay period's sick leave accrual until the loan is repaid in full. In addition, the employee shall have deducted 1 hour from each pay period's annual leave accrual until the loan is repaid in full. Upon termination of employment, any balance due the sick leave bank shall be deducted from the employee's balance of unused holiday bank, sick and/or annual leave. Any remaining balance shall be withheld from the employee's final check, as allowed by Federal and state law, or billed to the terminated employee. The maximum repayment period for a terminated employee may not exceed 60 months, and the minimum monthly payment shall be \$50. The remaining balance will be excused in the event an employee qualifies for VRS and/or Social Security Disability Retirement or in the event of an in-service death. The Town Attorney, Finance Director and Human Resources Manager will prepare a collection policy to use as a guideline for those employees who fail to repay their loan amount in full.
8. The enrolled Pay Plan employees may be assessed an additional one hour of sick leave at the beginning of each fiscal year beginning July 1, 2017. Notification of such an additional assessment will be sent to each employee prior to any deductions from accrued leave.

#### **4.22 ROTH INDIVIDUAL RETIREMENT ACCOUNTS**

The Town shall make Roth Individual Retirement Accounts available to all full-time and part-time employees (covered by the Pay Plan) who work 30 hours or more per week. Participation in this plan is at the employee's own expense.