



Employee Benefit Summary

July 1, 2016 – June 30, 2017

BENEFITS AVAILABLE TO EMPLOYEES WORKING 20+ SCHEDULED HOURS PER WEEK

Health Insurance - Two health insurance programs are available through Blue Cross Blue Shield of Massachusetts: PPO Blue Options v.4 or Network Blue Options v.4. The Town pays 71% of the premium and the employee pays 29%. Payroll deductions for the health insurance may be taken pre-tax. Effective July 1, 2016 through June 30, 2017 the monthly employee contributions are as follows: Network Blue Options-\$231.46 for individual and \$620.02 for family; PPO Blue Options-\$233.56 for individual and \$625.62 for family. *(Note: For new employees health insurance is effective on the first day of the month after 30 days of employment.)*

Dental Insurance - A dental plan is available through Altus Dental. The employee pays 100% of the premium. Payroll deductions for the dental insurance may be taken pre-tax. Effective July 1, 2016 through June 30, 2018 the monthly cost to an employee is \$55.46 for an individual plan and \$144.71 for a family plan. *(Note: For new employees dental insurance is effective the first day of the month after 30 days of employment.)*

Life Insurance - Term life insurance is available through Boston Mutual Life Insurance Company. The Town will pay 50% of the monthly premium of \$8.35 for the basic \$5000 life insurance policy. Additional term life insurance and dependent life coverage is available with the employee paying the whole premium. The additional term life insurance cannot be carried into retirement. *(Note: For new employees life insurance is effective the first day of the month after 30 days of employment.)*

Flexible Spending Accounts – This program, administered by Cafeteria Plan Advisors, Inc, allows employees to set aside a certain amount of income on a pre-tax basis to pay for dependent care (day care and elder care) and out-of-pocket medical expenses. The Federal Government limits employee contributions to a Dependent Care Account to \$5,000. The Town limits employee contributions to a Medical Reimbursement Account to \$2,550. *(There is a \$60 annual administrative fee).*

Retirement - Employees working less than 1,690 scheduled hours per year the Town has adopted a 457 Plan under the Internal Revenue Codes. This means that 7.5% of your gross salary will be deferred and invested in an account in your name at ICMA Retirement Corporation. These Employees **will not** have a social security deduction. All employees are subject to the 1.45 % Medicare tax and could be Medicare eligible at age 65 if he/she meet the requirements of the Social Security Administration

Employees working 1,690 or more hours per year, which is considered full-time by the Reading Retirement Board, membership in the Massachusetts contributory retirement system is mandatory. Payroll deductions are at 9 % of payroll unless the employee is transferring from another system at a different percent. An additional 2 % is deducted for earnings over \$30,000. Employees will not have a deduction for social security. All employees will be subject to the 1.45 % Medicare tax and could be Medicare eligible at age 65 if they meet the requirements of the Social Security Administration.

Teachers - Membership in the Massachusetts contributory retirement system is mandatory for permanent, full time employees. For a new employee hired after July 1, 2001, payroll deductions are at 11 % of payroll unless the employee is transferring from another system at a different percent. Employees will not have a deduction for social security. The employee will have a Medicare tax of 1.45% deducted from payroll and could be Medicare eligible at age 65, if he/she meets the requirements of the Social Security Administration.

Deferred Compensation Plans - A pre-tax 403(b) Tax Sheltered Annuity is available to any School Department Employee. These plans may be set up with one of the seven providers designated by the Town.

A pre-tax 457 retirement savings plan is available through ICMA Retirement Corporation to all Town and School Employees.

Credit Union - Savings accounts and loans are available through the Credit Union. Payroll deductions may be deposited to a savings account or to pay off a loan.

Direct Deposit - Payroll checks are issued bi-weekly and the Town encourages payroll checks to be electronically deposited into an account at any bank.

Sick Leave Bank - An employee may choose to join the Sick Leave Bank to protect against loss of income due to long term illness or disability.