

## CHAPTER 4            BENEFITS

### 4.01    Health Insurance

All regular full-time employees are covered by medical, dental, and vision insurance on the first day of the month following employment. This insurance generally provides for payment of hospitalization, major medical expenses, dental and vision expenses, and prescription drugs. Participation in this program is compulsory for all regular full-time employees, and may result in out of pocket costs for premiums, depending upon the plan chosen by the employee. Coverage for dependents is available by payroll deductions at reduced group rates on the first day of the month following employment. Detailed information concerning employee insurance is contained in the Health Insurance Booklet.

- A. An employee who separates from the Town and who qualifies for retirement, as defined by the Texas Municipal Retirement System, is eligible to continue health insurance benefits provided that election is made prior to or on the effective date of separation unless the separating employee is eligible for group health benefits coverage through another employer.
- B. Dependents current during active employment shall be eligible to remain after retirement, if elected by the retiree.
- C. Upon participant eligibility for federal Medicare benefits, the Town's group health plan shall become secondary payer to these benefits and any subsidies paid to the retiree shall end.
- D. The Town reserves the right to adjust retiree contribution rates as it deems necessary for the fiscal health of the plan. Notification of any changes to retiree contribution rates shall be made in advance of any new plan year.
- E. The contribution rates for retirees and their dependents beginning January 1, 2015 shall be based upon the retiree premium rates as developed in the most recent actuarial valuation report of the Town's retiree health care plan.

#### **4.02 Life Insurance**

The Town provides group term life, accidental death and dismemberment, and long term disability insurance coverage for all regular full-time employees. The cost of providing this insurance coverage to employees is paid by the Town. Optional supplemental coverage for employees and their dependents is available by payroll deductions at reduced group rates on the first day of the month following employment. Detailed information concerning life insurance is contained in the Life Insurance Booklet.

#### **4.03 Cafeteria Plan (IRS Section 125)**

Each employee of the Town of Flower Mound is able to design an additional benefit program, meaning he can choose optional benefits that best accommodate his personal situation. Included in the cafeteria plan are major medical insurance plans and supplemental insurance policies, including accident, cancer and life insurance, and flexible spending account benefits. Such programs are available through payroll deductions with pre-tax dollars on the first day of the month following employment.

#### **4.04 Workers' Compensation Insurance**

Any Town employee injured as a result of duties performed in the course and scope of his job shall be eligible to receive workers' compensation benefits at no expense to the employee.

#### **4.05 Social Security**

All employees of the Town are covered under the Federal Insurance Contributions Act (FICA) in accordance with Federal law.

#### **4.06 Retirement**

The Town of Flower Mound is a member of the Texas Municipal Retirement System. The purpose of this system is to provide a plan for the retirement of employees of Texas municipalities. Participation in this system is compulsory for all regular employees who are scheduled to work a minimum of one thousand (1,000)

hours annually. Enrollment into this system shall be handled by the Human Resources Division at the date of employment.

- A. The plan requires a contribution be made by means of payroll deductions. The Town matches each employee's contribution at a 2:1 ratio.
- B. In the event a member of the retirement system leaves the employment of the Town prior to retirement, and is not vested, such member may elect to leave his contributions on deposit with the system for not more than five (5) years, may file application for a full refund of the employee's contributions and accrued interest thereon, or may roll the funds over into a qualified account. In the event an employee receives a full refund of his contributions, the employee forfeits any seniority towards retirement under TMRS.
- C. Where practical, employees shall give the Human Resources Division written notice of their intent to retire at least two (2) months prior to the proposed date of retirement in order to file a written application for retirement with TMRS.
- D. Complete details of the retirement plans, as well as additional information, is provided in the Texas Municipal Retirement System Handbook available through the Human Resources Division.
- E. Employees on leave without pay are not eligible to make contributions to the Texas Municipal Retirement System.

#### **4.07 Tuition and Fees Reimbursement**

All regular full-time employees have the opportunity for furthering their education beyond certification and/or licensing courses. Regular full-time employees who have completed a minimum of six (6) months employment are eligible for tuition and mandatory fees reimbursement subject to budgetary constraints. Due to the benefits derived to the citizens and employees, the Town shall participate in the costs of a degree program (through master level), if such degree is related to the employee's Town job duties, based on the grade obtained by the employee in the degree program, in

accordance with the following schedule:

Grade Obtained	Percent of Town Cost
A	100%
B	90%
C	50% (0% for master level)
D	0%
F	0%

Pass/fail courses will be reimbursed at 50%. Reimbursement is limited to \$1,500 per fiscal year and \$12,000 maximum during the employee's career at the Town.

The degree plan undertaken by the employee must receive prior written approval by the employee's Department or Division Head to ensure that the course of study shall benefit the Town. Written approval must then be submitted to the Human Resources Division. Tuition and fees reimbursement excludes the cost of books and is only applicable to state supported and state accredited institutions. Employees attending private, accredited institutions shall be reimbursed up to the average cost of a state supported and accredited institution in the Dallas/Fort Worth metroplex, as determined annually by the Human Resources Division. Participants must fulfill a two (2) year service obligation from the date of the most recent reimbursement. An employee is required to reimburse the Town in a lump sum if he leaves employment within two (2) years of the date of any reimbursements. The Town may deduct these expenses from an employee's final paycheck.

The Town will not reimburse tuition paid from other sources such as veteran's benefits, public safety programs/discounts, social security benefits, or any other type of grant or scholarship.

The time expended by the employee involved in a course approved under this plan shall not be considered as "on-duty" time. Expenses related to travel, meals or lodging are the cost of the employee and are not considered for reimbursement under this plan.

Upon completion of the approved course, the employee shall submit a request for

reimbursement, payment receipts, and a copy of official grade(s) within 30 calendar days of the last session dates. Requests submitted more than 30 calendar days of the last session will not be eligible to receive tuition reimbursement.