

HEALTH BENEFITS

Medical (United Health Care)

Employees may choose coverage with United Health Care under the HMO Plan (Choice) or PPO Plan (Choice Plus). The City of Gaithersburg pays 85 percent of the lowest HMO monthly premium and the employee pays the remainder in each tier: single, two-person, or family. Open enrollment is held each May.

Dental (Assurant Employee Benefits)

Assurant Employee Benefits is an indemnity plan with a dental maintenance organization (DMO) option. Employees may select a dentist of their choice or may receive increased savings for services provided if they select a participating dentist using the DMO option. The City of Gaithersburg pays 85 percent of the premium and the employee pays the remainder in each tier: single, two-person, or family. Open enrollment is held each May.

All medical and dental insurance premiums are pre-taxed. Employees who waive medical and/or dental coverage offered by the City may request that the City contribute a portion of its share of the cost of individual coverage to a Retirement Health Savings (RHS) Plan, a non-taxable savings plan. Employees may use monies contributed to the Plan for eligible health care expenses not reimbursed through medical or dental programs.

Long-Term Care Insurance (Unum)

The City of Gaithersburg pays 100 percent of the base plan cost of long-term care insurance. Long-term care insurance will assist in paying the costs associated with home care, assisted living, or nursing home care. Participants also have the option of purchasing additional long-term care insurance coverage for themselves or coverage for eligible family members at group rates through payroll deduction. Open enrollment is held each May.

Flexible Spending Accounts (HFS Benefits)

Flexible Spending Accounts allow employees to pay for certain medical, dental, and dependent care expenses with pre-taxed dollars, which means that taxable earnings are reduced so the employee pays less taxes on earnings thereby increasing take home pay. The maximum amount that can be set aside for health care expenses per calendar year is \$3,000; and the maximum that can be set aside per calendar year for dependent care is \$5,000. Employees wishing to participate in either of these plans must enroll/reenroll each January 1. The City of Gaithersburg pays all administrative costs.

INCOME PROTECTION

Long-Term Disability Insurance

Long-term disability insurance is provided as a source of income protection if an employee is injured on or off the job. This coverage will provide the employee with up to 60 percent of his/her salary, up to a maximum of \$6,500 per month, beginning 90 days after the onset of disability. This is an employer taxable fringe benefit; therefore, any income an employee receives from long-term disability insurance is not taxed.

Workers' Compensation Insurance

All employees are covered by Workers' Compensation insurance in the event they sustain a work related injury, illness or death that arises in the course of their employment with the City. Under the City's Workers' Compensation policy, an employee will be provided with full pay, up to the first 90 days after an accident, if the employee is unable to return to work. After 90 days, Workers' Compensation will pay 66 2/3 percent of the employee's gross average weekly wage at the time of the accident up to a statutorily established cap. Workers' Compensation insurance will pay for all reasonable medical expenses related to the accident, disability, or death. Any work-related injuries/illnesses should be immediately reported by the employee to his/her supervisor. Any income received from Workers' Compensation is not taxed.

RETIREMENT BENEFITS

Employees are eligible to enroll in all City of Gaithersburg retirement plans immediately upon hire.

401A Money Purchase Plan (ICMA-RC)

The City of Gaithersburg will contribute the equivalent of 8 percent of the employee's base annual salary at no cost to the employee. This retirement plan has a gradual vesting schedule; and an employee is fully vested after five years of service. All contributions are tax deferred.

401A Money Purchase Supplemental Retirement Plan (ICMA-RC)

This retirement plan is available to employees in the Public Works and Police Departments that have physically demanding jobs. The City of Gaithersburg will contribute up to a maximum of 5 percent of the employee's annual base salary if the employee is contributing at least 5 percent in the 401K Profit Sharing Plan and at least 5 percent in the 457 Deferred Compensation Plan. This retirement plan has a gradual vesting schedule; and an employee is fully vested after 10 years of service. All contributions are tax deferred.

401K Profit Sharing Retirement Plan (ICMA-RC)

The City of Gaithersburg will match 3 percent of the first 5 percent contributed by the employee. This retirement plan has a gradual vesting schedule; and an employee is fully vested after five years of service. All contributions are tax deferred.

457 Deferred Compensation Plan (ICMA-RC)

This is a supplemental retirement plan which is funded through employee contributions only. No vesting period is required. All contributions are tax deferred.

Roth IRA (ICMA-RC)

This is a supplemental retirement plan which is funded through employee contributions only. No vesting period is required. Contributions are not tax deferred; earnings on Roth IRA accounts may be distributed tax-free, provided they are not withdrawn in the first five years.

To retire from the City of Gaithersburg under the General Retirement Plan, an employee must be at least 50 years of age, have at least 15 years of service, and years of service plus age must equal 75. Employees retiring under the General Retirement Plan pay the same percentage of medical insurance premiums as an active employee.

To retire from the City of Gaithersburg under the Early Retirement Plan, an employee must be at least 46 years of age and have a minimum of 20 years of service. Employees retiring under the Early Retirement Plan contribute 5 percent more in employee share cost of medical insurance premiums than paid by employees in the General Retirement Plan. All other benefits afforded to a retiree at the time of retirement remain the same whether an employee retires under the General Retirement Plan or the Early Retirement Plan. Benefits added after an employee's retirement date are not provided to the retiree.

VOLUNTARY BENEFITS

Employees have the opportunity to participate in the following:

- Direct Deposit
- Credit Union (Montgomery County Employees Federal Credit Union)
- Microsoft® Home Use Program
- Complimentary Membership to All City of Gaithersburg Recreational Facilities
- Reduced Rates for City of Gaithersburg Recreation and Leisure Activities

Contact the Human Resources Department for further information.

SURVIVOR BENEFITS

Life insurance benefits are provided at no cost to the employee.

Life Insurance (CIGNA)

Basic Life and Accident Insurance

In the event of the employee's death due to natural causes or accident, the employee's beneficiary will receive three times the employee's annual salary up to a maximum of \$350,000. If an employee suffers a severe bodily injury as a result of an accident, the employee's beneficiary will receive the maximum benefit, or portion thereof, depending on the injury sustained. If the employee's death or severe bodily injury is the result of an automobile accident and the employee is wearing a seatbelt, the employee's beneficiary will receive an additional benefit of the lesser of \$10,000 or 10 percent.

Life Insurance (CIGNA)

Accidental Death and Dismemberment

Employees are also covered by this supplemental life insurance policy if their death or severe bodily injury is due to an accident. In that event, the employee's beneficiary will receive a payment in the amount of four times the employee's annual salary up to a maximum of \$250,000 (in addition to the Basic Life & Accident Insurance payment). If the employee's death or severe bodily injury is the result of an automobile accident and the employee is wearing a seatbelt, the employee's beneficiary will receive an additional benefit of the lesser of \$10,000 or 10 percent.

Are Your Beneficiary Designations Current?

You may revise or change your beneficiary designations on any of your benefit plans at any time. If you would like to review your current beneficiaries, or make a change in beneficiaries, please contact the Human Resources Department.

PAID TIME OFF

Annual Leave

Employees earn annual leave based on length of service (0-3 years – 3.69 hours per pay period; 4-6 years – 4.62 hours per pay period; 7-9 years – 5.54 hours per pay period; 10-12 years – 6.46 hours per pay period; after 12 years – 7.38 hours per pay period). Annual leave may be accrued up to a maximum of 240 hours at the end of any calendar year. Any excess leave will be credited to accumulated sick leave. Employees who resign or retire from service will be paid for unused annual leave up to a maximum of 240 hours.

Sick Leave

Employees earn 4.62 hours of sick leave each pay period. Sick leave may be accrued with no maximum balance, and may be applied day-for-day in order to assist an employee in meeting the years of service retirement requirement. Upon retirement, the employee shall be paid for one quarter of their accrued sick leave.

Personal Leave

Employees may use 16 hours of their accrued sick leave each calendar year for personal obligations. If personal days are not used during the calendar year, they remain in the employee's accrued sick leave balance.

Holiday Leave

Employees receive eight hours of paid holiday leave for 10 holidays observed by the City each year. City offices are closed on New Year's Day, Martin Luther King, Jr., Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Thanksgiving Friday, and Christmas Day. Employees also receive 12 hours of discretionary floating paid holiday leave to use within the calendar year at a time of their choosing with their supervisor's prior approval.

The City of Gaithersburg also grants time off for jury duty, bereavement leave, and military leave. For more information, contact the Human Resources Department.

SPECIAL PROGRAMS & BENEFITS

Contact the Human Resources Department for more information on these special programs and benefits.

Tuition Assistance Program

The City will pay a maximum of \$3,500 per eligible employee per fiscal year to encourage and support efforts to obtain skills, knowledge, and abilities that increase the employee's effectiveness and work performance in his/her present position and improve his/her career opportunities with the City of Gaithersburg. Employees who have successfully completed their probationary period with the City are eligible to participate in the Program.

Employee Assistance Program (EAP)

The Employee Assistance Program provides short-term, confidential counseling for employees and their family members at no out-of-pocket expense to the employee. The employee and each of his/her eligible dependents may receive up to six free counseling sessions.

GFit Wellness Program

The GFit Wellness Program is a healthy lifestyle incentive program to help employees take an active role in preserving their good health and improving their overall quality of life. The program offers quarterly reimbursement of up to \$35 per month (a maximum of \$420 per fiscal year) for eligible expenses.

Multilingual Skills Compensation Program

Certified employees who use multilingual skills to assist the general public on a daily basis are eligible to be compensated for these services. Employees are compensated on a flat rate basis (\$80 per pay period; a maximum of \$2,080 per fiscal year).

Housing Stipend Program

Employees who reside within the corporate limits of Gaithersburg and meet other eligibility requirements and income limits may receive a housing stipend to assist in the costs of rent or mortgage payments.

Personal Cell Phone Program

Employees receive discounted service rates and are eligible to purchase up to two personal cell phones through this program. Cost of the phones and monthly service plan fees are paid by the employee through payroll deduction.

Uniforms/Clothing Allowance

Uniforms are provided at no cost to all City of Gaithersburg employees who are required to wear uniforms as part of their normal job duties. A clothing allowance to provide for the purchase of required clothing and equipment may be authorized by the City Manager based upon an employee's job requirements.

ABOUT YOUR BENEFIT REPORT

Your fringe benefits contribute greatly to your annual compensation and to your personal well being. The purpose of this report is to help you better understand the value of your benefit program, and every effort has been made to accurately communicate your benefits in this report. Please note that errors do occasionally occur. If you discover any discrepancies in your report, or if you need help understanding its contents, please contact the Human Resources Department. All classified employees and unclassified management employees are eligible to receive the benefits summarized in this document. Additional information is provided in the City's Personnel Rules & Regulations Manual, available in Human Resources or on-line at www.gaithersburgmd.gov.

General Assumptions: The nature of a benefit report requires certain assumptions to be made. It assumes, for example, that your income and benefits will remain unchanged for one year.

This report is only a summary. The actual determination of your benefits is based solely on the plan documents. This summary report is not legally binding, it is not a contract, and it does not alter or amend any original plan documents. We hope this report will be helpful to you and your family in planning for your financial security.