



CITY OF GAITHERSBURG

SUMMARY OF AVAILABLE BENEFITS FOR ELECTED OFFICIALS

This summary of benefits highlights general information about the benefits available to the City of Gaithersburg's Mayor and City Council members; additional information is available from the Department of Human Resources. Participation is optional, not mandatory.

Compensation

Sections 5 and 16 of the City Charter establish the salary and benefits of the Mayor and members of the City Council. Each July 1, the Mayor and members of the City Council receive a salary adjustment equal to the Consumer Price Index for the Washington Metropolitan Region (as established in the November report), plus one percent (1%). Using this formula, salaries of elected officials were increased by 3.5 percent for FY 2026 (July 1, 2025 – June 30, 2026). Therefore, effective July 1, 2025, the Mayor is eligible to receive an annual salary of \$38,288.09, and each member of the City Council is eligible to receive an annual salary of \$30,630.58.

These sections of the Charter further provide that the Mayor and members of the City Council receive funds annually which may be used for the purchase of City benefits available for elected officials (as summarized herein). Starting in July 2022, the amount of this benefit stipend is adjusted every four years; the amount of the adjustment is equal to the lesser of \$500 or the average percentage of increase of medical insurance premiums for non-Medicare eligible City employees during the previous four-year period. The FY 2026 annual benefit amount is \$4,851.08, with the next adjustment scheduled for July 1, 2026. Any funds not used to purchase City benefits may be credited to the elected official's 457 Deferred Compensation Plan or be taken as salary in each payroll period (biweekly), at the elected official's option.

Elected officials have the authority to decline all or any portion of the annual salary and benefits provided to them.

Section 5A of the City Charter establishes that every four years the Mayor shall appoint, with concurrence of the City Council, a committee to review the compensation and benefits of the Mayor and City Council and to provide recommendations within 120 days whether any adjustments to the Mayor and City Council salary and benefits should be made. The committee's recommendations are advisory in nature and the Mayor and City Council have the option of accepting, rejecting, or modifying any such recommendations. The next review committee is scheduled to be appointed in November 2028.

Pay Dates & Direct Deposit

Officials are paid biweekly on the same schedule as City employees. The standard pay period begins at 12 a.m. on Sunday and ends 14 calendar days later at 11:59 p.m. on Saturday. Pay dates are on Friday of the week following the pay period. City Officials will have their salaries directly electronically transferred to an account or accounts selected by the individual.

Health Benefits

General Information

Elected officials have up to 30 calendar days from the date of taking office to enroll in medical, dental, vision, and long-term care insurance coverage; coverage is effective upon enrollment unless otherwise indicated. Elected officials pay 100 percent of the premium in each coverage tier offered.

Payments for the official's share of insurance premiums are made through payroll deduction during each payroll period. If coverage begins prior to the 15th of the month, the individual is responsible for paying the premium for the entire month; if coverage begins on or after the 15th of the month, the individual will begin paying the premium in the first paycheck of the next month.

Elected officials, their qualifying spouse, and qualifying family members are eligible for insurance coverage; documents to substantiate eligibility will be required. The Medical, Dental, and Vision Plans allow a qualified child to remain on a parent's insurance policy until the child reaches the age of 26.

Benefit elections remain in effect for an entire fiscal year unless the elected official experiences a qualifying life change event (marriage, divorce, birth/adoption of a child, etc.). In such cases, the official must enroll in, discontinue, or make changes to insurance coverage within 30 days of the date of the qualifying event; changes must be consistent with the qualifying event. Otherwise, changes to health benefits may only be made during open enrollment periods, which are held annually prior to the beginning of each fiscal year. Reenrollment in health benefits is required each year during open enrollment whether or not changes are requested.

Medical (CIGNA HealthCare)

Medical insurance coverage is offered through the CIGNA HealthCare Open Access Plan. The Open Access Plan design is a network-based plan that encourages participants to receive covered services from preferred physicians, health care practitioners, or facilities (like an HMO) but allows participants to use non-preferred physicians, health care practitioners, or facilities with some out-of-pocket costs. No referrals are required. *(Medicare eligible officials are eligible to participate in a different medical insurance plan; more information will be provided by the Department of Human Resources, if applicable.)*

Participants are required to meet an annual (fiscal year) deductible, which is the amount a participant needs to pay before the plan starts paying benefits (copays do not apply to the deductible); however, the City reimburses eligible participants for the deductible amount applicable to services provided by in-network providers (no reimbursement for copays or out-of-network deductibles).

Dental (Sun Life Employee Benefits)

This indemnity plan with a dental maintenance organization (DMO) option allows participants to select a dentist of their choice or to receive increased savings for services provided if they select a participating dentist using the DMO option. Two options are offered: the Basic Plan and the Enhanced Plan, which offers enriched benefit coverage to the Basic Plan at an additional cost to the participant. The maximum allowed benefit per person is \$2,000 annually and lifetime orthodontic benefit of \$2,000.

Vision (National Vision Administrators)

This network-based plan encourages participants to receive covered services from participating providers but allows the use of non-participating providers with some out-of-pocket costs.

Long-Term Care Insurance (Unum)

Long-term care insurance assists in paying the costs associated with home care, assisted living, or nursing home care. All officials are automatically enrolled in base plan long-term care insurance coverage at the time they take office (maximum benefit \$72,000) at no cost to the official.

Participants also have the option of purchasing additional long-term care insurance coverage for themselves or coverage for eligible family members at group rates. (Premiums for additional coverage are based on participant's age, plan selected, monthly benefit amount, and benefit duration. Additional information is available from the Department of Human Resources.)

Mobile Devices for Official Use

The Mayor and members of the City Council may be provided with City-owned cellular devices for official use or may utilize their personal cellular device and receive an annual stipend for the cost of service. Additional information is available from the Department of Finance & Administration.

Retirement Benefits

The Mayor and members of the City Council are eligible to enroll in City of Gaithersburg retirement plans immediately upon taking office. MissionSquare Retirement administers the retirement savings plans for the City. MissionSquare Retirement provides plan administration, education, and communication services, and sponsors investment options for deferred compensation and qualified retirement plans maintained by state and local governments for their employees and officials. Retirement plans offered to elected officials are:

457 Deferred Compensation Plan

This supplemental retirement plan is funded through participant contributions only; no vesting period is required. Participants in this plan can take distributions from the plan upon separation from City service without an IRS penalty regardless of the participant's age. Participant contributions to this plan are tax deferred. (Funds provided to the Mayor and City Council members for the purchase of City benefits which are not expended for benefits will be credited to the elected official's 457 Deferred Compensation Plan if they are not taken as salary.)

Roth IRA

This supplemental retirement plan is funded through participant 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.

Survivor Benefits

Basic Term Life & Accident Insurance (Lincoln Financial Group)

This plan is offered to elected officials; premiums will be paid 100 percent by the official. In the event of the official's death due to natural causes, the individual's beneficiary will receive \$100,000 and an additional \$100,000 if death or severe bodily injury is due to an accident. The value of the policy reduces to 65% at age 70 and to 50% at age 75 and over (and the premium is adjusted accordingly).

Special Benefits & Programs

Mayor and City Council members have the opportunity to participate in the following benefits/programs immediately upon taking office. Please contact the Department of Human Resources for more information on these special programs and benefits.

Credit Union

Officials have the option of participating in the SkyPoint Federal Credit Union, a member-owned, not-for-profit financial institution dedicated to serving government employees, local employee groups, and their families.

Microsoft® Workplace Discount Program

This program enables elected officials to buy an annual subscription of Microsoft® 365 Family or Microsoft® 365 Personal at a 30% discount for use on personal devices. More information may be accessed here:

<https://www.microsoft.com/en-us/workplace-discount-program>

Recreation & Leisure Opportunities

Elected officials receive a complimentary membership to all City recreational facilities and are eligible to participate in City recreation and leisure activities (classes, trips, etc.) at a reduced rate.

Personal Cell Phone Program

Elected officials receive discounted equipment and service plan rates for personal cell phones through this program. Cost of the equipment and monthly service plan fees are paid by the individual directly to the service provider.

City Holidays

Eleven (11) holidays are observed by the City each year. City offices are closed on New Year's Day, Martin Luther King, Jr., Day, Presidents Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Thanksgiving Friday, and Christmas Day.

This Benefit Summary highlights the main features of the benefit plans offered by the City; it does not include all plan details or rules, including limitations and exclusions. The terms of the benefit plans are governed by legal plan documents which are the final authority. The City reviews its policies, procedures, and benefits periodically and reserves the right to alter, modify, reduce, or eliminate any policy or benefit at any time with or without advance notice.

City of Gaithersburg Department of Human Resources

Phone: 301-258-6327 ♦ Fax: 301-258-6414 ♦ hr@gaitthersburgmd.gov

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