

CITY OF HENDERSONVILLE

EMPLOYEE BENEFITS MANUAL



*July 1, 2009
To
June 30, 2010*

Employee Reference Manual

Note: This manual is provided as a quick reference guide and describes benefits currently offered. The City of Hendersonville reserves the right to change or omit any of the benefits and/or policies referenced at any time. This manual should not be construed as a "contract" and employees are cautioned to review applicable personnel rules and regulations, ordinances, insurance benefit booklets, policies and/or contracts. Any discrepancies between the information contained in this booklet and any prevailing policies, contracts, ordinances or rules and regulations are inadvertent. Contact the Personnel Office for assistance or further questions.

TABLE OF CONTENTS

BASIC BENEFITS	4
INSURANCE IN GENERAL.....	4
WHO IS COVERED?	4
WHEN IS COVERAGE EFFECTIVE	4
WHEN DOES COVERAGE END	4
CONTINUATION OF COVERAGE.....	5
RETIREE'S MEDICAL COVERAGE CONTINUATION.....	6
WHAT BENEFITS THE CITY PAYS FOR.....	7
WHAT BENEFITS THE EMPLOYEE MUST PAY FOR.....	7
ELIGIBILITY PERIOD FOR ENROLLMENT.....	8
PREEXISTING MEDICAL CONDITION	8
TO FILE CLAIMS INFORMATION.....	9
ELIGIBLE DEPENDENTS	9
TO CHANGE BENEFICIARIES.....	10
MEDICAL BENEFITS	11
DENTAL	17
VISION	18
LIFE INSURANCE.....	19
SHORT TERM DISABILITY	19
LONG TERM DISABILITY	20
EMPLOYEE ASSISTANCE PROGRAM.....	20
RETIREMENT.....	21
TUITION REIMBURSEMENT	22
LONGEVITY PAY	23

TABLE OF CONTENTS (cont.)

OPTIONAL PAYROLL DEDUCTIONS.....	23
VOLUNTARY LIFE INSURANCE.....	24
VOLUNTARY LIFE RATE CHART.....	25
CREDIT UNION.....	26
DEFERRED COMPENSATION 457.....	26
TAX SAVINGS/SECTION 125.....	27
HOLIDAYS.....	29
VACATION.....	30
SICK LEAVE.....	30
SICK LEAVE FUND.....	31
FAMILY MEDICAL LEAVE.....	32
MATERNITY LEAVE.....	32
MILITARY LEAVE.....	33
LEAVE OF ABSENCE WITHOUT PAY- MEDICAL.....	33
COORDINATION OF LEAVE.....	34
FUNERAL LEAVE.....	34
VOTING LEAVE.....	35
PAYROLL.....	35
GENERAL.....	35
DIRECT DEPOSIT.....	35
OVERTIME.....	36
GARNISHMENTS.....	37
IRS TAX LIENS.....	37
BANKRUPTCIES, CHILD SUPPORT.....	37
WORKERS' COMPENSATION.....	38
WORKERS' COMP PANEL PROVIDERS.....	40
SAFETY INCENTIVE LEAVE.....	42
WELLNESS PROGRAM.....	42
USEFUL PHONE NUMBERS.....	43
EMPLOYEE ACCESS TO ONLINE DOCUMENTS..	43
TITLE VI LANGUAGE.....	43

BASIC BENEFITS

INSURANCE IN GENERAL

WHO IS COVERED?

Coverage is provided for full-time employees only.

WHEN IS COVERAGE EFFECTIVE?

Coverage begins on the first day of the month following the first complete month of service.

*Example: You begin work October 12, 2009,
Your coverage is in effect December 1, 2009.*

WHEN DOES COVERAGE END?

Coverage ends at the conclusion of the month in which you terminate. (Exception: Disability and life insurance policies which terminate on the date of your termination).

*Example: You terminate October 27, 2009.
Dental, medical and vision Coverage ends
October 31, 2009.*

**COBRA
CONTINUATION OF COVERAGE**

HOWEVER, in most instances you will be eligible for COBRA benefits. COBRA is a federal law which allows you to stay on your employer's benefit plan for an additional 18 months. (36 months for divorced spouses, your spouse if you die, and dependents who reach the age limit.) You pay all costs, including what the city previously paid on your behalf. Benefits eligible for COBRA continuation are medical, dental and vision only. You have 60 days after the qualifying event: termination, divorce, death of subscriber, birthday of dependent child to notify the city that you wish to COBRA. You are then given an additional 45 days if needed to make your payments. Your coverage is then made retroactive such that you have no gap in your insurance coverage. Once your initial payment has been made, you will make monthly payments to Personnel by the first of each month you wish to continue your insurance coverage.

The spouses and/or dependents of retirees, who remain on our plan prior to the retired employee's eligibility for Medicare, are eligible for COBRA.

Employees are responsible for notifying Personnel for dependents who no longer qualify because of divorce, children reaching the limiting age or who are no longer considered a dependent per IRS.

RETIREE'S MEDICAL COVERAGE CONTINUATION

The City currently has contract provisions with medical, dental, and vision carriers which allows employees eligible for retirement the privilege of remaining covered under the city's plan until they are eligible to receive Medicare. The benefits of this arrangement are that employees can receive coverage at group rates. Also, older employees and spouses trying to obtain private plans face pre-existing condition clauses and sometimes much higher rates or even refusal to cover. Employees hired after June 30, 2008 must pay the full cost of the coverage for each month they wish to continue the plan through the city.

Employees hired prior to July 1, 2008 and who are either age 60 or have 30 years of service with the City of Hendersonville and who are vested in TCRS are eligible to receive a City paid portion of their health insurance if the employee elects to continue on the plan. The portion of the premium paid will be the dollar amount the city pays for the individual employee coverage multiplied by the applicable amount percentage as shown:

Retirement age	City service years	multiplier
60 and over	30 or more	100%
Any age	30 or more	100%
60 and over	25-29	75%
60 and over	20-24	50%
60 and over	15-19	25%

WHAT BENEFITS THE CITY PAYS FOR

The city pays for all costs associated with the following employee benefits:

- The city pays 90% of the base plan for employee medical- other plans, see page 11
- Dental/Vision
- Short term disability
- Long term disability
- Life Insurance
- Employee Assistance Program
- Retirement
- Tuition Reimbursement
- Longevity

WHAT BENEFITS THE EMPLOYEE MUST PAY FOR

The employee pays the costs for any of the following elective benefits:

- Their share of employee medical (see page 11)
- Dependent medical (the city offsets approximately 50% of dependent cost on base plan)
- Dependent Dental and Vision
- Additional life insurance for employee, spouse and/or children

The following voluntary payroll deduction options are available to employees:

- credit union
- 457 (k) plan

ELIGIBILITY PERIOD FOR ENROLLMENT

Guaranteed coverage is provided as long as employees and dependents enroll within the initial eligibility period. This means within 31 days of hire date, birth of a dependent or marriage. If you miss your initial enrollment period, you will need to wait until the next open enrollment period which is usually late May for the new plan year which starts in July. There are certain qualifying events which allow exceptions to the above such as dependent loss of coverage under another plan. Late entrants to the dental plan have limited services the first year on the plan. Late entrant is defined as someone who did not enroll when initially eligible.

PREEXISTING MEDICAL CONDITIONS

There is a twelve month pre-existing condition clause on the medical plan. This means that you will not receive coverage for twelve months for any condition with the exception of pregnancy for which you were treated during the previous twelve months.*

*New employees and dependents new to the medical plan may be eligible to have part or all of the preexisting condition waiting period waived for periods of creditable prior insurance coverage. Employees must provide proper notice of creditable prior coverage to Personnel in order to qualify for this waiver.

TO FILE CLAIMS

- Medical - Health care provider files
- Drugs - Pharmacy files online with BCBS at time of purchase
- Vision - Network Provider files
Non-network provider you file
- Dental - Care provider files
- Disability - Contact Personnel
- Life - Contact Personnel
- Retirement - Contact Personnel

CLAIM INFORMATION

- Medical - 1-800-565-9140 www.bcbst.com
- Dental - 1-800-659-2223 www.ameritasgroup.com
- Vision - 1-800-487-5553 www.vsp.com

ELIGIBLE DEPENDENTS

As a general rule, unmarried dependents will be covered to age 24 provided they are considered a dependent according to IRS. In situations of divorce, stepchildren or guardianship, the insurance company may ask for court documents which stipulate that coverage be provided by the employee.

TO CHANGE BENEFICIARIES

(Life Insurance and Retirement only)

Contact Personnel or TCRS link on employee access page

MEDICAL BENEFITS

The City offers a choice of three medical plans through Blue Cross Blue Shield of Tennessee. All plans are in the preferred network. Option 1 is considered as the base plan. The City pays 90% of the employee cost for the base plan and 50% of the base plan cost for dependents. Pricing for the other two plans are the premium prices less the City's allowance for the base plan. The chart which follows shows the monthly cost.

This is a brief summary of some of the *in network* benefits of these plans for comparison purposes. It is important that you select an in network provider for your medical services as there are significant penalties if you don't. The benefit amounts for out of network providers are provided in the contract and certificate booklet as well as more specific and detailed information on each of the plans.

During enrollment periods or other qualifying events, you have the option of opting out of our medical plan. Our plan year is July 1 – June 30. Open enrollment is usually conducted in May for the coming plan year. You and your dependents must be on the same plan.

Options 1 and 3 offer drug cards. Option 3, the lowest priced option, has the highest deductible; however this plan is offered with a reimbursement for a portion of the deductible as well as a limited number of office visit co pays.

BCBS Preferred Network (only in network benefits listed)*	Option 1 (base plan)*	Option 2 (buy up plan)*	Option 3 (buy down plan)*
Monthly employee cost	\$35.97	\$100.26	\$14.04
Additional Monthly cost to insure dependents	\$342.43	\$464.82	\$300.68
Deductible:			
Individual	\$500	\$300	\$750 net**
Family	\$1000 aggregate	\$600 aggregate	\$1500 aggregate net**
Co-insurance	80/20	90/10	80/20
Annual Out of Pocket Max			
Individual	\$2,000	\$1200	\$2250 net**
Family	\$4,000	\$2400	\$4,500 net**
Life time Maximum	\$5,000,000	\$5,000,000	\$5,000,000
Office co-pay	n/a subject to deductible and co-insurance	n/a subject to deductible and co-insurance	\$25 max 5 visits per year per insured \$40 co pay specialist /max 5 combined with primary visits

BCBS Preferred Network (only in network benefits listed)*	Option 1 (base plan)*	Option 2 (buy up plan)*	Option 3 (buy down plan)*
chiropractic	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance
Routine diagnostic procedure X ray and lab in conjunction with office visit	Same as above	Same as above	No additional charge
Wellness Office visit	Same as above	Same as above	\$25 co pay does count toward 5 max visit limit
Routine well child/immunizations	Same as above	Same as above	No additional charge
Routine well woman exam	Same as above	Same as above	Same as above
Routine mammogram	Same as above	Same as above	Same as above
Routine adult physical	Same as above	Same as above	Same as above
Wellness benefit max per calendar year- \$300 Age 6 +	Same as above	Same as above	Same as above
Allergy services doctor's office	Same as above	Same as above	Subject to co pay

BCBS Preferred Network (Only in network benefits listed)*	Option 1 (base plan)*	Option 2 (buy up plan)*	Option 3 (buy down plan)*
Maternity Prenatal and postnatal care Delivery	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance 1 st visit \$25
Prescription Drugs	10/35/50 does not apply towards deductible and out of pocket max Neither co pay nor deductible apply to out of pocket max or deductible	Subject to deductible and co-insurance Counts towards out of pocket max and deductible	10/35/50 does not apply towards deductible and out of pocket max On brand name, Preferred and non must meet a calendar year \$200, Neither co pay nor deductible apply to out of pocket max or deductible

BCBS Preferred Network (only in network benefits listed)*	Option 1 (base plan)*	Option 2 (buy up plan)*	Option 3 (buy down plan)*
Maintenance drugs	Up to 90 day supply, 2.5x co-pay that does not apply to max out of pocket or deductible	Subject to deductible and co-insurance Counts towards out of pocket max and deductible	Up to 90 day supply, 2.5x co-pay that does not apply to max out of pocket or deductible
Hospital and related services- includes in and out patient services; non routine diagnostic(MRI, Cat scan, etc)	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance
Emergency Room Services-	\$100 co pay /na if admitted	\$100 co pay /na if admitted	\$100 co pay/na if admitted
Rehabilitation services-limit 30 visits per calendar year/cardiac 36 visits	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance
Home Health Services-limit 60 visits per calendar year	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance
Hospice	100%	100%	100%

BCBS Preferred Network (only in network benefits listed)*	Option 1 (base plan)*	Option 2 (buy up plan)*	Option 3 (buy down plan)*
Ambulance	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance
Durable medical equipment	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance
Outpatient Mental Health- 45 visit annual limit	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance
Outpatient Substance Abuse 45 visit annual limit	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance
In patient Mental Health 40 day annual limit	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance
Inpatient Substance Abuse 40 day annual limit	Subject to deductible and co-insurance	Subject to deductible and co-insurance	Subject to deductible and co-insurance

* All above represent IN NETWORK only. Significant penalties apply for non network utilization. See certificate booklet.

**Individual deductible reimbursed by city \$751-\$1000;\$1501-\$2000 family

VISION BENEFITS

AMERITAS DENTAL

The dental plan is an incentive plan with benefits on many procedures from 70% to 100%. When you begin employment, your benefits on these procedures start at 70%. As long as you visit your dentist regularly and have necessary services completed during the year, the following July, your benefit will improve by 10%. This plan applies to most routine procedures and there is no deductible. However, should you fail to go the dentist in any fiscal year, your benefit either stays at 70% or falls back to 70%.

Certain procedures are only paid at 50%. These include:

- crowns and cast restorations
- orthodontics (\$1000 Lifetime maximum)
- prosthodontics (dentures and bridges)

Dental benefits are limited to \$1000 maximum per person per benefit year.

Go to www.ameritasgroup.com for information on providers in the network, claims status and available benefits.

You are not required to go to a network dentist; however you may find significant savings by utilizing one on the more costly procedures.

Vision Service Plan - as long as you utilize doctors in the VSP network, you are entitled to:

- One exam every 12 months subject to \$20 annual deductible
- Lenses every 12 months
- Frames every 24 months
- Contacts every 12 months (\$105)

Go to www.vsp.com for information on benefits, network providers and out of network claim forms.

Should you utilize the services of a non-network provider follow these steps:

1. Pay the provider the full amount of the bill and request a copy of the bill that shows the amount of the eye examination, lens type and frame.
2. Send a copy of the itemized bill(s) to VSP at the address below. The following information must be included in your documentation:

- *Members name and mailing address
- *Members id number (social security number)
- *Member ' s employer or group name
- *Patient ' s name, relationship to member and date of birth

Vision Service Plan
PO Box 997100
Sacramento, CA 95899-7100

LIFE INSURANCE

The city provides paid term life insurance for all full-time employees. There are two classes of employees: Class One - Exempt and Class Two - Non-Exempt.

Class One employees have \$50,000 and Class Two employees have \$30,000. There is an accidental death rider which adds double the face value of the term insurance. There is a reduction in benefits for employees who are 65 or older.

This means if you are a class two employee and you are killed in a car wreck, your beneficiary receives \$90,000. If you succumb to pneumonia, your beneficiary receives \$30,000.

Term life is only in effect through the date of your termination. Example: You quit September 15. Your life insurance stays in effect until midnight September 15. Life insurance is a benefit that is not covered by the Cobra laws; however, if you contact the agent within 30 days, you can convert your policy. The rates and terms will not be the same. This is usually of benefit only to those individuals who cannot be covered due to health conditions that affect their insurability.

SHORT TERM DISABILITY

The city offers short term disability coverage for full time employees. Again, the benefits vary according to the class one and class two designations. You are eligible to receive short term disability benefits only AFTER you have used all of your sick leave benefits. You may collect short term disability up to a maximum of 26 weeks, depending on your eligibility and amounts of sick leave available.

Class one employees receive either 67% of weekly salary or \$400, whichever is less. Class two employees receive either 67% of weekly salary or \$300, whichever is less.

LONG TERM DISABILITY

The city pays for long term disability coverage for full time employees. The insurance will pay up to 60% of monthly earnings should you become disabled according to the definitions of disability which will vary based on class one or class two designations.

There is a 180 day benefit waiting period. The maximum monthly benefit is \$5,000.

Benefits will be offset should there be other income received from certain sources such as retirement, social security, or worker's compensation.

Example: You're entitled to receive \$2500 per month disability; however you are drawing \$1300 from TCRS. You will receive \$1200 per month from long term disability.

Long term disability benefits are only available until certain ages depending on the onset of the disability.

EMPLOYEE ASSISTANCE PROGRAM

The City of Hendersonville purchases for all its full time employees and dependents prepaid counseling sessions.

Employees and their families are encouraged to take advantage of these confidential counseling services for such issues as divorce, bereavement, child rearing problems, drug, alcohol and other addictions, financial

issues, job stress, etc.

To obtain services, call 1-800-822-4847 and identify yourself as a City of Hendersonville employee. You will be entitled to be treated for up to eight visits per episode at no charge to you.

This service is provided by LifeServices EAP. You will be able to choose from a network of providers for services. This network has providers all over Sumner County and Davidson County.

There is a counselor on call 24 hours a day, 7 days a week if you need emergency assistance.

RETIREMENT

The City pays for all employee costs associated with the Tennessee Consolidated Retirement System as of October 1995.

ELIGIBILITY: Completion of six month's full-time employment by full time employees.

VESTING: Five years

BENEFITS: This is a defined benefit plan. This means that expected benefits are based on a set formula and not how well any particular investments performed.

In its simplest form, the formula for yearly retirement benefits is:

Years of service times average final salary times a factor of .015.

Example: Your average final annual salary is \$30,000.

You have 20 years service credit. Your annual retirement benefit will be \$9,000.

There are enhancements which will increase this figure. For example, the city authorized a 5% one time increase and there is a complicated formula involving social security integration levels which may increase benefits also.

There is a special provision for certain military service counting as service credits and certain applicable retiring employees are allowed to count one-half of their unused sick leave balances towards retirement credits. Twenty days equals one month.

In addition, there are disability provisions which will provide income according to your projected retirement income.

ELIGIBILITY TO RECEIVE RETIREMENT BENEFITS:

Vested and either 30 years TCRS service or age 60.

There are provisions for early retirement at a reduced level of benefits. An individual who has ten years of service at age 55 or 25 year 's service can retire at a benefit level of 76% of the full retirement. There is a .4% reduction for each month of early retirement.

TUITION REIMBURSEMENT

Employees attending CHEA recognized colleges in job related courses may request permission to enroll in the tuition reimbursement program. To do so, employees should fill out special request forms available in personnel PRIOR to enrolling in their courses. Once approval has been granted, employees will be reimbursed for tuition costs, at rates comparable to those charged by state institutions at the conclusion of the course. Grades of "A" and "B" receive full reimbursement. "C's" earn 50%

VOLUNTARY LIFE INSURANCE

reimbursement. There is no reimbursement for grades lower than a "C".

LONGEVITY PAY

For FY 2010, longevity pay will be paid at the FY 2009 rates. Longevity pay is a bonus paid annually on the service anniversary date. It is calculated at the rate of \$95 per year times the years of service (minus one in FY 2010).

Regular part-time employees are eligible once they have attained sufficient hours to qualify. (2080 hours equals one year). Employees categorized as seasonal or temporary are not eligible). Employees with two years or less service in FY 2010 are not currently eligible.

The maximum bonus an employee can receive is \$1900.

OPTIONAL PAYROLL DEDUCTIONS

The city offers payroll slots for various benefits that employees may elect for themselves or their dependents in some instances. Employees pay for these benefits entirely.

In all of these options, you may complete paperwork with the individual carriers; however, it is critical that you also complete a City of Hendersonville Benefit Election Form in order for the proper deductions to be made from your paycheck.

Dependent Life

The City pays for a basic term life policy for employees. On this plan, there is an option for dependents to be insured for a fee of \$1.05 per month. This option provides for \$5,000 for spouse and \$4,000 for eligible dependents.

Employee Voluntary Life

You may choose to add additional insurance for yourself at age and smoker/non-smoker adjusted rates. This is a term life policy. Rates adjust with birthdays ending in "zero" or "five" once you are 30. There is a guarantee issue amount of up to \$50,000 during the initial enrollment period if you are under age 60. If you are over age 59, but under 70 the guarantee issue amount is \$20,000. If you want an amount greater than that or you want to enroll after the initial enrollment period, you will have to undergo medical underwriting.

Spouse Voluntary Life

This is available only if you enroll in the voluntary life product. Spouses are eligible for guarantee issue amounts of either \$10,000 or \$20,000. Spouses over age 59 but under age 70 have a guarantee issue amount of \$10,000. Amounts above that are subject to underwriting. Spouses are eligible for up to half of your amount, in \$10,000 increments.

Child Voluntary Life

This is a benefit that provides \$5,000 worth of coverage for each eligible child. This is available only if you enroll in the

voluntary life product. This rate is a flat \$.60 per month regardless of the number of children you have.

VOLUNTARY LIFE RATE CHART

Employee (rates per thousand)

Age	Non-smoker	Smoker
Under 30	.08	.12
30-34	.09	.17
35-39	.11	.22
40-44	.16	.36
45-49	.28	.67
50-54	.46	1.10
55-59	.85	1.75
60-64	1.25	2.25
65-69	2.60	4.20
70-74	3.70	5.70
75 and up	9.30	13.60

Spouse

Age	Rate/\$1000
Under 30	.10
30 – 34	.12
35-39	.15
40-44	.24
45-49	.42
50-54	.65
55-59	1.15
60-64	1.45
65-69	2.90
70 and up	Not available

CREDIT UNION

Employees may join Old Hickory Credit Union for a \$25 refundable fee which is held in escrow. The credit union offers savings accounts, car, and other loans and checking account services. Old Hickory Credit Union has a branch office in Rivergate. Employees may sign up for the program at the credit union or in Personnel. The Rivergate branch is located at 708 Two Mile Parkway, Goodlettsville. The Hendersonville Branch is located at 543 East Main Street, Hendersonville.

To call: 847-4043

DEFERRED COMPENSATION 457

Municipal employees are allowed to participate in an income sheltered investment plan similar to a 401(K), although due to IRS regulations, cities are limited to a different version known as a "457". This plan, which the city offers through ING, provides employees an opportunity to invest in mutual funds, bond funds, and fixed accounts through payroll deduction. Amounts invested are not subject to federal income tax nor are the earnings of the plans during participation; however, once withdrawals are made, earnings are then subject to taxes. This is intended as a savings plan for retirement. The IRS has strict regulations regarding these plans and employees should not view these as "savings accounts" to finance home purchases or college educations for their children. There are hardship withdrawal provisions, but these are limited to true hardships.

There are no penalties imposed on hardship withdrawals or at separation of service. When employees leave city employment, there have several options regarding their 457 plan:

- 1. Leave the money in the plan
- 2. Take a lump sum refund
- 3. Take the money out in settlement options

Options 2 and 3 will result in taxes having to be paid on the monies received. You cannot roll the proceeds over into an IRA. You can however roll your account over to another employer who is qualified to offer a 457 plan. You may be able to combine retirement funds (such as a 401k) from a previous employer with this plan.

For information contact: Ed Stewart – 627-5936

TAX SAVINGS

The City offers a Section 125 plan which provides a means in which income is “sheltered” from both federal and state taxes. This plan allows you to shelter certain allowable expenses such that you owe no federal or social security taxes on the qualified expenses. There is a \$5 minimum that must be deferred per pay period in order to participate.

For example, your income is \$20,000 annually. You have \$2000 in qualified benefits sheltered under one of these plans. What is reported to the IRS as taxable wages is \$18,000. If you are in the 20% tax bracket, your savings are roughly \$400 per year. You will not owe taxes on this money later. Since you will not have paid social security taxes on the amounts sheltered, your income calculations for social security purposes will not reflect these amounts. This usually results in only a small impact on social security benefits; however, employees might want to make inquiries of Social Security based on their own particular situations.

Section 125 plans are also known as "cafeteria plans". The city's plan is known as a premium only deferral which means that you can only shelter amounts for premium payments which are deducted from your paycheck.

Under the Section 125 program offered by the City, employees can shelter amounts spent on premiums for medical, dental and vision insurance. Class two employees may also shelter any voluntary life insurance premiums for their own life insurance up to \$20,000. Class one employees already are provided \$50,000 in insurance which is the limit allowed by the IRS so they are not allowed to shelter any additional life insurance premiums. There is no sheltering allowed for premiums on dependent life insurance.

Employees sign up for the section 125 participation during their initial eligibility period or during the annual enrollment period in May for the plan year which starts each July 1. Once an employee signs up for this program, he or she is committed for the plan year unless there has been a change in a family situation. Examples of allowable changes are marriage, divorce, death of spouse or child, birth or adoption of child, or change of employment of spouse.

TIME OFF

HOLIDAYS

There are twelve (12) paid holidays in each fiscal year (July 1 to June 30).

- New Year's Day
- Martin Luther King's Birthday observed the third Monday in January
- President's Day (observed 3rd Monday in February)
- Employee Birthday
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- The day after Thanksgiving
- Christmas Eve
- Christmas Day

Holidays are observed in accordance with national guidelines. Employee birthday holidays may be observed one week prior to or one week after the actual date. To assist with departmental scheduling, employees should give sufficient advance notice to their supervisors as to when they are planning to take their birthday holiday.

Employees scheduled to work on a holiday will receive holiday pay in addition to their regular pay. Employees may also choose to take a holiday (other than birthday) 30 days before or after at a time agreed upon by management in lieu of holiday pay.

Seasonal or temporary employees do not receive holiday pay. Regular part-time employees are granted holiday pay on a prorated basis according to the hours regularly

scheduled for work in a fiscal year.

VACATION

Vacation days accrue at the end of each full month worked. Regular part time employees accrue vacation on a pro rated basis. Full time employees are granted vacation leave as follows according to years of service:

Initial Accumulation	12 days per year
Sixth Anniversary rate change	15 days per year
Tenth Anniversary rate change	18 days per year
Fifteenth anniversary rate change	21 days per year

SICK LEAVE

Sick leave is earned at the completion of each full month worked. All full time employees shall earn one day per month with no cap on accumulation. Regular part-time employees shall earn sick leave on a pro-rated basis. Employees may use up to ten days per calendar year for illness of dependents (anyone who meets the Rules and Regulations definition of immediate family). A doctor's note is required for any consecutive sick leave use for three days or longer.

Employees hired before September 1, 1997 and who terminate and are eligible to draw retirement from TCRS may be paid one-half their sick leave in cash and the

balance will count towards retirement service credits with TCRS at the rate of 20 days equals one month.

Employees hired after September 1, 1997 who take regular retirement will not receive cash payment; but any unpaid, unused sick leave will be applied toward service credits.

SICK LEAVE FUND

Any employee having a sick leave balance of at least six (6) days and employed by the City of Hendersonville for at least twelve (12) months is eligible to contribute to the Sick Leave Fund. Employees may voluntarily contribute up to five (5) days each calendar year, only in whole-day increments; and only employees who have donated to the fund are eligible to draw from the sick leave fund.

An employee shall not receive any sick leave from the Fund unless he or she has exhausted all accumulated sick, annual, and compensatory leave, and after having applied for advanced additional sick leave pursuant to the City's Personnel Rules and Regulations. Sick leave shall be awarded from the Fund to the extent that days are available. The maximum number of donated sick days an employee can receive is sixty (60). Grants from the fund shall not be made to any member on account of elective surgery, illness or any member of the participant's family or during any period the member is receiving any disability benefits. Sick leave days awarded from the fund are expressly limited to the number of days donated to the fund.

FAMILY MEDICAL LEAVE

This is a benefit granted to certain employees as a result of a federal law enacted in 1993. It is of benefit generally to employees who do not have sufficient balances of sick, comp or vacation leave. The law provides up to 12 weeks of leave in a year for serious medical conditions of the employee or certain eligible family members or for the birth or adoption of a child. The benefit to the employee who is without sufficient leave balance is that there is a return to work provision AND employer provided benefits remain intact and paid for by the employer during this time period.

Each individual's time period will vary according to the initial date of the leave.

Two new amendments were added this past year. One is for family members of soldiers called to active duty (12 weeks) and the other is to care for an injured soldier (26 weeks).

Family Medical Leave can run concurrent with sick, vacation, worker's comp, and other paid and unpaid leaves. The employee is required to use any sick and vacation leave balances prior to requesting leave without pay; however, the employee has an option as to whether to use any available comp balances.

The key term to remember in the Family Medical Leave Act is that the condition must be considered "serious". Supervisors and employees should contact Personnel as soon as they feel they have a situation which may qualify.

MATERNITY LEAVE

In accordance with state law, female employees may take up to four months leave for pregnancy, childbirth and nursing of an infant. For the first twelve weeks of the

leave, maternity leave will run concurrent with the Family Medical Leave (if leave available). Employee benefits paid for by the city of Hendersonville will continue during the duration of the leave.

MILITARY LEAVE

Military leave will be granted in accordance with state and federal law. Employees who are in the reserves are entitled to up to twenty days paid leave per calendar year. For other and extended types of leave, contact Personnel.

LEAVE OF ABSENCE WITHOUT PAY- MEDICAL

Per the Rules and Regulations, employees in good standing may be allowed to take a medical leave without pay for up to six months and retain city paid medical and dental benefits.

COORDINATION OF LEAVES

Example of how all the leaves might affect an employee with a medical situation:

Employee has six weeks of sick leave, two weeks of vacation and three comp days. At the beginning of the year, the employee cannot come to work due to a cancer diagnosis involving chemotherapy and surgeries.

- Family Medical Leave begins Jan 2.
- Sick leave begins Jan 2.
- Sick leave runs out Feb 12.
- Vacation leave begins Feb 13
- Vacation leave runs out Feb 26.
- Comp leave begins Feb 27 (employee opts to use)
- Comp leave ends Mar 1
- Leave without pay begins March 2
- Family Medical Leave ends March 26
- Leave without pay ends September 1

FUNERAL LEAVE

Employees may take up to three days per calendar year to attend the funeral of an immediate family member. Immediate family members for the purposes of funeral leave are the following: spouse, in-laws (refers to father, mother, son and daughter, brother and sister), parents, children, brother or sister of employee and employee grandparents and grandchildren. In the event of out-of-town travel, the Mayor may authorize up to an additional three days which will be charged as dependent sick leave.

VOTING LEAVE

Employees shall be given reasonable and sufficient time off with pay to vote in any National, State, or Local elections.

PAYROLL ISSUES

GENERAL

Paychecks are issued twice monthly, generally around the last day of the month and on the 15th. (This can vary due to holidays and weekends.) Direct deposit is available.

Pay periods run from the 12th through the 26th and the 27th through the 11th. There is only a few days lapse between the end of the work period and your paycheck.

DIRECT DEPOSIT

If you wish to participate, see either payroll or Personnel. You need to provide a blank voided check for each checking account and/or a deposit slip for each savings account. It takes one payroll cycle to do a "test run" of the routing information before the first deposit can take place.

OVERTIME

Employees are categorized as "exempt" or "non-exempt". Generally only upper level management or supervisory employees qualify as exempt. Non-exempt employees have the following work periods for purposes of overtime calculation:

Category	work period	ends
office labor inspectors criminal investigators. communications	40 hours	11 pm Sat
police officer police corporal police Sergeant.	42.5 hours	11 pm Sat
fire fighters captains	27 days 204 hours 8 24 hour shifts and one Kelly day	7 am 28th and day

Non exempt employees whose work hours exceed their overtime thresholds can elect cash or compensatory time compensation at the rate of 1.5 times the overtime hours worked. Supervisors may reschedule employees during their work periods in order that overtime thresholds are not exceeded.

Compensatory balances are cashed out annually at the end of each fiscal year. Employees have the option of retaining up to a week's worth for carryover.

WORKERS' COMPENSATION

GARNISHMENTS

Employees who receive a court ordered garnishment will have garnished amounts withheld from their paychecks unless the court issues a notice voiding the garnishment. Supervisors and the employee will be notified of the garnishment. Amounts withheld from the paycheck will vary according to the number of dependents under the age of 16. Multiple garnishments may result in disciplinary action.

IRS TAX LIENS

Employees who receive IRS Tax liens are also subject to their supervisors being notified. Amounts to be withheld from paychecks are calculated according to schedules supplied by the IRS. These cannot be released without IRS notification.

BANKRUPTCIES, CHILD SUPPORT

These are court ordered. Unlike garnishments, supervisors are not notified nor are employees subject to disciplinary action. Court specified amounts will be withheld from employee paychecks until the court releases the action.

Employees injured/exposed on the job should immediately file the Tennessee Employer's First Report of Work Injury with Personnel and copy their supervisor. **If the injury/exposure occurs after City Hall working hours, place report in a sealed envelope marked *Personnel - Confidential* and leave in the locked Personnel mailbox located at the southwest (Codes employee) entrance to City Hall.** Call Personnel the next morning to confirm receipt of report and obtain further instructions for treatment.

Except for minor injuries, **employees will be sent to one of the urgent care facilities, or the emergency room at Hendersonville Hospital for medical evaluation.** Minor injuries are defined as those that can be treated by standard first aid.

Unless the injury occurs outside of standard working hours, Personnel should be notified immediately and all arrangements for treatment shall be made by Personnel. Outside of standard working hours, supervisors will determine whether medical care is urgently required or if medical treatment can be delayed until standard working hours.

All medical costs including prescriptions will be paid for by the City and employees will not be charged sick, vacation or comp leave during any absences related to an on the job injury or illness. Worker's compensation leave can be granted for up to three months.

Injury reports should be sent to Personnel as soon as possible and all bills forwarded to Personnel. Employees are NOT to use their personal medical insurance for on the job injuries.

Employees should use the Express Scripts temporary prescription services. Forms should be available at the hospital emergency room, other panel physicians, personnel or your supervisor.

This form allows you to have prescriptions filled at any of the following providers and the bills will be handled through workers comp: CVS, Publix, Rite Aid, Sam's Club, Target, Walgreens, and Wal-Mart.

Per OSHA regulations, public safety employees should present their Hepatitis B vaccination wallet card record to the health care provider at the time of treatment. Card is to be provided to the employee by the respective departments once all three doses and the blood test have been completed.

In addition, employees should be aware of their tetanus immunization status (approximate date of the most recent vaccine). Employees receiving post offer, pre-employment medical exams will have been given the vaccine at that time, unless the physician is advised of an up to date status from a prior vaccine.

There are scheduled payments set by state law which will compensate employees for lost work time. Since city employees receive full city pay during periods of worker's compensation, any monies sent to employees by the insurance carrier are to be reimbursed to the city.

The City of Hendersonville has a return to work light duty policy. If a department is unable to accommodate the light duty restrictions of an employee, that employee will be assigned to a light duty pool, subject to assignment to other departments.

Employees refusing light duty assignments have the option of taking vacation leave, sick leave, compensatory time or

leave without pay.

Unless department policy and procedures can accommodate a schedule otherwise, all light duty shall be assigned Monday through Friday 8:00 am- 5:00 pm.

The following is a list of panel providers that offer walk in service for occupational medicine. Hours will vary which may include night and weekend service. Call to confirm.

WORKERS' COMP PANEL PROVIDERS

Name	Address	Phone
Gallatin Urgent Care	728 Nashville Pike Gallatin	452-6899
Bichon Urgent Care	180 North Belvedere Suite 20 Gallatin	230-8887
Concentra	1719 Gallatin Road Madison	870-0143
Tennessee Urgent Care Associates	1616 North Gallatin Road Madison	865-8500

For those employees injured while attending the TN Law Enforcement Training Academy, the nearest treatment facility is:

Name	Address	Phone
Concentra	2531 Elm Hill Pike Nashville, TN 37214	883-6995

For those employees injured while attending the TN Fire Service Enforcement and Codes Academy, the nearest treatment facility is:

Name	Address	Phone
Concentra	1203 Memorial Blvd. , Suite A Murfreesboro, TN 37129	895-4855

Specialist panels will be offered by the Worker's Compensation Carrier if such is required. In some instances, employees may also choose a chiropractor in lieu of a primary physician, but that must be cleared through the carrier.

SAFETY AND WELLNESS INCENTIVE

Non-exempt employees may qualify for two incentive hours per quarter as a reward for meeting the following for that quarter:

1. No reportable, lost-time injury;
2. No at-fault accident involving property damage; and
3. Employee uses no more than equivalent of two days of sick or unpaid leave.

All incentive leave hours earned must be taken by the end of the quarter immediately following the fiscal year end.

WELLNESS PROGRAM

Employees and spouses enrolled in the City's medical plan are eligible to participate in the City's Wellpoints Reward Program. This program, which encourages a healthy lifestyle, allows participants to earn points which can result in premium discounts for the following benefit election "year".

Points can be earned by attending wellness classes, exercising, participating in health risk assessments, getting a flu shot, smoking cessation and/or weight loss. This year's program will launch in August. Earned points (up through April 30, 2010) will be submitted with the paperwork for the May Open Enrollment for benefit elections.

USEFUL PHONE NUMBERS

Personnel	264-5314
Personnel Dedicated Fax	264-5353
EAP (LifeServices)	1-800-822-4847
Shaw & Associates (BCBS broker)	264-2065
Stewart, Ed (ING)	627-5936
TCRS	741-1971

***CITY OF HENDERSONVILLE
EMPLOYEE ACCESS
TO ONLINE DOCUMENTS***

- Step 1: www.hvilletn.org
- Step 2: Employee Access
- Step 3: Login: Employee
Password: employee
- Step 4: Employees Only

TITLE VI

It is the policy of the City of Hendersonville to ensure compliance with Title VI of the Civil Rights Act of 1974; 49 CFR, Part 21; Related statutes and regulations to the end that no person shall be excluded from participation in or denied benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance from the U.S. Department of Transportation on the grounds of race, color, sex, or national origin.