

Town of Kingston Springs, Tennessee

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JUNE 15, 2015

**TO: FILE
BUDGET DOCUMENT**

FROM: MIKE McCLANAHAN, CITY MANAGER

RE: GENERAL EMPLOYMENT BENEFITS

This memorandum was written to provide notice of the several fringe benefits offered to both part-time and full-time Town employees.

Health Insurance

Regular full-time employees of the Town enjoy 100% coverage in the State of Tennessee's 'ParTNers for Health' medical insurance plan. For FY16, the annual Town expense per employee is \$7,578.60. The plan is offered through Blue Cross/Blue Shield, and includes excellent coverage for medical, pharmaceutical, and wellness expenses. Employees may choose to add coverage for a spouse or direct family member. Additional vision and dental plans may also be added.

Retirement

Social Security is a portion of Kingston Springs' comprehensive retirement benefits which is shared by both the Town and each of its employees. Social Security deductions are lumped with federal payroll tax deductions in an 'OASI' column in each employee's paycheck. Due to actions taken by Congress in January 2013, the OASI percentage increased for both employer and employee contributions, from 5.65% of earned income to 7.65%. In addition to Social Security, the Town requires its full-time employees to participate in the Tennessee Consolidated Retirement System. This defined benefit program provides a comprehensive retirement package to vested members and is a condition of employment. Employees contribute 5.00% of each pay period's earnings towards retirement benefits, while the Town contributes 7.12%.

Paid Holidays

The Town allows for twelve holidays annually. Full-time employees are either not required to work, or receive special compensation. These days include; New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, day after Thanksgiving, Veterans' Day, Christmas Day, Christmas Eve or day after Christmas.

Paid Leave

Full-time employees are eligible to accrue paid leave in the form of sick leave and vacation leave. Sick leave is accrued at the rate of 40 hours annually after 1 year of service. If an

employee retires from Town employment the hours of accrued sick leave are automatically added to the employee's TCRS retirement contribution. Annual leave is accrued at the rate of 40 hours annually for employees with 1 year of service time, 80 hours annually for employees with 2-5 years of service time, 120 hours annually for employees with 6-10 years of service time, and 160 hours annually for employees with 11-20 year of service time. An employee is not eligible to use accrued annual leave hours until they have completed one year of service at full-time status. Unused leave hours are not paid out or rolled over to the next year.

Unemployment Compensation

In 1978. Federal unemployment compensation began for employees of state and local governments. The Town currently acts under a fixed cost system, with the FY16 cost of unemployment compensation set at 1% of the employee's salary (or \$21.00 per employee.)

Worker's Compensation

Worker's Compensation provides insurance to each employee against the loss of income created by injury sustained while on-the-job. This is required by law for all employers and is administered under the laws of the State of Tennessee. The Town pays the full cost of this coverage.

Additional Optional Benefits

Life insurance, additional disability benefits, additional medical benefits, dental benefits, vision benefits, and other benefits are annually made available to both full and part-time employees.

