

CHAPTER 9 EMPLOYEE BENEFITS

Effective November 1, 2021

9.01 Health Insurance

All regular full-time employees are covered by medical insurance. This insurance generally provides for physician care, hospitalization, major medical expenses and prescription drugs. Coverage for dependents is available by payroll deductions at reduced group rates on the first day of the month following thirty (30) days of employment. Detailed information concerning employee insurance is contained in the City's Benefits Brochure.

9.02 Life Insurance

The City provides group term life and accidental death and dismemberment insurance for regular full-time employees. The cost of providing this insurance coverage for employees is paid by the City. Optional supplemental coverage for employees and their dependent is available by payroll deduction at reduced group rates on the first day of the month following thirty (30) days of employment.

9.03 Cafeteria Plan (IRS Section 125)

Each employee of the City 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 supplemental insurance policies, including accident, cancer and optional life insurance. Such programs are available through payroll deductions with pre-tax dollars on the first day of the month following thirty (30) days of employment. Detailed information concerning optional benefits can be obtained in the Human Resources Department.

9.04 Worker's Compensation

- A.** Any City employee becomes eligible for Workers' Compensation when he is injured in the scope of his employment for the City of Breckenridge.

- B.** When the attending physician has instructed the employee, in writing, to remain off the job until the physician releases the employee to return to work, Texas state law prescribes that an employee shall receive Workers' Compensation payments during the

recovery and recuperation period. An injured employee is entitled to medical aid and hospital services which are required at the time of injury, and at any time thereafter, as may be necessary to cure and relieve the effects of the injury.

- C.** The Human Resources Department is responsible for administering, pursuant to the requirements of state law, and the City's Workers' Compensation program.
- D.** A full-time employee, who is injured on the job, shall be granted injury leave not charged against his sick leave or vacation leave, to extend for such time as a physician shall certify that the injured employee is unable to work, but in no event to extend beyond twenty-four (24) continuous weeks, unless expressly authorized by the City Manager.
- E.** During the first twelve (12) weeks of such injury leave, the leave shall not be charged against sick leave nor vacation leave and runs concurrently with Family and Medical Leave. Regular full-time employees shall continue to receive their current rate of pay, exclusive of overtime. During such injury leave, the City shall pay such employee as direct payments from salary funds an amount that, when combined with Workers' Compensation Insurance benefits payable to such employee, would equal his base pay, but the total amount so paid for loss of time from work shall not exceed the full pay which such employee would have received for such period at his regular rate of pay.
- F.** If the employee is unable to return to work upon expiration of the first twelve (12) weeks of injury leave, the employee shall be allowed to use any accrued leave to make up the difference between workers' compensation and full pay up to the twenty-four (24) week total.
- G.** If the employee is unable to perform the essential duties of his assigned position at the end of twenty-four (24) weeks, reasonable accommodations may be made by the City to provide for employee to perform such duties. If reasonable accommodations cannot be made and an employee is unable to perform the essential duties of his assigned position at the end of twenty-four (24) weeks, he may be terminated.
- H.** While on injury leave, an employee shall continue to earn vacation and sick leave at the regular rate and shall remain eligible for health insurance benefits; however, the employee's portion of any additional premiums, supplemental insurance and dependent coverage must continue to be paid by the employee during such leave.

- I. An employee who is physically able and who fails to report by the end of the employee's current shift any injury to his supervisor, however minor, and fails to take such first aid treatment as may be necessary, may not be eligible for injury leave. When an employee is injured on the job, the supervisor shall contact the Human Resources Department and request completion of a Workers' Compensation First Report of Injury (TWCC-1) immediately. When an accident causes serious bodily injury or death to an employee, the supervisor shall notify his Department Head, the Human Resources Department, the Financial Services Department, and the City Manager immediately.
- J. Part-Time and Seasonal employees shall be eligible to receive Workers' Compensation benefits only and shall not receive Workers' Compensation injury leave. These employees may use any accrued paid leave or be granted a "leave of absence without pay" by the City.
- K. No employee may return to work from an injury involving lost time without first obtaining a physician's release. The physician's release must be forwarded to the Human Resources Department.
- L. An employee injured in the scope of his employment for the City may be subject to alcohol/substance screenings.
- M. An employee who is unable to return to work shall contact the Human Resources Department every Friday until the doctor has released the employee to return to work. It is the employees responsibility to provide updated paperwork to the City while being out on a Worker's Compensation injury.

9.05 Social Security

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

9.06 Retirement

The City of Breckenridge 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 required for all regular employees who are scheduled to work a minimum of one thousand (1,000) hours annually.

- A. The plan requires a contribution be made by means of payroll deductions. The City matches each employee's contribution at a 1.5:1 ratio.
- B. In the event a member of the retirement system leaves the employment of the City 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, or 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.
- C. More complete information regarding the City's retirement plan is provided in the Texas Municipal Retirement System Handbook available in the Human Resources Department.

9.07 Continuation of Insurance Coverage (COBRA)

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) provides that covered employees, their spouses and dependents are eligible to continue their group health insurance coverage for a specific period of time and upon certain qualifying events for up to eighteen (18) months when employment is terminated due to resignation, reduction of work hours, or dismissal (for other than gross misconduct).

Covered employees, their spouses and dependents are eligible to continue their group health insurance coverage for a period up to 36 months should one of the following events take place:

- A. Death of the covered employee
- B. Divorce or legal separation
- C. Covered employee's entitlement to Medicare
- D. Dependent child ceasing to be dependent

9.08 Additional Continuation for Spouses and Dependents

COBRA also entitles spouses and dependents of a covered employee to continue their group insurance coverage for up to 36 months upon certain qualifying events which may include the termination of a covered employee; a reduction in such employee's hours of employment; upon the death of a covered employee; the employee's divorce or legal separation; when dependent children are no longer an "eligible dependent" under the definition in the policy; and when the employee

ceases to participate in the City sponsored plan if the employee is Medicare eligible. The employee, spouse, or dependent must request continuation of coverage in order to be eligible for COBRA.

9.09 Unemployment Insurance

Texas law provides that, under certain conditions, payments of money may be made to unemployed individuals from an unemployment insurance fund administered by the Texas Workforce Commission. The City contributes to this fund under the Texas Employment Compensation Act.