



**Department: Employee Fringe Benefits & Insurance**  
**Fiscal Year 2008**

**LINE ITEM EXPLANATION**

**Workers Compensation:**

Line item contains the amount based on a premium assessed by our carrier MEGA as well as a portion for employees who have are currently on long term disability due to an injury during the performance of their job.

**Unemployment Insurance:**

Line item is set aside for any unforeseen lay offs or reduction in the work force. This amount is for both the School Department and the Municipal Departments. Estimate for Fiscal Year 2008 has been reduced to reflect historical costs from Fiscal Year 2006.

**FICA (Medicare):**

The Consolidated Omnibus Budget Reconciliation Act of 1985 amended the Internal Revenue Code so that the hospital insurance (Medicare) portion of the Federal Insurance Contributions Act (FICA) applies to wages paid for services rendered after 3/31/86 by employees hired after 3/31/86. The tax is equal to 1.45% of the employee's pay. The employer is required to contribute an amount equal to that deducted from the employee's pay, an additional 1.45%. At the present time the town is paying 1,773 active employees of which 1,654 or (93%) employees were hired after 3/31/86.

**FICA (Social Security):**

Small percentage of the work force three (3) employees who are ineligible to join the retirement system as they started their employment with the town at age 60 and would not be eligible for a pension.

**DOT Testing:**

Drug and alcohol testing done on a random basis for certain departments who operate Motor Vehicles (excludes uniformed personnel) this is performed on a monthly basis.

**Insurance Group Health & Life:**

Coverage for all town employees both currently employed and retirees of the town both school and municipal departments who work greater than 20 hours on a regular basis. Percentages paid by the town vary from plan to plan from a low of 50% to a high of 90% depending on the coverage selected by the employee. Charts are included in this section to provide greater understanding.

**Public Safety Chapter 41 Section 111F:**

This coverage is paid on a premium basis for the uniformed members of the Town of Natick's workforce who become injured while on duty. This will pay all hospital and medical bills for the injured officer.

**LIUNA Pension:**

Laborers' International Union of North America National (Industrial) Pension Fund., a pension provided to the following units of the Town of Natick's workforce:

- Laborers Local 1116
- Clerical Workers
- Supervisors & Administrators (Public Works)
- School Custodial
- Librarian's of the Morse Library (Massachusetts Laborers Benefits).

The contribution rate is set by the collective bargaining agreement or other agreement between the Employer and the Union. The rate must fall within the range of rates accepted by the Pension Fund. The rate may be cents, or dollars-and-cents, for each hour for which a covered employee is paid, or a fixed daily, weekly or monthly amount for each covered employee. The rate ranges from \$.25 cents per hour to \$.70 cents per hour. This provides these workers with an additional pension or annuity upon retirement.

**TOWN OF NATICK**  
West Suburban Health Group

**Health/Dental Insurance Rates {July 1, 2006 through June 30, 2007}**

INSURANCE PLAN	Individual Plan			Family Plan		
	Total Cost	Town Contrib.	Employee %	Total Cost	Town Contrib.	Employee %
<b>Health Plans:</b>						
Harvard Pilgrim PPO	\$903.00	\$451.50	50.00%	\$1,986.00	\$993.00	50.00%
Tufts Point of Service	\$903.00	\$451.50	50.00%	\$1,986.00	\$993.00	50.00%
Harvard Pilgrim EPO	\$466.00	\$395.91	84.96%	\$1,213.00	\$930.49	76.71%
Tufts EPO	\$540.00	\$479.14	88.73%	\$1,413.00	\$1,098.61	77.75%
Network Blue	\$501.00	\$432.76	86.38%	\$1,344.00	\$1,038.91	77.30%
Fallon Group: Select Care Direct Care	\$403.00 \$374.00	\$362.70 \$336.60	90.00% 90.00%	\$1,089.00 \$1,012.00	\$871.20 \$809.60	80.00% 80.00%
<b>Senior Plans</b>						
Out-of-Area Plan		<i>No Longer Offered</i>				
Medex III	\$381.00	\$190.50	50.00%			
Harvard 1st Seniority*	\$167.00	\$83.50	50.00%			
HPHC Medicare Enhance	\$414.00	\$207.00	50.00%			
Tufts Medicare Compliment (TMC)	\$302.00	\$151.00	50.00%			
Tufts Medicare Preferred (Formerly Secure Horizons)	\$141.00	\$70.50	50.00%			
Medicare HMO Blue (Formerly Blue Care 65)	\$214.26	\$107.13	50.00%			
Managed Blue for Seniors	\$335.30	\$167.65	50.00%			
Fallon Senior Plan*	\$148.00	\$74.00	50.00%			
<b>Dental Plan:</b>						
Delta Insurance	\$33.60		0.00%	\$86.00		100.00%

\*Rates change on January 1st (Senior Plans)

Note: For purposes of calculating rates town's portion was fixed as of 01/90

**Analysis of Projected FY 2008  
Insurance Appropriation  
Based on December, 2006 Enrollment Estimating a 15 1/2 % increase**

	Individual	Family	Total Needs	Individual	Family	Total Needs
<b>Active Employees Plans:</b>						
<b>Network Blue</b>				<b>Senior Plans:</b>		
Rates (Regular Members)	499.84	1,199.94		First Seniority		
Participants	109	125		Rates (Senior Care)	96.44	
<b>Total</b>	<b>\$653,788</b>	<b>\$1,799,912</b>	<b>\$2,453,699</b>	Participants	14	
				<b>Total</b>	<b>\$16,202</b>	<b>\$0</b>
<b>Harvard/Pilgrim PPO</b>				HPHC Medicare Enhancement		
Rates (Regular Members)	521.48	1,146.92		Rates (Senior Care)	239.09	
Participants	24	15		Participants	45	
<b>Total</b>	<b>\$150,187</b>	<b>\$206,445</b>	<b>\$356,632</b>	<b>Total</b>	<b>\$129,106</b>	<b>\$0</b>
				Fallon Senior Plan		
<b>Harvard/Pilgrim EPO</b>				Rates (Senior Care)	98.75	
Rates (Regular Members)	457.28	1,074.72		Participants	1	
Participants Includes 25 N/H)	168	225		<b>Total</b>	<b>\$1,185</b>	<b>\$1,185</b>
<b>Total</b>	<b>\$921,869</b>	<b>\$2,901,733</b>	<b>\$3,823,602</b>	Tufts Medicare Supplement		
				Rates (Senior Care)	174.41	
<b>Tufts POS</b>				Participants	48	
Rates (Regular Members)	521.48	1,146.92		<b>Total</b>	<b>\$100,457</b>	<b>100,457.28</b>
Participants	7	2		Medex		
<b>Total</b>	<b>\$43,805</b>	<b>\$27,526</b>	<b>\$71,330</b>	Rates (Retired Members)	220.03	
				Participants	255	
<b>Tufts EPO</b>				<b>Total</b>	<b>\$673,284</b>	<b>\$673,284</b>
Rates (Regular Members)	553.41	1,268.89	Added New Hires			
Participants	177	156	Est 25			
<b>Total</b>	<b>\$1,175,436</b>	<b>\$2,375,371</b>	Individuals			
			<b>\$3,550,806</b>	Tufts Medicare Preferred formerly Secure Horizons		
<b>Fallon Group Select Care</b>				Rates (Retired Members)	81.43	
Rates (Regular Members)	418.92	1,006.24		Participants	21	
Participants	17	14		<b>Total</b>	<b>20,519.73</b>	<b>20,519.73</b>
<b>Total</b>	<b>\$85,459</b>	<b>\$169,048</b>	<b>\$254,507</b>	Blue Care 65		
				Rate	117.17	
<b>ITT Hartford Life</b>				Participants	6	
Participants (All)	4.20			<b>Total</b>	<b>\$703.05</b>	<b>\$703.05</b>
<b>Total</b>	<b>\$43,898</b>		<b>\$43,898</b>	BCBS Managed Blue for Seniors		
				Rates (Retired Members)	193.64	
<b>Premium Cost</b>				Participants	4	
Cook & Co			\$11,719,752	<b>Total</b>	<b>\$774.54</b>	<b>\$774.54</b>
Contingency Unforeseen Expense			\$6,400	Medicare Reimbursement		
All other Miscellaneous Items: (Health Fair/Legal Issues, etc.)			\$100,000	Rate	500.10	
			\$20,703	Participants	446	
<b>Total Appropriation Needed</b>			<b>\$11,846,855</b>	<b>Total</b>	<b>\$223,044.60</b>	<b>\$223,044.60</b>

**Requested Per Article (Notations)**  
 All HMO and PPO rates calculated using West Suburban Proposed & not reported 15 1/2% increase over Fiscal 2007 Rates  
 Includes 25 New Hires (to replace retiring staff) Tufts EPO Individual

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FY 2007 Budget Presentation

Town of Natick Fiscal Year 2003 thru 2007  
Departmental Executive Summary of Finances

<b>Departmental Budget and Personnel Requirements Expended by Fiscal Year</b>					
Category	2003	2004	2005	2006	Thru December 2007
<b>Staffing</b>					
Full-Time Employees					
Part-Time Employees					
Seasonal Employees					
<b>Operating Budget</b>					
Personal Services					
Purchase of Services					
Technical & Professional Svcs					
Supplies					
Other Chgs & Expenditures	7,652,131.97	8,185,460.97	8,787,164.73	9,952,922.76	5,868,839.43
<b>Total Operating Budget</b>	<b>7,652,131.97</b>	<b>8,185,460.97</b>	<b>8,787,164.73</b>	<b>9,952,922.76</b>	<b>5,868,839.43</b>
<b>Encumbered Operating Expenses</b>	<b>67,931.79</b>	<b>146,510.78</b>	<b>140,257.48</b>	<b>129,949.68</b>	<b>83,512.51</b>
<b>Capital Equip/Projects Expended</b>					

<b>Quarterly Expenditure Pattern Fiscal Year 2003 thru 2007 - Operating Budget</b>					
Percent Expended by Fiscal Year	2003	2004	2005	2006	2007
<b>Personal Services</b>					
Quarter 1 ending Sept 30					
Quarter 2 ending Dec 31					
Quarter 3 ending March 31					
Quarter 4 ending June 30					
Encumbrances for Year					
Closed to Fund Balance					
---- Total Pers Svcs	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>All Non-Personal Services</b>					
Quarter 1 ending Sept 30	26.60%	26.67%	23.70%	21.50%	25.39%
Quarter 2 ending Dec 31	24.51%	22.56%	23.28%	26.78%	24.56%
Quarter 3 ending March 31	24.01%	23.15%	22.53%	23.02%	
Quarter 4 ending June 30	23.58%	22.92%	22.61%	23.80%	
Encumbrances for Year	<b>0.00%</b>	<b>1.69%</b>	<b>1.48%</b>	<b>1.24%</b>	
Closed to Fund Balance	<b>1.30%</b>	<b>3.01%</b>	<b>6.40%</b>	<b>3.66%</b>	
---- Total Non Pers Svcs	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>49.95%</b>
<b>Capital Equip/Projects Expended</b>					
Quarter 1 ending Sept 30					
Quarter 2 ending Dec 31					
Quarter 3 ending March 31					
Quarter 4 ending June 30					
Encumbrances for Year					
Closed to Fund Balance					
---- Total Capital	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

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Encumbrances include Current Year and Carryforward amounts from Previous Fiscal Years

# Employee Fringe Benefits and Insurance

	Tn Adm Recommended	Dept Requests	Expended thru Dec 31, 2006	2007 Appropriated	2006 Actual	2005 Actual	2004 Actual	2003 Actual
Worker's Compensation	450,000.00	450,000.00	257,731.35	450,000.00	314,234.30	374,098.03	432,682.98	507,252.86
Insurance Unemployment	75,000.00	75,000.00	38,496.86	75,000.00	60,656.50	36,276.39	105,937.22	104,546.59
FICA {Medicare}	631,180.02	631,180.02	261,930.10	627,859.00	579,064.24	533,907.62	495,194.28	462,895.70
FICA {Social Security}	600.00	600.00	228.36	2,000.00	494.15	922.01	2,667.22	2,748.95
DOT Testing	4,000.00	4,000.00	544.00	4,000.00	2,678.00	3,427.00	3,345.00	3,201.00
Insurance Group Health & Life	11,746,855.00	11,746,855.00	5,150,242.47	10,144,693.00	8,795,455.43	7,668,784.78	7,036,342.61	6,394,649.25
Public Safety C41 S111F Medical	75,000.00	75,000.00	34,199.38	75,000.00	53,498.27	64,400.06	18,808.59	55,071.07
LIUNA Pension	155,655.50	155,655.50	68,656.44	140,450.04	104,011.11	105,348.84	90,483.07	98,966.51
Employee Assistance Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,800.04
Employee Benefits Reserve	50,000.00	50,000.00	0.00	100,000.00	0.00	0.00	0.00	0.00
-- Retirement Buy-out Program ---								
Fire Department	22,937.29	22,937.29	0.00	80,329.77	33,998.07	47,909.48	0.00	0.00
Police Department	20,737.00	20,737.00	8,337.77	12,781.00	47,594.25	44,521.40	0.00	0.00
Highway Division	13,931.00	13,931.00	0.00	0.00	28,261.63	0.00	0.00	0.00
Recreation/Parks	8,690.73	8,690.73	0.00	0.00	0.00	0.00	0.00	0.00
Tn Adm/Selectmen	8,994.76	8,994.76	0.00	0.00	0.00	0.00	0.00	0.00
<b>OTHER PERSONAL SERVICES</b>	<b>13,263,581.30</b>	<b>13,263,581.30</b>	<b>5,820,366.73</b>	<b>11,712,112.81</b>	<b>10,019,945.95</b>	<b>8,879,595.61</b>	<b>8,185,460.97</b>	<b>7,652,131.97</b>

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<b>BUDGET TOTAL</b>	<b>13,263,581.30</b>	<b>13,263,581.30</b>	<b>5,820,366.73</b>	<b>11,712,112.81</b>	<b>10,019,945.95</b>	<b>8,879,595.61</b>	<b>8,185,460.97</b>	<b>7,652,131.97</b>
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