

ORDINANCE NO. 3764

ORDINANCE TO AMEND THE CODE OF THE TOWNSHIP OF FRANKLIN, COUNTY OF SOMERSET, NEW JERSEY, CHAPTER 46, PERSONNEL POLICIES, SECTION 46-11, EMPLOYMENT BENEFITS SECTION 46-12, MEDICAL INSURANCE COVERAGE; AND SECTION 46-13, RETIREMENT BENEFITS.

SUMMARY

An ordinance amending the Franklin Township Municipal Code Chapter 46, Personnel Policies, to update the policies for exempt managerial staff and confidential employees in regards to employment benefits; medical insurance coverage and retirement benefits.

BE IT ORDAINED by the Township Council of the Township of Franklin, as follows:

SECTION I

Chapter 46, PERSONNEL POLICIES, Sections 46-11, Employment Benefits; 46-12, Medical Insurance Coverage; and 46-13, Retirement Benefits, are hereby amended as follows:

§ 46-11. Employment benefits.

A. Confidential and senior management employees.

- (1) Confidential employees eligible for benefits under this chapter shall receive benefits not less than those authorized for employees of the same grade classifications.
- (2) Senior managers, including the Township Clerk and Tax Assessor, eligible for benefits under this chapter shall receive benefits not less than those authorized for employees of the senior managers' collective bargaining unit.

B. Vacation leave. ~~Vacations for full-time employees shall accrue in accordance with the following schedule. Vacation may accrue but may not be used until the end of the probationary period.~~

Years of Service	Annual Vacation Leave Credit
Employment	(one day per full month of service through first year not Initial to exceed 10 days that year)
Years 2 through 4	12 days vacation leave
Years 5 through 9	15 days vacation leave
Years 10 through 14	20 days vacation leave
Years 15 and 19	25 days vacation leave
Years 20 or more	30 days vacation leave

- (1) *Exempt Managerial Staff Vacation Leave is an accrued benefit based on the following schedule:*

Year One: One day per full month of service, not to exceed 10 days.

Vacation Leave will accrue by may not be used until after six-month probationary period is completed.

<i>Completion of 5 years in PERS</i>	<i>15 days</i>
<i>Completion of 10 years in PERS</i>	<i>20 days</i>
<i>Completion of 15 years in PERS</i>	<i>25 days</i>
<i>Completion of 20 years in PERS</i>	<i>30 days</i>

- (2) *Confidential Staff Vacation Leave is an accrued benefit based on the following schedule:*

Year One: One day per full month of service, not to exceed 10 days.

Vacation Leave will accrue by may not be used until after six-month probationary period is completed.

<i>Beginning 2 – 5 Years</i>	<i>12 days per year</i>
<i>Beginning 6 – 10 Years</i>	<i>15 days per year</i>
<i>Beginning 11 – 15 Years</i>	<i>20 days per year</i>
<i>Beginning 16 – 20 Years</i>	<i>25 days per year</i>
<i>Years 21 or Over</i>	<i>30 days per year</i>

- C. Granting vacation. Employees shall be granted the use of earned vacation leave upon request to their respective supervisor, subject to the operational needs of the respective department as determined by the Department/Division Director. The Department/Division Director shall ensure all employees are given the opportunity to utilize earned vacation. Vacation time will be credited and may be used by the employee as of January 1 of the year in which it will be earned. Vacations may be taken anytime between January 1 and December 31. Half days are permissible.
- D. Vacation leave accumulations. ~~Employees may accumulate up to three years of earned vacation.~~
- (1) *Exempt Managerial Staff may accumulate up to three years of earned vacation.*
 - (2) *Confidential Staff may accumulate up to two years of earned vacation.*
- E. Vacation leave upon termination.
- (1) ~~Employees~~ *Exempt Managerial Staff* separated in good standing who have no more than three years of permissible leave to their credit at the time of separation shall be paid the salary equivalent to accrued vacation leave.
 - (2) *Confidential Staff separated in good standing who have no more than two years of permissible leave to their credit at the time of separation shall be paid the salary equivalent to accrued vacation leave.*
 - (2 3) Any ~~employee~~ *Exempt Managerial or Confidential Staff* who leaves the employment of the Township for any reason, and who has taken vacation before it has been earned, shall reimburse, in full, the Township the cash value of the amounts paid to him/her for all unearned vacation.
 - (3 4) Vacation time accumulated is forfeited if at least 10 working days' notice of intention to terminate employment is not given in writing by the employee to the appropriate Department/Division Director. All or part of this requirement may be waived by the Township upon approval of the Department/Division Director and Township Manager.
- F. Holidays. Employees shall receive the following holidays with full pay for the employee's regular daily rate of pay, although no work is performed on such days, and that said employees are in a paid status the day next preceding and next following such holiday:
- (1) New Year's Day.
 - (2) Martin Luther King's Birthday.
 - (3) President's Birthday (Washington).
 - (4) Good Friday.
 - (5) Memorial Day.
 - (6) Independence Day.
 - (7) Labor Day. [Added 2-12-2002 by Ord. No. 3267]
 - (8) General Election Day (first Tuesday after the first Monday in November).

- (9) Veteran's Day.
 - (10) Thanksgiving Day.
 - (11) Friday after Thanksgiving Day.
 - (12) One half day Christmas Eve (Afternoon).
 - (13) Christmas Day.
- G. Personal leave. Employees are permitted three personal days per year. A personal day is provided to recognize that there may be days when time off is required to conduct personal business. Unused personal days cannot be carried over from year to year and are forfeited December 31.
- H. Paid sick leave. One day of paid sick leave per month shall be authorized to full-time employees and same shall be cumulative from year to year to a maximum of 110 days. To obtain payment for sick leave next preceding or next following a holiday or vacation, sickness must be substantiated by a doctor's certificate.
- (1) Criteria for use of sick leave.
 - (a) Personal illness or physical incapacity resulting from causes beyond the employee's control. Whenever deemed necessary, an employee using sick leave may be required to present medical verification of the cause for use of such sick leave.
 - (b) The illness of a member of the employee's household that requires the employee's personal care and attention (not to exceed three days).
- I. Extended sick leave. Upon exhaustion of sick leave benefits, an employee shall automatically be placed on a leave of absence without pay. The employee shall furnish the Personnel Officer with a medical statement at least every 30 calendar days. The Township may cause the employee to establish continued leave at any time through medical examination by a Township appointed physician.
- J. Bereavement leave. Employees may be granted not to exceed five days off with pay at the employee's straight time rate in the event of the death of the employee's spouse or child. Employees shall be granted not to exceed three days off for any other member of the immediate family defined as parent, parent-in-law, sister or brother. Employees shall be granted one day off, the day of the funeral, without loss of pay, for the funeral of sister-in-law, brother-in-law, grandparent or grandchild. The Township reserves the right to verify the legal relationship of the family member to the employee.
- K. Leave of absence without pay.
- (1) By making application 30 calendar days prior to the effective date, employees may apply to the Township Manager for a leave of absence without pay. Employees may be granted up to 90 days of approved absence without loss or adjustment to seniority rights. If the employee desires to continue benefits through the leave of absence without pay the employees shall deposit with the Township funds to cover continuation of health, disability and pension benefits.
 - (2) Sick and vacation days will not accrue after 30 days of absence without pay. In addition, the employee's anniversary date shall be adjusted.
 - (3) Maternity leave, paternity leave, leave for the adoption of a child and leave necessary for the illness of a member of an employee's household which require the employee's personal care and attention shall be in accordance with the Family and Medical Leave Act.
- L. Military leave [Amended 11-27-2001 by Ord. No. 3253]
- (1) Granting of military leave shall be in accordance with federal and state laws.

- (2) Compensation for military leave during an emergency. Members of the United States Army Reserves and National Guard who voluntarily or involuntarily enter active duty in an emergency as defined by N.J.S.A. 38:23-4.1 shall receive compensation equal to the differential between their current Township salary and any military pay received. This compensation shall continue as long as the employee meets the requirement for military leave under N.J.S.A. 38:23-4.
 - (3) Compensation for military leave for active duty for training. Member of the United States Army Reserves and National Guard shall be compensated for active duty for training in accordance with state and federal law.
- M. Jury duty. An employee who is called for jury duty shall be paid the employee's regular rate of pay for jury service, upon presentation of proper evidence of jury service and the amount of compensation received. However, the employee shall be required to give prior notice to the immediate supervisor of the call for jury duty.
- N. Crossing guards and permanent part-time employees.
- (1) After completion of one year of service, school crossing guards are entitled to:
 - (a) Two days paid sick leave during the school year;
 - (b) Funeral leave per ordinance;
 - (c) Enrollment in the public employee retirement system.
 - (2) After completion of one year of service, permanent part-time employees [defined as working a minimum of 260 hours in each of the four calendar quarters (1040 hours annually) and earning in excess of \$500 annually] are entitled to:
 - (a) Two days paid sick leave per year; and
 - (b) Funeral leave per ordinance.

§ 46-12. Medical insurance coverage. [Amended 2-14-2006 by Ord. No. 3591; 10-23-2007 by Ord. No. 3721]

~~A. Basic medical coverage. The Township shall provide basic hospital and medical care insurance for full-time employees, appointed officials, crossing guards, the Municipal Attorney, Municipal Court Judge and their dependents through a primary provider option (PPO) medical plan at no cost to the employee.~~

~~B. Other medical benefits. The Township shall also provide the following medical benefits:~~

- ~~(1) Prescription insurance coverage~~
- ~~(2) Dental insurance coverage~~
- ~~(3) Optical expense reimbursement program (maximum annual reimbursement of \$150 per family).~~

A. The Township shall provide the following medical insurance coverage:

(1) Effective July 1, 2006:

Medical: PPO Plan 1 or 2

Prescription: Benecard or equivalent

Dental: Blue Cross/Blue Shield, CIGNA HMO or equivalent

(2) Effective July 2, 2008:

Medical: *Horizon BCBS of NJ Traditional – NJ State Defector Plan
Horizon BCBS of NJ Direct Access Plan – NJ State Defector Plan*

Dental: *Dental Option Plan*
Deductible: *\$50.00 Single/\$150 Family*
Preventative: *100%*
Basic: *70%*
Major: *50%*
Calendar Year Max: *\$1,200.00*
Orthodontia: *50% up to \$1,500.00*

Prescription: *Non-formulary, \$0 co-pay for generic, \$4 co-pay for brand name*

C. Medical coverage cost and eligibility.

- (1) ~~Full-time employees shall be eligible for medical coverage for employee and eligible dependents in any plan at no cost to the employee.~~ *The Township pays 100% of Direct Access Plan for full-time employees and eligible dependents. Those full-time employees who enroll in the Traditional Plan will be responsible for the difference between the cost of coverage that they choose (single, family, parent/child, 2 adult) under the Traditional Plan and the Direct Access Plan. Monthly premiums will be deducted from paycheck.* These employees shall receive prescription and dental at no cost.
- (2) Full-time employees covered under collective bargaining agreements shall be eligible for medical benefits for the employee and eligible dependents in accordance with their respective agreements.
- (3) Municipal Attorney, Municipal Court Judge and elected officials elected or appointed before January 1, 1995, shall be eligible for medical coverage for official and eligible dependents in the PPO plan at no cost. An optional plan may be selected, provided that payment is made for the premium difference between the basic plan and the optional plan selected. Prescription and dental coverage shall also be provided at no cost.
- (4) Municipal Attorney, Municipal Court Judge and elected officials elected or appointed after January 1, 1995, shall be eligible for medical coverage for official and eligible dependents in the *Direct Access PPO* plan by paying 15% of the medical, *prescription and dental* premiums. An optional plan may be selected, provided that payment is made for the difference between the 80% basic plan's premium and the optional plan selected. Municipal Attorney, Municipal Court Judge and elected officials shall pay 20% of the *medical*, prescription and dental coverage.
- (5) School crossing guards.
 - (a) School crossing guards appointed before January 1, 1992, shall be eligible for medical and prescription coverage for employee and eligible dependents. These employees shall be provided a credit towards the cost of combined premiums for medical, prescription and dental as follows:
 - [1] Single coverage: \$7,609.88.
 - [2] Husband/wife: \$16,397.04.
 - [3] Parent/child: \$12,774.96.
 - [4] Family coverage: \$20,688.60.
 - (b) The employee shall be responsible for paying the difference between the allowable credit and the annual premium cost. Crossing guards who must pay

excess cost of hospital and medical care insurance shall do so by arranging for payroll deductions. Should the cost of hospital and medical care insurance exceed the crossing guard's monthly payroll, said crossing guard shall make a direct payment to the Township on a monthly basis. Failure of a crossing guard to pay any quarterly reimbursable amount within 10 days of the beginning of the quarter shall be grounds for termination of such coverage by the Township.

- (c) School crossing guards appointed after January 1, 1992, shall not receive a credit but may join a medical plan by paying the entire annual premiums.

D. Flexible spending accounts.

- (1) The Township will allow employees to establish flexible spending accounts to which they may contribute to pay for health and other expenses as allowed under the Internal Revenue Code. Up to the amounts allowed annually under the Internal Revenue Code, employees may pay into these flexible spending accounts from their salary or wages or additionally from their stipend under this chapter. Additionally, effective July 1, 2000, under the Section 125 plan any employee who elects a less expensive medical plan than the one for which they are eligible may receive 40% of the Township's premium savings. This 40% may be placed in a flexible spending account to pay for other allowable benefits or may be paid out as provided under the Internal Revenue Code.
- (3) *Effective July 1, 2007, Exempt Managerial or Confidential Staff will have \$150 deposited into a Flexible Savings Account. It is the employee's responsibility to enroll into the program. (This replaces the Optical Reimbursement that was previously given to employees.)*

E. Cash stipend in lieu of hospital and medical care coverage and dental and prescription coverage. In the event that any full-time employee or full-time appointed official, school crossing guard, or full-time retired employee with 25 years of service who receives hospitalization and medical coverage through his/her spouse's employer or has coverage through another source, said individual may apply for a cash stipend in lieu of municipal hospital and medical care coverage. The following provisions shall apply:

- (1) Said individual must apply to the Personnel Office for the cash stipend in lieu of hospital and medical care coverage during the first week of June. Said individual will be required to provide proof of the aforesaid hospital and medical care coverage and must sign an agreement releasing the Township from any and all liability.
- (2) The Township shall make two equal payments to the individual, one in January and the second in July following the accrual of the stipend.
- (3) The annual cash stipend in lieu of hospital and medical care coverage shall equal 40% of the premium for the appropriate category of enrollment in the PPO.
- (4) An individual may apply for a cash stipend in lieu of dental and/or prescription coverage. Said stipend shall be equal to 40% of the premium cost for which the employee is eligible and shall be applied for and paid in the same time frame as the hospital and medical stipend.

§ 46-13. Retirement benefits. [Amended 2-10-2004 by Ord. No. 3427; 6-14-2005 by Ord. No. 3550; 2-14-2006 by Ord. No. 3591; 10-23-2007 by Ord. No. 3721]

- A. ~~Current retirees.~~ *Current* Retirees currently receiving retirement benefits as of the effective date of this chapter shall continue to receive benefits as prescribed on the effective date of their retirement.
- B. ~~Employees retiring with 20 years of service in the New Jersey pension system or to the Township of Franklin.~~ Employees retiring with 20 years of service in the New Jersey pension system under service retirement, early retirement, disability retirement or veteran

retirement ~~or~~ **and** who have 20 years of service with the Township will receive the medical, prescription and dental benefits for which they are eligible under § 46-12D of this chapter.

- C. Hospital and medical care benefits for retirees and their dependents with less than 20 years of service.

When retiring with continuous service with the Township, the following scale shall reflect payments for health benefits effective July 1, 2008:

- 1. 15 years – Township pays 75% of Horizon BCBS of NJ Director Access Plan – NJ State Defector Plan***
- 2. 16 years – Township pays 80% of Horizon BCBS of NJ Director Access Plan – NJ State Defector Plan***
- 3. 17 years – Township pays 85% of Horizon BCBS of NJ Director Access Plan – NJ State Defector Plan***
- 4. 18 years – Township pays 90% of Horizon BCBS of NJ Director Access Plan – NJ State Defector Plan***
- 5. 19 years – Township pays 95% of Horizon BCBS of NJ Director Access Plan – NJ State Defector Plan***
- 6. 20 years – Township pays 100% of Horizon BCBS of NJ Director Access Plan – NJ State Defector Plan***

~~(1) The Township will share in the cost of hospital and medical care coverage to full-time employees (including dependents) who retire with at least 15 years of service with the Township and are eligible to retire under service retirement, early retirement, disability retirement or veteran retirement in a state administered retirement system.~~

~~(2) The Township shall fund a portion of the premium. This portion shall be calculated by taking the number of years of the employee's service with the Township and dividing that number by 25. The employee shall be responsible for contributing the balance of the premium to the Township (e.g., with an employee with 20 years' service, the Township will fund 20/25 of the premium and the employee shall be responsible for 5/25 of the premium).~~

~~(3) Employees who retire with less than 25 years of service of the Township, and who do not meet the requirements set forth in either case above, may opt to continue coverage for the employee and their dependents through the Township by contributing the full premium to the Township.~~

~~(4) The employees' premium payments shall be paid by the employee on a quarterly basis commencing on the first day of the month immediately following the date of retirement. Failure of the employee to pay any quarterly reimbursable amount within 10 days of the beginning of the quarter shall be grounds for termination of such coverage by the Township.~~

- ~~D. C.~~ Hospital and medical care benefits for ~~dependents~~ ***spouse/domestic/estate partner*** of retirees. In the event an employee retiring under the provisions of this chapter dies leaving ***an*** eligible ~~dependents~~, the eligible ~~dependents~~ ***spouse/domestic/estate partner*** may opt to continue coverage previously received, provided that the ~~dependent~~ ***spouse/domestic/estate partner*** was covered prior to the death of the retiree and is not otherwise eligible for medical benefits from his/her employers.

- ~~E. D.~~ Sick leave accumulation at retirement. Upon retirement or death after 10 years of service, the employee or his/~~her~~ ***survivor spouse/domestic/estate partner*** will receive full payment for any unused accumulated sick leave ~~up to 110 days~~, computed on the basis of final wages, ***in an amount not to exceed \$16,500.00 for Confidential Staff and in an amount not to exceed \$30,000.00 for Exempt Managerial Staff.*** For the purpose of this section, the retirement date shall be the date established by the Public Employees Retirement System. Deferred retirement benefits shall not count as retirement for purposes of this section. Any employee who is eligible to retire shall give at least 12 months' notice to the employer if they desire a lump-sum payment for accumulated sick

leave. Otherwise, payment will be paid in 12 equal monthly installments. The employer shall have 45 days from the receipt of the employee's formal notice of retirement approval to make final computations of amount due. No payment under this section shall effect, either by increasing or decreasing, any pension or retirement benefit due the employee.

- F. *E.* Employees who retire on a disability retirement based upon a disability that resulted from the lawful use of deadly force in the performance of their law enforcement duties shall receive the medical, prescription and dental benefits for which they are eligible under § 46-12DC of this chapter.

SECTION II

Each clause, section or subsection of this ordinance shall be deemed a separate provision to the intent that if any such clause, section or subsection should be declared invalid, the remainder of the ordinance shall not be affected.

SECTION III

All ordinances or parts of ordinances inconsistent with this ordinance are hereby repealed as to the extent of such inconsistency.

SECTION IV

This ordinance shall take effect immediately upon adoption and publication according to law.

ORDINANCE NO. 3764

This is a true copy of an ordinance adopted by the Township Council Township of Franklin, Somerset County, New Jersey.

Introduced:	May 27, 2008
Public Hearing:	June 24, 2008
Adoption:	June 24, 2008
Notice of Adoption:	June 30, 2008
Effective Date:	July 14, 2008

Ann Marie McCarthy, Township Clerk