

THE CITY OF GROTON



NON-UNION EMPLOYEE HANDBOOK

(EMPLOYEES HIRED PRIOR TO 11/1/08

**REVISED DECEMBER 17, 2015
AND AMENDED 2/6/2017)**

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INTRODUCTORY STATEMENT

The Employee Handbook (or “Handbook”) applies to all Non-Union employees **hired prior to November 1, 2008.**

This Handbook is designed to provide the employee with information about working conditions, employee benefits and some of the policies affecting employment. Employees should read, understand and comply with all provisions of this Handbook. This Handbook supersedes any previous manual/handbook and/or verbal or written statements that may have been issued. This Handbook is not a contract of employment.

Employment is “at will”, which means the City of Groton may terminate employment at any time with or without cause or notice. The City of Groton reserves the right to revise, delete and add to the provisions of this Handbook. All such revisions, deletions or additions must be in writing and must be signed by the Mayor of the City of Groton. No oral statements or representations can change the provisions of this Handbook.

No employee handbook can anticipate every circumstance or question about policy. Where changes can be anticipated in advance, the City of Groton will attempt to notify employees of such changes.

If you have any questions or concerns about the Employee Handbook, please ask your immediate supervisor or the Human Resources Director.

EMPLOYMENT GUIDELINES

Employment Applications

The City of Groton relies upon the accuracy of information contained in the employment application as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications or material omissions in any of this information or data may result in the City of Groton’s exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

Equal Employment Opportunity

It is the City of Groton's policy to comply with the laws which prohibit discrimination on the basis of race, color, religion, creed, age, sex, marital status, national origin, ancestry, disability, sexual orientation, veteran status, genetic information or any other protected class. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, access to benefits, training and promotions.

Employees are encouraged to bring any questions or concerns about any type of discrimination in the workplace to the attention of their immediate supervisor or the Human Resources Director. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Outside Employment

In order to protect the City of Groton's interest, we must ensure that any outside employment undertaken by a City employee does not conflict with the employee's obligation to the City. Outside employment is acceptable when: The activities related to the employment do not involve City work time, equipment or facilities; the employee does not approach co-workers or subordinates to buy products or services; the employee maintains high work performance standards and the outside employment does not conflict with the employee's obligation or reflect negatively upon the City of Groton. If any of these criteria are not met, the outside employment is unacceptable. Employees who wish to undertake outside employment must receive prior written approval from their supervisor. The approval is to be retained in the employee's personnel file in Human Resources.

Use of Equipment

Equipment essential in accomplishing job duties is expensive and may be difficult to replace. When using City property, employees are expected to exercise care, perform required maintenance and follow all operating instructions, safety standards and guidelines.

Employees should notify their supervisor if any equipment or machines appear to be damaged, defective or need repair. Prompt reporting of damages, defects and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. Do not attempt to repair damaged equipment on your own.

City equipment is to be used for City business only. City equipment is not to be removed from City property unless it is being taken to a vendor for repair, being used at other City locations or for authorized City use.

Travel Expense Reimbursement Policy and Procedure

The City will reimburse employees for mileage for work related travel at the standard IRS mileage reimbursement rate. Other travel related expenses, such as meals and hotels, will be reimbursed by the City provided the expenses are reasonable and receipts accompany the Travel Expense Reimbursement form, available in the Finance Department. The City does not reimburse for alcohol products. The Travel Expense Reimbursement form must be completed, receipts attached and approved by the supervisor prior to submission to the Finance Department for processing. This policy may be amended at the City's discretion.

City Owned Vehicles

City owned vehicles assigned to individuals will be for City business only and not for personal or family use. The employee will be charged for personal use from home to work and back to home for the City vehicle. Vehicle accounting procedures are prescribed by the Finance Department. Failure to adhere to this policy will result in discipline, which may include the loss of the use of the City vehicle for transportation.

Return of Property

Employees are responsible for all property, materials or written information issued to them or in their possession or control. Any City property issued to employees, such as keys and cell phones, must be returned to the City immediately upon request or upon the employee's separation from employment. Employees will be responsible for all lost or damaged items belonging to the City due to negligence. The value of any property issued and not returned may be deducted from an employee's pay and employees may be required to sign a wage deduction authorization form for this purpose.

ATTENDANCE AND PUNCTUALITY

The City of Groton expects employees to be reliable and punctual in reporting for scheduled work. Absenteeism and tardiness places a burden on the City. When employees cannot avoid being late to work or are unable to work as scheduled, the employee is required to notify their immediate supervisor by phone as soon as possible in advance of the anticipated tardiness or absence. Poor attendance and excessive tardiness are disruptive.

EMPLOYEE INFORMATION

Access to Employee Files

The City maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, wage/salary increases, position description, performance evaluations, disciplinary action, attendance and other employment records. Personnel files are the property of the City and access to the information they contain is generally restricted. Information may be disclosed to permit the City to monitor and/or comply with legal obligations. The City complies with all regulations to protect employee data.

Personnel files are confidential and are kept in the Human Resources Department. Employees who wish to review their own personnel file should contact the Human Resources Department via electronic mail. Personnel files may only be viewed in the presence of the Human Resources Department personnel.

Medical Records

The City complies with all Federal and State laws regarding employment and the maintenance of personnel and medical records.

Employee Data Changes

It is the responsibility of the employee to notify the Human Resources Department of any changes in personal status which affects employment. Personal mailing addresses, telephone numbers and other such contacts should be accurate and current at all times to avoid delays in receiving important information. Employees are responsible for notifying the Human Resources Department as soon as possible if there are any changes in personal data such as divorce, marriage, number and names of dependents, legal name changes, address, phone numbers and individuals to be contacted in the event of an emergency.

Employment Reference Inquiries

To ensure that individuals who are hired by the City of Groton are well qualified and have a strong potential to be productive and successful, it is the policy of the City of Groton to check the employment references of all applicants. With regard to inquiries received by the City of Groton from outside entities, employees should not respond to employment reference inquiries or requests for letters of recommendation for employment. The Human Resources Director will respond to employment reference inquiries that are received in writing. Employees and former employees should direct the person or organization seeking the reference to contact the City of Groton Human Resources Department. Responses to such inquiries will confirm only dates of employment, wage/salary rates, and position(s) held. No employment data will be released without a written authorization and release signed by the individual who is the subject of the inquiry.

Employees may not, under any circumstances, respond to any requests for information regarding another employee. Requests for information regarding former employees should be forwarded to the Human Resources Director.

Employment Verification

The City of Groton Finance Department is responsible for verifying employment of employees. Any outside entity requesting information will need to provide a record of disclosure form signed by the employee before information can be released.

TIME REPORT

Federal and State laws require the City of Groton to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

All employees are required to complete a Time Report each week to record a regular work day, vacation, sick day, personal day, or any other reportable absence(s).

Altering, falsifying, tampering with time records, or recording time on another employee's time report will result in disciplinary action, up to and including termination of employment. It is the employee's responsibility to sign the Time Report to certify the accuracy of all time recorded and the supervisor will review and sign the Time Report at the end of the workweek prior to submission to the Finance Department for payroll processing.

Working Hours

Normal business hours for the City of Groton are Monday through Friday, 8:00 a.m. to 4:30 p.m. Employees may be required to work additional hours or days in order to meet the needs of the department and the City. **Unless otherwise approved by the Supervisor in concurrence with the Director of Utilities or Mayor**, hourly employees are required to work their actual hours in the workplace except when off site attending training and/or on approved breaks/meals/**volunteer work (i.e., United Way)**.

Error in Pay

Every effort is made to avoid errors in pay. If an error has been made, it must be brought to the attention of the supervisor immediately. The supervisor will notify the Finance Department who will take the necessary steps to research the problem and ensure that any necessary correction is made promptly.

EMPLOYEE COMPENSATION

Wages

Employees shall be compensated according to a schedule established through the budget process or upon approval by the appropriate authority. The wage or salary established for a position is normally the total remuneration for employment, excluding reimbursement for official travel or other expenses that may be allowed for the conduct of official business. Unless approved by the Mayor and Council or appropriate authority, if required by law, or otherwise provided in this Handbook, no employee shall receive any pay from the City in addition to the base salary authorized for the position to which said employee has been appointed.

Overtime

Exempt employees are individuals whose job assignments meet the Federal and State requirements for overtime exemption. Exempt employees are compensated on a salary basis and are not eligible for overtime pay. Your supervisor will inform you if your status is exempt.

Non-exempt employees will be eligible to receive overtime pay of one and one half (1½) times their regular hourly wage for approved hours worked over forty (40) hours in one week. If, during that week, you were away from the job because of a paid holiday, jury duty, vacation day, job related injury or paid sick time, those hours not worked will be counted as hours worked for the purpose of computing eligibility for overtime pay. Overtime work must be approved in advance by the employee's supervisor before the work is performed.

Paydays

Employees will receive their pay on the last day of work before the regularly scheduled payday. If a regular payday falls during an employee's vacation, the paycheck will be available upon return from vacation.

Employees are required to have their pay directly deposited into a designated account with their financial institution(s). Employees will receive an itemized statement of wages on paydays.

Bi-weekly Pay

The City maintains the right to implement bi-weekly pay, and will notify employees when it intends to implement the same. **The City will notify employees with a 120 day notice period prior to implementation.**

Pay Deductions

The law requires that the City of Groton make certain deductions from every employee's wages. Among these are applicable Federal, State and local income taxes. The City of Groton must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base".

The City of Groton offers programs and benefits beyond those required by law. In some instances, the cost of these programs will be deducted from the employee's compensation.

If you have questions concerning why deductions were made from your pay or how they were calculated contact the Finance Department.

Wage Garnishments

We hope you will manage your financial affairs so that we will not be obligated to execute any court-ordered wage garnishments. You will be notified when court-ordered deductions are to be taken from your pay. The City acts in accordance with the Federal Consumer Credit Protection Act that places restrictions on the total amount that may be garnished from your pay.

EMPLOYEE BENEFITS

Eligible employees are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, and unemployment insurance) cover all employees in the manner prescribed by law. Benefit eligibility is dependent upon a variety of factors including employee classification. The Finance Department can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the Employee Handbook. Some benefit programs require contributions from the employee but most are fully paid by the City of Groton.

Flexible Spending Account Benefit Plan

The City provides employees the opportunity to participate in a Flexible Spending Account ("FSA"). If the City decides, in its sole discretion, not to provide the option of a flexible spending plan, the City may offer one and/or more alternate plans as an option to the primary plan including, but not limited to, a High Deductible Health Plan/Health Savings Account (HDHP/HSA). **An employee cannot be enrolled in an HDHP/HSA and an FSA at the same time.** The City reserves the right to determine the terms, conditions, cost shares and all substantive aspects of any alternate optional plan.

VACATION FOR EMPLOYEES HIRED PRIOR TO NOVEMBER 1, 2008

VACATION

The City of Groton provides paid vacation time to regular, full time employees who have completed three (3) months of employment, based on years of service and work schedule. Vacation leave will be awarded on January 1st of each year, **based on years of completed service on January 1st**, in accordance with the following schedule:

Years of Service	Yearly Total
First year	1¼ days per month
2 – 9 years	15 days
10 - 14 years	18 days
15 years and over	24 days

Employees reaching a milestone anniversary

Employees reaching a milestone anniversary (new tier) will receive the additional days, as per the vacation schedule outline, as a pro-rated number of hours for the remainder of the year in which the milestone is reached. The number of months used in the calculation of the pro-rated hours will be based on the closest month to the employees hire date (i.e., hired February 2, February will be counted as a full month toward the calculation. Hired March 19, April will used as the first full month toward the calculation).

For example, an employee hired February 18 reaching a 10 year anniversary will receive 10/12 of the 3 additional days afforded them under the Non-Union Employee Handbook, hired prior to 2008. The number of hours received for the calendar year in which the milestone is reached would equal 20 additional hours to be used within the calendar year.

Concurrently, an employee hired on October 5 reaching a 10 anniversary will receive 3/12 of the 3 additional days afforded them under the Non-Union Employee Handbook, hired prior to 2008. The number of hours received for the calendar year in which the milestone is reached would equal 6 additional hours to be used within the calendar year.

The additional pro-rated hours will not be credited to the employee until the anniversary date has been reached.

Vacation leave can be used in fifteen (15) minute increments with prior approval by the Supervisor.

Employees should notify their supervisor one (1) week in advance of any vacation request of more than three (3) days. The supervisor may grant vacation leave without prior notice provided it does not adversely affect the operation of the department.

Amended 2/6/17

VACATION FOR EMPLOYEES HIRED PRIOR TO NOVEMBER 1, 2008

A City observed holiday occurring during the vacation period will not count as a used day of vacation.

Vacation must be used in the current year except under the following conditions:

- a. **Carry forward vacation.** Employees may elect to carry forward up to forty (40) hours of unused vacation to the following year provided they notify the Human Resources Department by December 1st.
- b. **Sell back vacation.** After carry forward, half of any unused vacation time remaining on the books as of December 10th will automatically be paid to the employee up to a cap of forty (40) hours.

Payment will be made on or before December 24th. The carry forward vacation/sell back vacation form can be downloaded from the intranet.

Any forms received by the Human Resources Department after December 1st due to extenuating circumstances must be approved by the Mayor.

Vacation Payout Upon Separation From Employment (Other Than Normal Retirement)

For employees separating from employment (other than normal retirement), vacation awarded on January 1 shall be prorated through the employee's separation date for each **full** month of employment completed by employee.

- a. **Employees Separating in Good Standing.** Employees who leave the City in good standing (other than retirement) and give a minimum written notice of thirty (30) days to the HR Department will be compensated for unused vacation time in the following manner:

Any unused vacation carried over from the previous year

Vacation awarded January 1 and prorated through separation date for each full month of employment completed by the employee

In the event that vacation is used between January 1 and the date of separation, time carried over from the previous year will be used first.

Example 1: Employee carries over 40 hours of vacation time and is awarded 15 days (120 hours) on January 1. The employee gives notice on June 15 of resignation on July 15. The employee has used 16 hours of vacation time since January 1. The calculation would be as follows:

Unused carry over 40 – 16	= 24 hours
Prorated vacation awarded January 1 (120/12 x 6)	= 60 hours
Amount used of time awarded on January 1	= 0 hours
Remaining prorated vacation awarded January 1	= 60 hours
Total paid to the employee	= 84 hours

Example 2: Employee carries over 40 hours of vacation time and is awarded 15 days (120 hours) on January 1. The employee gives notice on June 15 of resignation on July 15. The employee has used 105 hours of vacation time since January 1. The calculation would be as follows:

Unused carry over 40 – 40	= 0 hours
Prorated vacation awarded January 1 (120/12 x 6)	= 60 hours
Amount used of time awarded on January 1	= 65 hours
Remaining prorated vacation awarded January 1	= (5) hours
Total to be repaid to the City by the employee	= 5 hours

Example 3: Employee carries over 40 hours of vacation time and is awarded 15 days (120 hours) on January 1. The employee gives notice on June 15 of resignation on July 15. The employee has used 16 hours of vacation time since January 1. The calculation would be as follows:

Vacation carried over on January 1	= 40 hours
Amount awarded on January 1	= 120 hours
Subtotal as of January 1	= 160 hours
Employee uses 16 hours as of July 15	
16 hours used are carry over hours	
Unused carry over 40 – 16	= 24 hours
Prorated vacation awarded January 1 through June 30 (120/12 x 6)	= 60 hours
Amount used of time awarded on January 1	= 0 hours
Remaining prorated vacation awarded January 1	= 60 hours
Total paid to the employee	= 84 hours

Example 4: Employee carries over 40 hours of vacation time and is awarded 15 days (120 hours) on January 1. The employee gives notice on June 15 of resignation on July 15. The employee has used 105 hours of vacation time since January 1. The calculation would be as follows:

Vacation carried over on January 1	= 40 hours
Amount awarded on January 1	= 120 hours
Subtotal as of January 1	= 160 hours
Employee uses 105 hours as of July 15	
40 hours used are carry over hours	
65 of the 120 hours awarded January 1 are used	
Prorated vacation awarded January 1 through June 30 ($120/12 \times 6$)	= 60 hours
Total to be repaid to the City by the employee (60 hours – 65 hours)	= 5 hours

b. Employees Separating Not in Good Standing. Employees who separate not in good standing (e.g., termination for cause; failure to provide at least thirty (30) days' notice of resignation) and who use more of the vacation awarded on January 1 than would have been prorated by the separation date, are responsible for repaying the City for any vacation leave in that amount. By virtue of acknowledging receipt of the handbook, the employee authorizes payroll deduction to satisfy any repayment due and agrees to pay any outstanding amounts immediately. The City reserves the right to deduct the same from any payments, including, but not limited to, salary, vacation and sick leave, owed to the employee at the time of termination of service with the City, irrespective of the reason. The employee further understands that the City may employ all legal resources available to pursue collection of any unpaid portion of the debt.

Example 1: Employee carries over 40 hours of vacation time and is awarded 15 days (120 hours) on January 1. The employee gives notice on June 15 of resignation on July 1. The employee has used 105 hours of vacation time since January 1. The calculation would be as follows:

Vacation carried over on January 1	= 40 hours
Amount awarded on January 1	= 120 hours
Subtotal as of January 1	= 160 hours
Employee uses 105 hours as of June 30	
40 hours used are carry over hours	
65 of the 120 hours awarded January 1 are used	
Prorated vacation awarded January 1 through June 30 ($120/12 \times 6$)	= 60 hours
Total to be repaid to the City by the employee (60 hours – 65 hours)	= 5 hours

In the event that the employee uses more of the vacation awarded on January 1 than would have been prorated by the separation date, the employee is responsible for repaying the City for any vacation leave in that amount. By virtue of acknowledging receipt of the handbook, the employee authorizes payroll deduction to satisfy any repayment due and agrees to pay any outstanding amounts immediately. The City reserves the right to deduct the same from any payments, including, but not limited to, salary, vacation and sick leave, owed to the employee at the time of termination of service with the City, irrespective of the reason. The employee further understands that the City may employ all legal resources available to pursue collection of any unpaid portion of the debt.

Vacation Payout Upon Normal Retirement

Employees who leave in good standing and give a minimum written notice of sixty (60) days prior to their retirement date shall be compensated for all vacation leave on the books (i.e., all vacation carried over from the previous calendar year and all vacation awarded on January 1).

PERSONAL DAYS

Three (3) personal days are granted each January 1st. Personal days can be used in fifteen (15) minute increments. Personal days must be used in that calendar year and cannot be “sold back” or carried to the following year. Personal days are not paid out if you terminate your employment with the City.

SICK LEAVE

Sick leave will be accrued at eight (8) hours per month. Sick leave may be taken under the following conditions:

- a. Illness of the employee that prevents the employee from attending work;
- b. Medical or dental appointments that cannot be scheduled outside normal working hours;
- c. Illness of a member of the employee's immediate family that requires the attention of the employee.

Any employee exhausting his/her reserve of sick, vacation, personal, and FMLA time due to any extended illness may make application to the Mayor for additional unpaid sick leave. Nothing herein shall compel the Mayor to approve any request for additional unpaid sick leave.

To be eligible for sick leave with pay, employees shall: (a) Notify the supervisor at the start of each workday the reason for the absence; (b) keep the supervisor informed of the condition, and if the duration of the absence is for more than three (3) days, submit a medical certificate from a licensed physician that specifies the need for sick leave. The need for a medical certificate may be waived at the sole discretion of the Department Head.

Unauthorized use of or abuse of sick leave or false sick leave claims shall be the basis for disciplinary action, up to and including termination.

Payment of Sick Time

Employees will be allowed to accumulate up to one thousand ninety-six (1,096) sick hours each December 31st. On January 1st, the accumulation will be reduced to one thousand (1,000) hours; however, the employee will be paid for one-third of the hours not taken. This payment will be made by the third payday in January.

Payment of Sick Time Upon Normal Retirement

Employees retiring from municipal service under the normal retirement provisions of the City's Retirement Plan, after giving a minimum written notice of sixty (60) days of such retirement, will be paid for any accrued sick leave in excess of four hundred (400) hours up to a maximum of six hundred (600) hours.

Payment of Sick Time Other Than Retirement

Employees who separate from the City for reasons other than retirement or death do not receive payment for their sick hours.

HOLIDAYS

The City of Groton observes twelve (12) holidays each calendar year. Full-time employees receive paid time of eight (8) hours for each holiday. The City of Groton closes its office in observance of the following holidays each year:

New Year's Day
Martin Luther King Day
President's Day
Good Friday
Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day
Day after Thanksgiving
Christmas Day

Holidays occurring on Saturday are normally observed the preceding Friday, and those occurring on Sunday are observed the following Monday.

OTHER LEAVE

Bereavement Leave

Five (5) working days shall be granted for the death of a spouse, child, mother, father, sister or brother, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent, stepchild, stepmother or stepfather, foster child or guardian of an employee. Duration of time for all other funeral attendance is subject to approval by the Department Head/Mayor.

Military Leave

The City of Groton will grant a military leave of absence to an employee required to serve in the military, reservists, or in the National Guard and are called to active duty in accordance with State and Federal law. The City will pay the difference between military pay and the employee's regular City pay ("Gap Pay") for up to one (1) year, as defined by the current City Ordinance. The City Council reserves the right to extend "Gap Pay" beyond the one year period upon review and on a case-by-case basis.

Jury Duty

Leave for jury duty will be granted in compliance with applicable law. Employees will be expected to give advance notice, supply a time verification slip from the clerk of the court as evidence of having served, and work as much of the day as possible for each day called to serve.

OTHER BENEFITS

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Participation in the Plan is encouraged, but not required.

Education Assistance

Employees who pass job related educational course(s) approved in writing, in advance, by the Department Head, will be reimbursed for up to 100% of the amount expended by the employee in payment of tuition and books for each approved course(s), provided the employee earns a grade of “C” or higher for undergraduate and a grade of “B” or higher for graduate courses, or in the case of a pass/fail, achieve a pass grade. Beginning six months after the employee has satisfactorily completed an approved course the City will reimburse the employee in the amount of twenty-five percent (25%) of the specified dollar amount every six (6) months until one hundred percent (100%) of the specified dollar amount is reimbursed. Employees will not continue to receive reimbursement for approved courses if their employment is separated prior to any of the above-specified reimbursement payment periods.

Prescription Glasses

The City will pay a maximum of one hundred dollars (\$100.00) towards the cost of one (1) pair of prescription glasses every calendar year **or two hundred dollars (\$200.00) towards the cost of one (1) pair of prescription glasses every other year.**

FAMILY AND MEDICAL LEAVE

Certain restrictions on these benefits may apply. Please contact the Human Resources Department for information concerning FMLA.

INSURANCE INFORMATION

Insurance Benefits

The insurance benefits provided in this Handbook may be provided through a self-insured plan or under a group insurance policy or policies issued by an insurance company or companies selected by the City. The City may, at its sole discretion, change insurance coverage or the identity of insurance companies at any time as well as contributions by employees and co-pay provisions.

Health Insurance

The City of Groton provides health insurance and benefits (i.e., medical and prescription) through a third party administrator. The current design plan may be obtained from the Finance Department.

Dental Insurance

The City provides a full dental plan. **Effective July 1, 2016**, the cost share for the employee is **thirteen percent (13%)**. **The employee's premium share is subject to an annual increase.**

Health Insurance Cost Share

Effective **July 1, 2016**, the cost share for medical and prescription for the employee is **thirteen percent (13%)**. **The employee's premium share is subject to an annual increase.**

Alternate Insurance Coverage

The City may offer one and/or more alternate plans as an option to the primary health insurance plan, including, but not limited to a HDHP/HSA. The City reserves the right to determine the terms, conditions, cost shares and all substantive aspects of any alternate plan.

The City provides employees the opportunity to participate in a Flexible Spending Account (FSA) plan. An employee cannot be enrolled in both the HDHP/HSA and FSA at the same time.

Waiver of Coverage

Employees may voluntarily elect to waive, in writing, all medical insurance coverage, and in lieu thereof, shall receive an annual payment of one half (1/2) of the cost of single coverage based on the year. Payment to employees waiving such coverage shall be made in equal payments during the months of January and June and payment will be issued in your paycheck.

Where a change in an employee's status prompts the employee to resume City provided insurance coverage, the written waiver may, upon written notice to the City, be revoked. Upon receipt of revocation of the waiver, insurance coverage shall be reinstated as soon as possible subject, however, to any regulations or restrictions, including waiting periods, which may then be prescribed by the appropriate insurance carriers. Depending upon the effective date of such reinstated coverage, appropriate financial adjustments shall be made between the employee and the City to ensure that the employee has been compensated, but not overcompensated, for any waiver elected in this section.

Notice of intention to waive insurance coverage must be sent to the Human Resources Department in writing not later than November 1st to be effective January 1st of each year. The election to waive coverage shall only be approved after the employee has provided the City with proof of alternative insurance coverage. A waiver of insurance letter with proof of medical insurance will be provided to the Human Resources Department for processing. The original letter will be placed in the employee's personnel file. Waiver of coverage procedures must be acceptable to the applicable insurance carrier.

This provision shall not pertain to employees whose spouse/parent/relative are covered by medical insurance provided by the City of Groton. If an employee is covered under another City of Groton health insurance, they are ineligible for the waiver of coverage.

Health Insurance for Retirees

The retiree shall pay the same cost share toward the premium/allocated rate as that paid by the current employees including prescription (individual coverage only), for an employee who retires at age sixty-two (62) or later under the normal retirement provisions of the pension plan up to the date said employee reaches Medicare eligibility or the age of sixty-five (65), provided said employee has worked for the City a minimum of five (5) years. Upon reaching Medicare eligibility, the City will provide Medicare supplemental insurance coverage for the individual only, provided the employee has worked for the City a minimum of five (5) years and the individual pays the cost share at the same rate as the current employee's medical prescription coverage. It is understood that the City reserves the right to increase the employee's contribution for such insurance at any time. The spouse will be able to purchase insurance coverage mentioned above after the employee retires or until deceased at a group rate.

Internal Revenue Code Section 125

The City, in accordance with the applicable provisions of Section 125 of the Internal Revenue Code, (hereinafter "Code"), as the same may be amended from time to time, and so long as legally permissible, shall allow employees the opportunity to elect to participate in the City's Premium Conversion Plan (hereinafter "Plan"), whereby eligible employees are permitted the option to pay for medical insurance coverage as required by this policy with the portion of their salary prior to federal income and/or social security taxes being withheld. Subject to the provisions of the Code and Plan, the City shall deduct the employee's share of said medical insurance coverage by a reduction in the base salary of the employee. The reduction in the base salary shall be in addition to any other reductions under other agreement or benefit programs maintained by the City as required by law.

Group Life Insurance Policy

Employees shall receive life insurance one and one half (1½) times their annual base salary rounded up or down to the nearest one thousand dollars (\$1,000.00). Employees who retire in accordance with the full pension plan at age sixty-two (62) or later will receive fifty thousand dollars (\$50,000.00) in life insurance.

Long Term Disability

The City of Groton provides a Long Term Disability (LTD) benefit.

RETIREMENT PLAN

Appendix A is the Retirement Plan for the City of Groton employees covered by this Handbook.

WORKER'S COMPENSATION

The City of Groton provides a comprehensive worker's compensation insurance program at no cost to the employee. This program covers certain injuries and illnesses sustained in the course of employment that requires medical, surgical or hospital treatment. Questions can be directed to the Finance Department.

RETURN TO WORK/TRANSITIONAL WORK PROGRAM

The City of Groton provides a Return to Work/Transitional Work program that plays a key part in worker's compensation disability management. The Return to Work/Transitional Work program is designed to return the injured employee to the workplace as soon as it is medically reasonable to do so. Examples of potential transitional work by Department are available in the Human Resources Department.

FITNESS FOR DUTY

If the City requires an employee to have a fitness for duty to determine the fitness of an employee to perform the essential duties of their job, the City will pay the difference between the cost of the evaluation and the insurance coverage.

PERFORMANCE EVALUATIONS

Probationary Period

All new employees are in a probation status for the **twelve (12)** months from their date of hire. This probation period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The City uses this period to evaluate employee capabilities, work habits and overall performance. A Performance Evaluation Report will be submitted via electronic mail to the Human Resources Department at the first six months and twelve months intervals.

Any significant absence will automatically extend the probation period by the length of the absence. The City reserves the right to extend an employee's probation period based on the employee's job performance at its discretion. Successful completion of the probation period does not guarantee continued employment and does not change the "at will" nature of the employment relationship.

After the Probationary Period

After successful completion of the probationary period, employees are evaluated annually on their **anniversary date of hire**.

The performance evaluation process is developed by the City and may be revised from time to time. **The performance evaluation report on each employee covered by this Handbook is due to the Human Resources Department at the beginning of the month of the employee's anniversary date. This date is established by the HR Department and would change if an individual is promoted.**

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. An employee who feels their evaluation was arbitrary, discriminatory or based on factors not related to the employee evaluation, may write a rebuttal within five (5) working days to attach to the performance evaluation report. The performance evaluation report on each Non-Union employee is due to the HR Department via electronic mail five days prior to the individual's anniversary date. The performance evaluation may be revised from time to time.

Promotion Period

Upon being promoted to a new position, employees will be on a probationary period for a period of six (6) months. At the three month interval, the supervisor will meet with the employee and discuss their performance. At the end of the probationary period, the Supervisor will complete an evaluation on the employee and submit it electronically to the Human Resources Director for review. The evaluation will be forwarded back to the Supervisor by the Human Resources Department for discussion with the employee after review.

Pay adjustments are not guaranteed but are awarded by the City of Groton in an effort to recognize employee performance and, if awarded, become effective in July. The decision to award such an adjustment is dependent upon numerous factors, including but not limited to the information documented by this formal performance evaluation process.

CITY POLICIES

The City of Groton policies currently in effect are listed below:

- City Motor Vehicle Accident Reporting
- Drug and Alcohol
- Employee Conduct
- Equal Employment Opportunity Policy
- Equal Employment Opportunity Procedure
- Family and Medical Leave Act
- Information and Office Systems Acceptable Use
- Payroll Check Distribution
- Personal Information Privacy
- Requirements for City Owned Vehicle Use
- Safety
- Tobacco Use
- Travel Expense Reimbursement Policy and Procedure
- Uniformed Services Employment and Reemployment Rights Act
- Work Rules

These policies may be revised from time to time and are located on the subnet. Copies are also retained in the Human Resources Department. In addition, other policies and procedures specific to each Department can be found on the subnet. If new City policies are issued, the employee will be required to sign an acknowledgement form.

APPENDIX A – RETIREMENT PLAN

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INTRODUCTION

The Retirement Plan for the Employees (previously referred to as the "Retirement Plan for Full-Time Regular Employees of the City of Groton, Connecticut") became effective as of February 1, 1946. The same has been restated and/or amended in 1972, 1976, 1985, 1990, and 1993. The Retirement Plan for the Employees is funded under Group Annuity Contracts GF-163, GR-163A, and/or other similar or superseding contracts with The Travelers Insurance Company of Hartford, Connecticut, and/or other insurance companies, financial institutions, brokerage firms or other like entities, and/or pension funds of the City of Groton.

All matters concerning eligibility, benefits, vesting, credited service, and the like, which arise with respect to periods prior to April 1, 1976, shall be governed by the provisions of the Plan prior to the 1976 amendment.

ARTICLE I NAME AND EFFECTIVE DATE

Section 1.1 This Plan shall be known as the "Retirement Plan for Non-Union Employees of the City of Groton," hereinafter referred to as the "Retirement Plan," or "Pension Plan," or "Plan."

Section 1.2 This Plan shall be further amended and restated effective immediately to provide the following retirement benefits for all eligible employees.

ARTICLE II DEFINITIONS

Section 2.1 "Administrator" means the Retirement Board. The Retirement Board as designated in accordance with Article XI, hereof, to perform the administrative functions of this Plan.

Section 2.2 "Continuous Service" means the period of uninterrupted employment as an Employee with the City of Groton, Connecticut.

Section 2.3 "Credit Interest" means the interest on Participant Contributions made from the appropriate Group Annuity Contract at a rate of four percent (4%) per annum (or at such other rate as may be established from time to time by the employer) compounded annually from January 1, next succeeding the date when such Participant Contributions are made to the first day of the calendar month which coincides with, or next precedes, the date of the Participant's death prior to retirement, termination of employment or his actual retirement date, whichever is applicable. The Credited Interest applicable to Participant Contributions made under the prior Group Annuity Contracts shall be determined and payable in accordance with the provisions of the Prior Group Annuity Contracts.

Section 2.4 "Dependent Child or Children" means any unmarried child under the age of nineteen (19) or under the age of twenty-four (24) if a full-time undergraduate student at an accredited college or university; said term includes natural children, adopted children, stepchildren and foster children reported by the Participant as dependents for Federal Income

Tax purposes at the time of such Participant's death or retirement from active service. It shall not include any child born more than nine (9) months after the Participant's retirement from active service. If there is more than one child entitled to receive death benefits in accordance with Article VII, such sum shall be divided equally among them. Payments due to such child or children shall be made to their legal guardian or, if they have no legal guardian, to such other person to expend for them as the Retirement Board may direct.

Section 2.5 "Permanently and Totally Disabled" means an Employee is physically or mentally unable, as a result of bodily injury or disease, to engage in any regular gainful employment or occupation for wage or profit and such disability was not a result of the employee's own willful misconduct and will be permanent and continuous for the remainder of his life. For the purpose of this Plan, willful misconduct shall be construed to include, but not be limited to, the following:

- a. Disability resulting from an intentional self-inflicted injury;
- b. Disability which was contracted, suffered or incurred while the Employee was engaged in or resulted from having engaged in a felonious enterprise; or
- c. Disability resulting from chronic alcoholism or addiction to narcotics.

Furthermore, no disability benefits will be payable if such disability results from service in the Armed Forces of any country for which a service connected government disability is payable.

Section 2.6 "Employee" means any person enrolled in the active employment rolls of the Employer whose customary employment is for forty (40) hours per week.

Section 2.7 "Employer" means the City of Groton, Connecticut.

Section 2.8 "Final Average Earnings" means a Participant's annual base salary or wage paid or accrued during a calendar year, exclusive of all other earnings including overtime, outside earnings, accumulated sick leave or other employment with the City of Groton, averaged over the last sixty (60) months of municipal service. The amount of annual compensation taken into account for any year after December 31, 1988, shall not exceed \$200,000 (or such other amount as may be specified pursuant to Section 401(a)(17) of the Internal Revenue Code), as the same may be amended from time to time.

Section 2.9 "Group Annuity Contract" means a contract issued by the Insurance Company providing for the payment of Retirement Benefits to Participants covered under this Plan.

Section 2.10 "Insurance Company" means a legal reserve life insurance company organized or incorporated under the laws of any one of the United States of America and duly licensed in the State of Connecticut.

Section 2.11 "Normal Retirement Date" means age sixty-two (62) provided, however, that Employees hired on or after April 1, 1976, shall have accrued at least ten (10) years of Continuous Service.

Unless otherwise provided above, the Normal Retirement Date shall be the latter of age sixty-two (62) or the fifth (5th) anniversary of the Participant's inclusion in the Plan for an Employee who was excluded or who would have been excluded had he been an Employee under the provisions of this Plan in effect prior to January 1, 1988. In addition, the Normal Retirement Age for Participants who are employed by the City on and after January 1, 1988, shall be the latter of age sixty-two (62) or the fifth (5th) anniversary of the Participant's inclusion in the Plan.

Section 2.12 "Participant" means a municipal Employee, other than a policeman or fireman who meets the requirements for participation in the Plan as set forth in Article III.

Section 2.13 "Participant Contributions" means contributions required from a Participant under Article III, Section 3.2, hereof, as a condition of eligibility and participation in this Plan.

Section 2.14 "Pensioner" means a Participant who is entitled to receive a monthly pension under this Plan.

Section 2.15 "Prior Group Annuity Contract" means Group Annuity Contract GR-163, GR-163A, and/or other similar or superseding Contracts, as last obligatory and binding.

Section 2.16 "Retirement Benefit" means the monthly payment to which a Participant or Surviving Spouse/Dependent Child shall become entitled.

Section 2.17 "Service Connected Benefit" means any benefit payable upon the death or disability of an Employee who dies or becomes disabled during the performance of essential duties pertaining to their employment by the City.

Section 2.18 "Non-Service Connected Benefit" means any benefit payable upon the death or disability of an Employee who dies or becomes disabled from causes not related to their employment by the City.

Section 2.19 "Surviving Spouse" means, for the purposes of Article VII, the lawful wife or husband of a Participant, as the case may be, provided that the Surviving Spouse:

- a. Must have been married to the Participant for at least one (1) year and shall have been living with the Participant as husband and wife if the Participant dies in active employment, or
- b. Must have been married to the Participant for at least one (1) year prior to retirement and shall have been living with the Participant as husband and wife at the time of death if the Participant dies after retirement, and
- c. Must have been at least fifty percent (50%) dependent upon the Participant for support if the Participant dies in active employment prior to qualifying for Normal or Early Retirement (Participant's income during the last taxable year must be more than one-half (1/2) of combined income of Participant and his spouse for such year). Income from employment shall mean all wages and earnings from the preceding calendar year reported by the Participant and his spouse for Federal Income Tax purposes for that year.

If a spouse is not dependent upon the deceased Participant at the date of death as defined in (c) above and if such spouse subsequently becomes physically or mentally incapacitated prior to age 62, as determined by the Retirement Board so as not to be able to be gainfully employed, the death benefit that would otherwise have been paid in accordance with Article VII shall be paid to such spouse as long as such spouse remains incapacitated. A spouse applying for a pension under these circumstances shall be required to submit to an examination, at the expense of the Employer, by at least two impartial physicians or psychiatrists selected by the Retirement Board, and such spouse may be required to submit to re-examination no more than once in each 12-month period. Should the results of such examination indicate that such spouse is physically and mentally able to be gainfully employed, the benefits shall cease.

Section 2.20 The singular form of any word shall include the plural and the masculine shall include the feminine wherever necessary for the proper interpretation of this Plan.

ARTICLE III PARTICIPATION

Section 3.1 Conditions for Participation:

a. Each full-time municipal Employee included in the prior Plan as a Participant as of March 31, 1976, and/or the Prior Group Contract as of such date shall continue to be a Participant from April 1, 1976, and thereafter, provided, however, that such full-time municipal Employee continues his Participant Contributions as set forth in Section 3.2 below.

b. Each full-time Employee who was not included in this Plan as a Participant immediately prior to the effective date of this amended and restated plan, and all full-time Employees hired after April 1, 1976, shall be included as a condition of employment, as a Participant on the first day of employment.

c. Upon meeting the requirements of subparagraph (b) above, a full-time municipal Employee must sign such application forms as the Administrator prescribes authorizing the Employer to make payroll deductions of Participant Contributions, as set forth in Section 3.2 below, and furnish such other data as the Employer deems necessary or desirable.

Section 3.2 Participant Contributions:

a. Effective upon approval of this Non Union Employee Handbook, each Participant shall make Participant Contributions to this plan while he remains a Participant hereunder in an amount equal to five and two-tenths percent (5.2%) of his annual base salary, exclusive of overtime, outside earnings, accumulated sick leave or other employment with the City of Groton and converted to a weekly contribution payable through payroll deductions.

Section 3.3 Pick-up of Employee Contributions

With respect to all Employees of the Employer, such Employer shall pick up the Employee contributions required by this Section for all compensation earned on or after January 1, 1993; and the contributions so picked up shall be treated as Employer contributions in determining federal tax treatment under the Internal Revenue Code; however, such Employer shall continue to withhold federal income tax based upon these contributions until the Internal Revenue Service, or the federal courts, rule that, pursuant to Section 414(h) of the Internal Revenue Code, as amended, these contributions shall not be included as gross income of the Employee until such time as they are distributed or made available. The Employer shall pay these Employee contributions from the same source of funds that is used in paying earnings to the employee. The Employer shall pick up these contributions by a reduction in the base salary of the Employee. Employee contributions picked up shall be treated for all purposes of the Pension Plan in the same manner and to the same extent as Employee contributions made prior to the date picked up.

ARTICLE IV CREDITED SERVICE

Section 4.1 A full-time municipal Employee who meets the participation requirements of Article III, as determined by the Administrator, shall accrue Credited Service on the basis of the number of full years and fractions thereof to the nearest full month of Continuous Service with the Employer as a full-time municipal Employee, completed from the date he became eligible and elected to participate in the Plan to the date of his termination of employment or his Actual retirement date, subject to a maximum of thirty (30) years.

Section 4.2 Continuous Service with the Employer shall not be broken in the event of:

- a. Absence with the consent of the Retirement Board during any period not in excess of one year, except that the Administrator may consent to extend the period of leave; or
- b. Absence from work because of occupational injury or disease incurred as a result of employment with the Employer, for which absence a Participant shall be entitled to Workers' Compensation payments.

In interpreting this section, the Administrator shall apply uniform rules in a like manner to all Participants under similar circumstances.

An Employee shall not receive Credited Service in the case of the period of absence set forth in Section 4.2 above, but shall retain Credited Service accrued prior to such absence. Upon return to employment after an approved absence, the Participant shall again be eligible to accrue credited service.

An Employee's period of United States military service shall be treated as employment with the Employer, provided the Employee left employment with the Employer for military service and returned to his Employer during the period his reemployment rights were guaranteed by law. His/her period of military service shall be treated as if he/she had remained in employment with the Employer during the period, in the job classification occupied, before leaving for military service.

Failure to return to the employ of the Employer by the end of any period specified in the above sections shall be considered a termination of employment. Any other absence shall also be considered a termination of employment. Any Participant whose employment has been terminated shall, for the purpose of this Plan, be deemed a new Participant upon resumption of his employment, unless he is vested in accordance with Article VIII hereof.

ARTICLE V RETIREMENT BENEFITS

Section 5.1 Normal Pension:

- a. A Participant may retire on a Normal Pension on the first day of any month after he has attained his Normal Retirement date, provided he has filed an application for benefits prior to the commencement of his pension.
- b. The Normal Pension shall be a monthly amount equal to two and one tenths percent (2.1%) of the Participant's Final Average Earnings multiplied by his credited service with the Employer, as a full-time municipal employee, subject to a maximum yearly pension of sixty three percent (63%) of his Final Average Earnings. One-twelfth (1/12th) of this amount will be paid monthly. The monthly pension may be provided, in full or part from an annuity purchased under the terms of a Prior Group Annuity Contract.

Section 5.2 Early Retirement Pension:

- a. A Participant may retire on an Early Retirement Pension on the first day of the month after he has attained age fifty-five (55), provided he has accrued at least ten (10) years of Continuous Service and has filed an application for benefits.
- b. This monthly amount of the Early Retirement Pension payable to a Participant on his Early Retirement commencement date shall be the amount of his Normal Pension reduced by six-tenths of one percent (0.6%) for each month between the Participant's Normal Retirement Date and his sixtieth (60th) birthday and further reduced by three-tenths of one percent (0.3%) for each month by which the Participant's Early Retirement Pension commencement date precedes his sixtieth (60th) birthday reflecting the commencement of benefit payments prior to a Participant attaining his Normal Retirement Date.

Section 5.3 Deferred Retirement Pension:

- a. A Participant who is satisfactorily able to perform his duties may remain in active employment until his actual retirement. The first date of the calendar month following such actual retirement shall be his Deferred Retirement Date.
- b. The monthly benefit of a Participant who retires on a Deferred Retirement Date shall be determined in the same manner as his Normal Retirement Pension but based on his Credited Service and his final Average Earnings completed to his Deferred Retirement Date.

Section 5.4 Maximum Retirement Benefits:

In accordance with the benefit limitations of Section 415 of the Internal Revenue Code, each Participant's Annual Benefit shall be limited so that the specified Maximum Permissible Benefit, as defined herein, is not exceeded. If necessary, the Participant's Benefit shall be limited in order to meet the requirements of Section 415.

With respect to each Participant, all qualified defined benefit plans ever maintained by the Employer shall be treated as one defined benefit plan for purposes of applying the limitations of Section 415 of the Internal Revenue Code. In the event the Participant's Annual Benefit exceeds the Maximum Permissible Benefit specified herein, the Participant's Benefit shall be reduced to the extent necessary under this Plan if the required reduction is not accomplished under the Employer's other defined benefit plan or plans.

The sum of the Participant's Defined Benefit Plan Fraction and the Defined Contribution Plan Fraction shall not exceed 1.0 with respect to such Participant for any Limitation Year. The following definitions shall be used solely for the purposes of this Section 5.4:

- a. "Annual Additions" with respect to the Maximum Permissible Amount means for any Limitation Year, the sum of the following:
1. All Employer Contributions, if any, allocated to a Participant;
 2. All forfeitures, if any, allocated to a Participant;
 3. A Participant's Participant Contributions, if any.

Amounts allocated, after March 31, 1984, to an individual medical account, as defined in Section 415(l)(1) of the Internal Revenue Code, which is part of a defined benefit plan maintained by the Employer are treated as Annual Additions to a defined contribution plan. Amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date, which are attributable to post-retirement medical benefits allocated to the separate account of a key employee, as defined in Section 419(A)(d)(3), under a welfare benefit fund, as defined in Section 419(e), maintained by the Employer, are treated as Annual Additions to a defined contribution plan.

b. "Annual Benefit" means the amount of Benefit attributable to Employer contribution which would be payable annually in the form of a Life Annuity as of the date of determination, except however, that if the Participant has not yet terminated employment with the Employer and has not yet reached his Normal Retirement Date, the Annual Benefit shall mean the amount of Benefit attributable to Employer contributions projected to such Participant's Normal Retirement Date assuming the Participant will continue working and Compensation will remain the same until the Participant's Normal Retirement Date.

c. "Compensation" for the purpose of applying limitations of Section 415, shall include only those items specified in subparagraph (1) of Section 1.415-2(d) of the Internal Revenue Service Regulations, except however, that the amount of annual compensation taken into account for any year after December 31, 1988, shall not exceed \$200,000 (or such other amount as may be specified pursuant to Section 401(a)(17) of the Internal Revenue Code).

d. "Defined Benefit Plan Fraction" means for each Limitation Year, a fraction, the numerator of which is the sum of a Participant's projected Annual Benefit under all qualified defined benefit plans maintained by Employer determined as of the end of the Limitation Year, and the denominator of which as of the end of the Limitation Year, is the lesser of (1) or (2) below where:

- 1) Is equal to 1.25 times the Section 415 defined benefit plan dollar limitation in effect for such Limitation Year (the prescribed dollar limitation amount for the 1983 through 1987 calendar year is \$90,000 and for the 1988 calendar year is \$94,023 and shall apply for Limitation Years that end in such calendar years), or
- 2) Is equal to 1.4 times the Participant's average annual Compensation based on the three consecutive calendar year periods during which the Participant has the greatest aggregate Compensation from the Employer.

e. "Defined Contribution Plan Fraction" shall mean, for each Limitation Year, a fraction, the numerator of which is the sum of the Annual Additions with respect to any Participant as of the close of the Limitation Year and all prior Limitation Years under this Plan and all other qualified defined contribution plans maintained by the Employer, and the denominator of which is the sum of the lesser of (1) or (2) below for each Limitation Year during which the Participant is employed by the Employer where:

- 1) Is equal to 1.25 times the Section 415 defined contribution plan dollar limitation applicable to such Limitation Year (the prescribed dollar limitation amount for the 1983 through 1988 calendar years is \$30,000 and shall apply to Limitation Years that end in such calendar years), or
- 2) Is equal to 1.4 times 25% of the Participant's Compensation for such Limitation Year.

f. "Employer" means the Employer who adopts this Plan. In the event that the Employer is a member of a group which constitutes a controlled group of corporations (as defined in Section 414(b) of the Internal Revenue Code as modified by Section 415(h)) or which constitutes trades or businesses (whether or not incorporated) which are under common control (as defined in Section 414(c) of the Internal Revenue Code as modified by Section 415(h)), all such employers shall be considered a single employer for the purposes of applying the limitations of this Article and the purposes of determining Compensation as defined in subparagraph (c) above.

g. "Limitation Year" means a Plan Year of this Plan. In lieu thereof the Employer may adopt, by amending this Plan, any other 12 consecutive month period. If the Employer is a member of a group which constitutes a controlled group of corporations (as defined in Section 414(b) of the Internal Revenue Code as modified by Section 415(h)) the election to use a consecutive twelve-month period other than the Plan Year must be made by all members of the group that maintains the Plan.

h. "Maximum Permissible Amount" means, with respect to any Limitation Year, the lesser of:

- 1) The Section 415 defined contribution plan dollar limitation applicable to such Limitation Year (the prescribed dollar limitation amount for the 1983 through 1988 calendar years is \$30,000 and shall apply to Limitation Years that end in such calendar years), or
 - 2) 25% of the Compensation actually paid to the Participant for such Limitation Year, except, however, any contribution for medical benefits (within the meaning of Section 419(A)(f)(2)) after separation from service, which is treated as an Annual Addition, shall not apply.
- i. "Maximum Permissible Benefit" means the maximum Annual Benefit to which a Participant is entitled in accordance with the following provisions:
- 1) Maximum Permissible Benefit Applicable to Participants Who Have At Least Ten Years of Continuous Service With the Employer - The Maximum Permissible Benefit applicable to any Participant who has at least ten years of Continuous Service with the Employer shall be limited to the greater of (a) or (b) below:
 - (a) The lesser of:
 - (1) The Section 415 defined benefit plan dollar limitation in effect for the Limitation Year (the prescribed dollar limitation amount for the 1983 through 1987 calendar years is \$90,000 and for the 1988 calendar years is \$94,023 and shall apply to Limitation Years that end in such calendar years), or
 - (2) 100% of the Participant's average annual Compensation based on the three consecutive calendar year periods during which the Participant had the greatest aggregate Compensation from the Employer.
 - (b) An amount equal to the Participant's Benefit as of December 31, 1986, provided such amount was in compliance with the applicable Section 415 maximum benefit limitations in effect on December 31, 1986. For the purpose of this subparagraph (b), such Participant's Benefit shall be based on the provisions of this Plan, which were in effect on May 6, 1986, without regard to any amendments or cost-of-living adjustments occurring after May 6, 1986.
 - 2) Adjustment to the Maximum Permissible Benefit - Adjustments shall be made to the Maximum Permissible Benefit in accordance with subparagraphs (a), (b), or (c) below:
 - (a) In the event the Participant's Benefit is determined in a form of annuity other than a Life Annuity, an adjustment shall be made to the Maximum Permissible Benefit in order to determine the actuarial equivalent amount of Maximum Permissible Benefit when stated in the form of annuity in which the Participant's Benefit is determined in accordance with Section 5.1 of this Article. The actuarial equivalent amount of benefit will be the lesser of the actuarially adjusted benefit using a 5% interest assumption and the Unisex UP 1984 Mortality Table or the adjusted benefit according to the Plan's actuarial equivalence definition for other than the normal form of annuity.

(b) In the event the Participant's Benefit becomes payable prior to the Participant's attainment of age 62, an adjustment shall be required to the Maximum Permissible Benefit. The Maximum Permissible Benefit payable prior to the Participant's attainment of age 62 shall be adjusted so that it is equivalent to the benefit payable at age 62 using that which results in the lower benefit under (1) or (2) below:

- (1) The reduction factors based on a 5% interest assumption and the Unisex UP 1984 Mortality Table, or
- (2) The Early Retirement Benefit reduction factors or percentages specified in Article V, Section 5.2 above.

In no event will the adjusted benefit be lower than \$75,000 with respect to benefits payable between and including the ages of 55 through 62. With respect to benefits, if any, which become payable prior to the participant's attainment of age 55, the adjusted benefit shall not be lower than the actuarial equivalent of \$75,000 using that which results in the lower benefit under (1) or (2) of the subparagraph 5.4(I)(2)(b).

The adjustment set forth in this subparagraph 5.4(I)(2)(b) shall not apply if the Maximum Permissible Benefit results from the benefit limitation set forth in 5.4(I)(1)(a)(2).

(c) In the event the Participant's Accrued Benefit becomes payable after the Participant's attainment of age 65, an adjustment shall be made to the Maximum Permissible Benefit. The Maximum Permissible Benefit payable after the Participant's attainment of age 65 shall be adjusted so that it is equivalent to the benefit payable at age 65 using that which results in the lower benefit under (1) or (2) below:

- (1) Adjustment factors based on a 5% interest assumption and the Unisex UP 1984 Mortality Table, or
- (2) The Deferred Retirement Benefit factors or percentages, if any, specified in Article V, Section 5.3 hereof. The adjustment set forth in this subparagraph 5.4(I)(2)(c) shall not apply if the Maximum Permissible Benefit results from the benefit limitations set forth in Section 5.4(I)(1)(a)(2).

3) Except as provided in subparagraph 5.4(I)(4) below, the Maximum Permissible Benefit determined under subparagraphs 5.4(I)(1) and 5.4(I)(2) above and all other defined benefit plans of the Employer shall never be deemed to be an amount which is less than \$10,000, provided the Participant is not, and has never been a Participant in any defined contribution plan of the Employer, and further provided that the Participant has been employed by the Employer for at least ten years.

- 4) Maximum Permissible Benefit Applicable to Participants Who Have Less Than Ten Years of Continuous Service With the Employer - The Maximum Permissible Benefit applicable to any Participant who has less than ten years of Continuous Service with the Employer shall be equal to the lesser of:
- (a) The product of the Maximum Permissible Benefit amount which would otherwise have been applicable in accordance with subparagraphs (1)(a)(1), and (1)(b), and (2) of paragraph 5.4(l) hereof and a fraction, the numerator of which is the number of the Participant's years (or part thereof) of participation in the Plan as of and including the current Limitation Year, and the denominator of which is ten, or
 - (b) The product of the Maximum Permissible Benefit amount which would otherwise have been applicable in accordance with subparagraph (1)(a)(2) and (3) of paragraph 5.4(l) hereof and a fraction, the numerator of which is the number of the Participant's years (or part thereof) of service with the Employer as of and including the current Limitation Year, and the denominator of which is ten.

If the Participant's Annual Benefit exceeds the Maximum Permissible Benefit after the application of the appropriate factors, such Participant's Benefit shall be limited to an amount which produces an Annual Benefit equal to the Maximum Permissible Benefit. Notwithstanding the aforesaid, unless required by law, the effective date of Section 5.4 above as the same applies to the Plan shall be the effective date of this Manual, or as soon thereafter as possible or practicable. Further, it is mutually agreed that said amounts referenced in Section 5.4 of the Plan shall be modified from time to time to comply with Section 415 of the Internal Revenue Code.

ARTICLE VI DISABILITY PENSION

Section 6.1 A Participant shall be deemed to be Permanently and Totally Disabled within the meaning of the Plan only if the Administrator, in its sole and absolute discretion, shall determine on the basis of medical evidence that the Participant is Permanently and Totally Disabled as described in Section 2.5 hereof.

Section 6.2 Participant applying for Disability Retirement shall be required to submit to examination at the expense of the Administrator by at least two impartial physicians or psychiatrists selected by the Administrator, and such Participant may be required to submit to reexamination no more than once in each 12-month period. If the results of such examination indicate that such Participant retired on account of a disability and is no longer disabled, then such Participant may resume employment with the City and will receive Credited Service for the period of his Disability Retirement, provided he makes payment of the amount that he would have been required to contribute to the Plan during the period of his disability, with Credited Interest.

Section 6.3 Service Connected Disability

a. A Participant who becomes Permanently and Totally Disabled during the performance of essential duties pertaining to his employment with the City shall be eligible to retire and receive a Service Connected Disability Pension. The amount shall be equal to the Participant's projected

Normal Pension that would have been payable had such Participant worked until his Normal Retirement Date.

b. In no event shall payments under this Section, together with Primary Social Security Benefits and any regular benefits awarded under the Connecticut Workers' Compensation Act, exceed one hundred percent (100%) of the Participant's Final Average Earnings.

Section 6.4 Non-Service Connected Disability

a. An active Participant who has accrued at least ten (10) years of continuous Service and becomes Permanently and Totally Disabled from causes not relating to his employment with the Employer shall be eligible to retire and receive a Non-Service Connected Disability Pension. The amount shall be equal to the Normal Pension of two percent (2.1%) of the Participant's Final Average Earnings multiplied by his Credited Service accrued to the date of his disability, subject to a maximum yearly Pension of sixty percent (63%) of his Final Average Earnings. One-twelfth (1/12) of this amount will be paid monthly.

b. In no event shall payments under this Section, together with Primary Social Security Benefits and outside income subject to Social Security Taxes, exceed one hundred percent (100%) of the Participant's Final Average earnings.

Section 6.5 Cessation of Disability - Such disability payments will end immediately before the date the disabled Participant ceases to be Permanently and Totally Disabled by death or recovery.

ARTICLE VII DEATH BENEFITS

Section 7.1 Service Connected - Upon the death of a Participant who dies during the performance of essential duties pertaining to his employment with the Employer, his Surviving Spouse or Dependent Child or Children shall receive a Service Connected Death Benefit. The amount shall be equal to the Participant's projected Normal Pension that would have been payable had such Participant worked until his Normal Retirement Date. In no event shall any death benefits payable under this section, together with Primary Social Security Benefits and any regular benefits awarded under the Connecticut Workers' Compensation Act, exceed one hundred percent (100%) of the deceased Participant's Final Average Earnings. Benefit payments shall be due and payable to the deceased participant's surviving Spouse or Child or Children on the first day of the calendar month next following the death of the Participant. Benefit payments shall cease upon the death or remarriage of the surviving spouse, whichever occurs first. If payments are being made to a Dependent Child or Children, the last monthly payment shall fall due upon the earlier of the death of the youngest such Child or upon the youngest Child attaining the age of nineteen (19) or twenty-four (24) if attending an accredited college or university. Benefit payments shall first be payable to the deceased Participant's surviving spouse. If there is no surviving spouse, then said payments shall be made to the surviving children in equal amounts.

Section 7.2 Non-Service Connected Death - Upon the death of an active Participant who dies from causes not related to his employment with the employer, who has accrued at least five (5) years Continuous Service and has attained the fifty-fifth (55th) anniversary of his date of birth, his Surviving Spouse, or Dependent Child or Children shall receive a Non-Service Connected Death Benefit. The amount of such Non-Service Connected Death Benefit shall be equal to the deceased Participant's Early Retirement Pension, determined as of the first of the month coinciding with or next following the date of his death further reduced as though the deceased Participant had elected the Contingent Annuitant Option (one hundred percent (100%)), which is payable to the deceased Participant's Surviving Spouse. Benefit payments shall cease upon the death or remarriage of the surviving spouse, whichever occurs first. If payments are being made to a Dependent Child or Children, the last monthly payment shall fall due upon the earlier of the death of the youngest such Child or upon the youngest Child attaining the age of nineteen (19), or twenty-four (24) if attending an accredited college or university.

Section 7.3 The accumulative death benefit payments to the Participant's dependents, as provided in Section 7.1 and 7.2, or the benefit paid to the deceased Participant's estate if the Participant does not leave a Surviving Spouse or Dependent Child shall be equal to his Participant Contributions, with interest as provided under the applicable provisions of the current or Prior Group Annuity Contracts, less any death benefit payments received.

ARTICLE VIII TERMINATION OF SERVICE, VESTING

Section 8.1 A Participant who terminates his employment with the Employer prior to the accrual of at least five (5) years of Continuous Service as a Full-Time Municipal Employee shall forfeit his eligibility for a Retirement benefit and receive his Participant Contributions, with Credited Interest, as provided under the applicable provisions of the current or Prior Group Annuity Contract.

Section 8.2 A Participant who has completed at least five (5) years of continuous Service shall be one hundred percent (100%) fully vested in his accrued pension benefit, as determined in accordance with Section 5.1, with benefit payments commencing when the terminated Participant attains his sixty-second (62nd) birthday. An election may be made by the terminated vested Participant to receive his Participant Contributions with Credited Interest as provided under the applicable provisions of the current or Prior Group Annuity Contract, thereby forfeiting his vested rights to all other benefits under this Plan.

Section 8.3 The beneficiaries of terminated vested Participants who die before or after retirement shall have as a Death Benefit, as determined in accordance with Section 7.3, the return of the deceased Participant's contributions with Credited Interest up to his date of death or retirement, whichever is earlier, less any Death Benefit payments received.

Section 8.4 A Participant who withdraws or rescinds his authorization to make Participant Contributions shall be deemed to have ceased participation and his employment shall be terminated as of the date contributions were last collected by the Employer.

ARTICLE IX FORM AND PAYMENT OF BENEFITS

Section 9.1 Normal Form of Retirement Benefit - A Pensioner's Retirement Benefit shall normally be payable in the form of a monthly life annuity, commencing on his actual retirement date and ceasing with the last payment due immediately preceding his death. Any Death Benefit which may be payable is described in Article VII.

Section 9.2 Contingent Annuitant Option:

a. In lieu of the Normal Form of Retirement Benefit described in Section 9.1 above, a Participant may elect a Contingent Annuitant Option which provides for an actuarially reduced benefit payable to the Pensioner during his lifetime and for the continuance of such Retirement Benefit payments in either the same, 100%, 66 2/3% or 50% to a Contingent Annuitant, if living, after the Pensioner's death.

b. If the Contingent Annuitant is the spouse of the Pensioner or if the Contingent Annuitant is any other person not more than thirty (30) years younger than the Pensioner, the benefit payable under this option is payable without restriction. If, however, the Contingent Annuitant is a person other than the spouse of the Pensioner and is more than thirty (30) years younger than the Pensioner, the benefits otherwise payable under this option to the Contingent Annuitant shall be limited so that the value of the annuity payable to the Contingent Annuitant shall be less than 50% of the value of the Pensioner's total original benefit, both calculated as of the Pensioner's actual retirement date.

c. The monthly payment to the Contingent Annuitant shall commence on the first day of the month following the month in which the Pensioner dies, if the Contingent Annuitant is then living, and shall continue monthly with the last payment due for the month in which the Contingent Annuitant's death occurs.

d. If a Contingent Annuitant dies before the Participant's actual retirement date, the Normal Form of Retirement Benefit will automatically become payable as if a Contingent Annuitant Option had not been elected. If the Contingent Annuitant predeceases the Pensioner after retirement, the pension benefit will "Pop-Up" to its original amount before reduction.

This option shall be elected by the Participant by written notice to the Administrator at least sixty (60) days before the Employee's actual retirement date.

Once a choice as to a form of Retirement Benefit or a retirement date is made and accepted by the Administrator, it cannot be rescinded by the Participant without the written consent of the Administrator conditioned upon satisfactory evidence of the good health of the Participant and any person entitled to receive payments upon the death of the Participant. Notwithstanding the aforesaid, the Administrator is under no obligation to approve said requested change. In no event shall the consent of any person entitled to receive payments upon the death of the Participant be required as a condition to the right of a Participant to revoke or change any option previously elected.

Anything in this Plan to the contrary notwithstanding, the Participant shall not have the right prior to his retirement irrevocably to elect to have all or a part of his interest in this Plan, which

would otherwise become available to him during his lifetime, paid only to his beneficiary after his death.

ARTICLE X FUNDING

Section 10.1 Contributions of the Employer - The Retirement Board shall, at least once every three years, be required to have an actuarial valuation by an actuary of the assets and liabilities of the Retirement Plan and of the required contributions from the Employer which, in addition to contributions of the Participants, will be adequate to finance the benefits under the Retirement Plan. On the basis of each such valuation, the Employer shall pay each year to the Retirement Board an amount, which will meet the actuarial cost of current service, and, until it is amortized, the unfunded accrued liability. The annual appropriation by the Employer for each of the forty (40) plan years beginning January 1, 1976, shall be the sum of the normal cost for the year and the annual payment that would be required on a level basis to amortize the unfunded accrued liability over forty (40) years from January 1, 1976. The appropriation for each plan year thereafter shall be the normal cost for the year. Any proposal which will change the benefits payable or Participant Contributions required under the Retirement Plan shall be accompanied by an estimate by the actuary of the additional appropriations by the Employer which will be required to finance the additional normal cost and to amortize on a level basis the additional accrued liability over forty (40) years from the effective date of the change.

Section 10.2 No part of the funds held under this Plan shall be used for or diverted to purposes other than for the exclusive benefit of Participants, their spouses or their dependents as heretofore described, prior to the satisfaction of all liabilities hereunder with respect to them. Also, no person shall have any interest in nor right to any of the funds contributed to or held under this Plan, except as expressly provided in this Plan and the Group Annuity Contract, and then only to the extent that such funds have been contributed by the Employer.

ARTICLE XI ADMINISTRATION

Section 11.1 This Plan shall be administered by the Retirement Board which shall report annually to the Mayor and Council setting forth the financial status of the Plan. All decisions of the Board, with respect to the administration of the Plan, shall be conclusive, binding and consistent in all respects with the intent and purposes of this Plan. If there shall arise any misunderstanding or ambiguity concerning the meaning of any of the provisions of this Plan, the Retirement Board shall have the sole right to construe such provisions and the Retirement Board's decision shall be final. The Retirement Board may establish such rules and regulations supplementing this Plan, as it considers desirable.

ARTICLE XII AMENDMENT

Section 12.1 This Plan is established and maintained for the exclusive benefit of Participants of the Employer and their beneficiaries. Subject to this limitation, any provision of this Plan may be amended by the Employer at any time, if, with respect to payments resulting from retirement benefits provided before the effective date of the amendment, the amendment does not reduce the amount of any payment or the term of monthly payments or delay the due date of any payment.

Section 12.2 Any provision of this Plan may be amended in any respect, without regard to the limitation of Section 12.1, if the amendment is required for qualification under income tax law or necessary for this Plan to meet the requirements of any other applicable law. Neither the consent of the Participant nor that of any other recipient is required for any amendment to this Plan.

ARTICLE XIII GENERAL PROVISIONS

Section 13.1 An application for a retirement benefit must be made in writing on a form and in a manner prescribed by the Retirement Board and shall be filed with the Retirement Board at least two (2) months in advance of the month for which the benefits are first payable.

Section 13.2 A single sum payment in an actuarially equivalent amount may be made in lieu of monthly payments if the amount of each monthly retirement benefit payment would be less than \$20.00.

Section 13.3 No person entitled to benefits under this Plan may sell, assign, discount, or pledge as collateral for a loan or as a security for the performance of an obligation or for any other purpose, any payment due to him. If the recipient of any payment is a minor or an incompetent person, payment may be made to the person, or persons, caring for or supporting such recipient in full discharge of all obligations, as determined by the Retirement Board.

Section 13.4 Inclusion in this Plan shall not be construed as giving any Participant the right to be retained in the service of the Employer without its consent nor shall it interfere with the right of the Employer to discharge the Participant, nor shall it give the Participant any right, claim or interest in any benefits herein described, except as provided by the Participant Contributions with Credited Interest prior to fulfillment of the provisions and requirements of this Plan.

ARTICLE XIV DURATION

Section 14.1 The effective date of any subsequent modification to the Pension Plan described in this Plan shall not be prior to October 1, 2001.

Section 14.2 Unless required by law or otherwise specified herein, the effective date of any change in this Plan shall be the effective date of this Handbook.

APPENDIX B - EMPLOYEE ACKNOWLEDGEMENT FORM

EMPLOYEES HIRED PRIOR TO NOVEMBER 1, 2008

All employees covered by this Handbook will acknowledge receipt of the Handbook by signature and date on the acknowledgement form located at Appendix B. The acknowledgement form is to be returned to the Human Resources Department within 15 working days of receipt of the Handbook for inclusion in the employee's personnel file.

I acknowledge that I have received a copy of this Handbook. I understand that it is my obligation to familiarize myself with the contents and also to abide by the City policies on the intranet. **I understand that per the education assistance and payout provisions in this Handbook, I understand that by virtue of acknowledging receipt of the Handbook, I authorize payroll deduction to satisfy any repayment due and agree to pay any outstanding amounts immediately. The City reserves the right to deduct the same from any payments, including, but not limited to, salary, vacation and sick leave, owed to the employee at the time of termination of service with the City, irrespective of the reason. I understand that the City may employ all legal resources available to pursue collection of any unpaid portion of the debt.**

I understand that I have fifteen (15) **working** days to review this Handbook and submit the acknowledgement form to the HR Department. In the event I violate the Handbook or the City policies, I may be subject to disciplinary action, up to and including termination.

PRINT NAME

SIGNATURE OF EMPLOYEE

DATE

The signed employee acknowledgement form is to be retained in the employee's personnel file in the Human Resources Department.