

Agenda
Human Resources Committee
Jefferson County Courthouse
320 S Main St, Room 112
Jefferson, WI 53549

May 21, 2013 @ 8:30am

Committee Members: James Braughler, Chair; Greg David; Pamela Rogers, Secretary; Jim Schroeder,
and Dick Schultz, Vice-Chair

1. Call to order
2. Roll call (establish a quorum)
3. Certification of compliance with the Open Meetings Law
4. Review of the Agenda
5. Citizen comments
6. Approval of April 16, 2013 minutes
7. Communications
8. Presentation on an Overview of Health Care Reform by Rae Anne Beaudry, the Horton Group
9. Discussion and possible recommendation to establish an initial plan to be in compliance with Health Care Reform requirements, including amendments to HR0640, Health Insurance, and any other applicable ordinance to comply with the new regulation
10. Presentation on the Wisconsin Deferred Compensation Program by Emily Lockwood and Heather Danielson, Wisconsin Deferred Compensation Program
11. Discussion and possible recommendation to offer employees the Wisconsin Deferred Compensation Program
12. Monthly Financial Report
13. Consideration to create four Economic Support Specialist I/II positions and an Administrative Assistant I/II position for Human Services
14. Consideration of Personnel Ordinance HR0360, Hours of Work, Overtime and Compensatory Time, to address the issue whether to continue winter maintenance pay differential, and if so, in what format
15. Discussion of HR0690, Vacation with Pay, including clarification of 'reasonable opportunity' in sec. F
16. Discussion of a cost of living adjustment to the pay scales in 2014
17. Set next meeting date and agenda
18. Adjournment

Next scheduled meeting: June 18, 2013 @ 8:30am.

The Committee may discuss and/or take action on any item specifically listed on the agenda

Individuals requiring special accommodations for attendance at the meeting should contact the County Administrator 24 hours prior to the meeting at 920-674-7101 so appropriate arrangements can be made.

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6. Approval of April 16, 2013 minutes
7. Communications (pages 4 - 5)
8. Presentation on an Overview of Health Care Reform by Rae Anne Beaudry, the Horton Group (pages 6-15)
9. Discussion and possible recommendation to establish an initial plan to be in compliance with Health Care Reform requirements, including amendments to HR0640, Health Insurance, and any other applicable ordinance to comply with the new regulation (pages 16-19)
10. Presentation on the Wisconsin Deferred Compensation Program by Emily Lockwood and Heather Danielson, Wisconsin Deferred Compensation Program (pages 20-25)
11. Discussion and possible recommendation to offer employees the Wisconsin Deferred Compensation Program (pages 26-27)
12. Monthly Financial Report (pages 28-29)
13. Consideration to create four Economic Support Specialist I/II positions and an Administrative Assistant I/II position for Human Services (pages 30- 33)
14. Consideration of Personnel Ordinance HR0360, Hours of Work, Overtime and Compensatory Time, to address the issue whether to continue winter maintenance pay differential, and if so, in what format (pg 34-38)
15. Discussion of HR0690, Vacation with Pay, including clarification of 'reasonable opportunity' in sec. F (pg 39-40)
16. Discussion of a cost of living adjustment to the pay scales in 2014 (page 41)
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**HUMAN RESOURCES COMMITTEE
MEETING MINUTES
April 16, 2013 @ 8:30am
Jefferson County Courthouse, Room 112**

1. Meeting called to order at 8:30am by J. Braughler.
2. Present: J. Braughler, G. David, D. Schulz, P. Rogers and J. Schroeder. Quorum established. Others Present: K. Cauley, T. Palm, J. Molinaro, G. Winter, B. Kern, A. Jenswold, S. Hoffmann, J. Parker, P. Milbrath, B. Block, D. Nelson, G. Scott, P. Ristow, Lydia Statz, Daily Union
3. Certification of compliance with the Open Meetings Law by K. Cauley.
4. Agenda reviewed to move closed session item to immediately follow Communications.
5. Citizen Comments. None.
6. Motion by P. Rogers, second by G. David, to approve the March 19, 2013 minutes as printed. Motion carried 5:0.
7. Communications: Copy of a draft of Law Enforcement Committee meeting from March 22 addressing the issue of Medical Examiner and a copy of the Human Resources 2012 Annual Report was distributed.
8. Motion by P. Rogers, second by G. David, to convene into closes session pursuant to Wisconsin Statutes 19.85(1)(b), consideration of employee discipline. All members present responding "Yes". Moved into closed session at 8:35am. NOTE: J. Parker, P. Milbrath, P. Ristow and T. Palm remained present for closed session.
Motion by D. Schultz, second by P. Rogers, to approved the Sheriff's recommendation of disciplinary action. Motion carried 5:0.
9. Motion by D. Schultz, second by P. Rogers, to reconvene into open session. All members present responding "yes". Moved into open session at 8:53am.
10. Reviewed ordinance based on discussions from March meeting to add language providing a premium for E1 and E2 equipment. J. Schroeder stated his continued concern that essentially equipment operators could be 'demoted' (making less than current highway workers) if assignments to equipment were not given first to current operators. Motion by D. Schultz, second by P. Rogers, to recommend to Board ordinance amendment to HR0360, impacting Highway Worker premium compensation when operating equipment. Motion carried 4:1 (J. Schroeder).
11. Motion by J. Schroeder, second by D. Schultz, to advance the resolution to County Board to create a part-time Driver at Human Services. Motion carried 5:0.
12. Motion by J. Schroeder, second by D. Schultz, to advance the resolution to County Board to create a part-time WIC Dietetic Technician. Motion carried 5:0.
13. Committee discussed and reviewed sample ordinance language to allow for wage adjustments for department heads when appropriate. The County's pay structure is very rigid, with very specific means to move through steps. There is no current language that allows for employees to skip steps, which may

be beneficial if the employee would leave employment because of pay. Discussion also included an inquiry as to why this may only apply to department heads. Committee asked that this be considered in the near future, allowing the new County Administrator to have input into the policy.

14. Motion by D. Schultz, second by P. Rogers, to endorse the recommendation of the Law Enforcement Committee to abolish the office of Coroner and create a Medical Examiner position, following the end of the current Coroner's term. Motion carried. Note: Human Resources will work with the Coroner to develop a job description and have the position of a Medical Examiner evaluated and placed on our new pay plan.
15. Phil Ristow, Corporation Counsel, reviewed a summary from Gonzalez Saggio Harlan, 3/14/13, which outlined that the decision in Dan County only affects Dane County, not other counties; the Federal 7th Circuit Court upheld Act 10; and the State can appeal to the Supreme Court, which may or may not even hear the case. Ristow also reminded the Committee that our contracts with AFSCME expired 12/31/11 and as they did not recertify, these unions are decertified. This is the ruling as it stands today, unless appeals are filed.
16. Terri Palm gave a brief summary of upcoming decisions the County will need to make to comply with the Affordable Care Act (ACA) or Health Care Reform Act. This includes the decision to "pay or play" and setting the look back period to determine if employees are eligible for coverage. The State plan also has rules that need to follow, providing a more generous definition of who needs to be offered coverage. Even so, the County will have to have a plan in place by July 1, 2013 to comply with the ACA. At the next meeting there will be a presentation by a firm that specializes in this area.
17. Terri Palm, Human Resources Director, provided the Committee with an update on the status of a county safety program. The 2013 budget included funds to share a Safety Manager with two other counties. This Safety manager was to be hired and managed by WMMIC; unfortunately, this strategy did not work out. Palm believes there are safety risks throughout the County, including missing or incomplete written, required plans. She also believes there are duplication of efforts and these plans and efforts would be better served to be coordinated, not only for the County but the safety of employees. Palm is currently receiving verbal quotes from consultants to do a mini audit or gap analysis (excluding Highway) to provide a written report of our strengths and areas of improvement, and to prioritize areas that need the most immediate attention.
18. Terri Palm reported on 20 vacancies in 9 departments for the first quarter of 2013, as well as 5 requests for emergency help. Finally, she reported on the status of our vacation donation policy, which included 19 donors and 12 recipients to the program since it began in 2001.
19. Next meeting scheduled 8:30am, Tuesday, May 21, 2013, to include a presentation on the Health Care Reform Act.
20. Motion by D. Schultz, second by P. Rogers, to adjourn. Meeting adjourned at 9:40am.

Terri Palm

From: Buelow Vetter Buikema Olson & Vliet, LLC <dneumann@buelowvetter.com>
Sent: Tuesday, April 16, 2013 2:22 PM
To: Terri Palm
Subject: Court of Appeals Decision Upholds Bargaining Changes Under Act 32

Legal Update



Buelow Vetter
 Buikema Olson & Vliet, LLC

Court of Appeals Upholds Bargaining Changes Under Act 32

April 16, 2013

Earlier today, the Wisconsin Court of Appeals issued its first decision on the changes to the collective bargaining law for public safety employees. In a long awaited decision, the Court of Appeals held that the changes in Act 32 permit a municipal employer to make unilateral changes to the carrier and design of health insurance plans.

Background

One of the provisions in the 2011 Budget Bill ("Act 32") was a change in the Municipal Employment Relations Act that prohibits bargaining over the selection and design of the health insurance plan for public safety employees. The statutory language specifically states:

(mc) Prohibited subjects of bargaining; public safety employees. The municipal employer is prohibited from bargaining collectively with a collective bargaining unit containing a public safety employee with respect to any of the following:

...

6. The design and selection of health care coverage plans by the municipal employer for public safety employees, and the impact of the design and selection of the health care coverage plans on the wages, hours, and conditions of employment of the public safety employee.

§ 111.70(4)(cm)6, Wis. Stats.

The Circuit Court Decision

The City of Milwaukee refused to bargain with its police union over various provisions of the health insurance plan, and proposed to remove 22 pages of health insurance language from the 2010-12 labor agreement. The Milwaukee Police Association filed suit and sought an injunction to prevent the City from changing the health insurance plan. A Milwaukee County circuit court judge granted the injunction which blocked the City from making plan design changes, and issued a writ of mandamus directing the City to comply with the terms of the labor agreement. The City appealed that decision.

The Court of Appeals Decision

On appeal, the police union argued that the City could design and select whichever health insurance carrier and plan coverage it desired, but the union retained the right to bargain how the "design and select" options affect the finances of its members. In other words, the union argued that the cost impact of the selection of the insurance carrier and plan design on public safety employees must still be bargained. The Court of Appeals rejected the union's arguments and upheld the plain language of the statute. The Court of Appeals concluded that an employer is not required to bargain over such items as: (1) the carrier; (2) the type of health plan (PPO, high deductible plan, etc.); (3) deductibles; (4) co-pays; (5) out-of-pocket maximums; and (6) prescription drug costs.

Conclusion

This is a big victory for employers, who have been waiting patiently for the appellate courts to provide some guidance on its duty to bargain over health insurance benefits under Act 32. Unlike the circuit court decisions, the Court of Appeals' decision has binding effect on employers and labor unions throughout the State of Wisconsin. While this decision will undoubtedly be appealed to the Wisconsin Supreme Court, it provides the first decision that municipal employers can rely upon to make changes to the design of the health insurance plan for public safety employees.

If you have any questions regarding this decision or its impact on bargaining with public safety employees, please contact your Buelow Vetter attorney or Attorney Nancy Pirkey at (262) 364-0257 or npirkey@buelowvetter.com.

This *Legal Update* is intended to provide information only on general compliance issues and should not be construed as legal advice. Please consult an attorney if you have any questions concerning the information discussed in this *Legal Update*.

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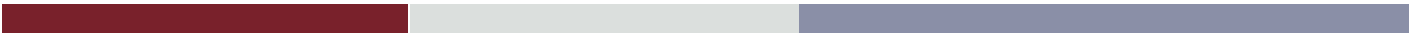


April 23, 2013

Health Care Reform Overview

Prepared for:

Jefferson County



Presented by:
Rae Anne Beaudry, Executive Vice President, HBS Division
The Horton Group

**HEALTH CARE REFORM
A QUICK PRIMER ON
PAY OR PLAY RULES FOR EMPLOYERS**

Item #8

We have been asked to prepare a quick synopsis of the new Pay or Play Rules that will be coming into play for all large employers beginning no later than the first day of the month following your renewal in 2014. For Jefferson County this date and the date of compliance will be January 1, 2014.

What is Pay or Play? The Affordable Care Act (ACA) sent out guidance for these rules in January, 2013 and have been clarifying them or refining them since. Here's where the Rules stand on this provision today.

Employers will need to determine how many hours every employee works while under their Common Law control. Hours of work include all hours of service such as physical clocked in work hours, holiday pay, any paid leave (including PTO, sick time or disability employer paid time), vacation days, on-call time and per diems, jury duty, funeral paid time off, FMLA and Military Time. Your payroll system must be able to track these hours with a substantial degree of accuracy.

Most employers have three classifications of employees that we need concern ourselves with under these rules. The first is those that you already consider full time for Jefferson County's purposes. It is likely that you will continue to offer these individuals coverage for benefits under similar terms and conditions as you do today. Clearly there will still be opportunities to change their premium contributions, make plan changes, and encourage or even penalize for those plan participants who do or do not participate in wellness initiatives. If there is not a decision to change the way coverage is offered for these individuals, the County in general should not worry that the rules will in any way play to penalize either the County or these employees.

The next class of individuals you typically do not need to worry about are those for whom the law does not require you to offer coverage. For example these would be individuals that work less than 30 hours per week consistently (20 hour employees, elected officials, etc.). You can continue to offer coverage or not, as you desire for these individuals and you can charge them whatever you might like, as again, there is no obligation to offer or supply coverage for these individuals.

Then there is the classification of individuals that you must concern yourselves with and begin a strategic plan. These are your "Variable Hour" employees. These are employees who consistently work or hover around 30 hours per week, or who may work more than 1560 hours per year for a single employer. These are the employees that you must track carefully, prepare a plan that includes a "Measurement Period" and Administrative Period (during which you will make an offer of coverage that you have found during the Measurement Period to be eligible) and set a stability period of coverage that is no shorter than the measurement period, but not less than 6 months. The stability period is the time during which the Variable Hour employee will receive coverage under the plan, even if they are now working reduced hours. So let's use an example: An Administrative Assistant is hired to work 28 – 32 hours per week. We set the look back period or measurement period to be January 1, 2013 through October 1, 2013. During that time, due to covering for several others over the summer she hits the 1560 hours per calendar year. During the Administrative Period the County would have to offer her coverage for the 2014 calendar year.

What happens if the County just doesn't offer coverage to anyone in this class? If you fail to offer coverage to more than 5% of the eligible (and you must count newly eligible under the 30 hour rule) individuals in the County's employ, there is a \$2,000 penalty for all full-time (all these individuals) less the first 30 employees, even if you offer the majority of employees a health plan. This is the same penalty that applies if you do not offer coverage at all. So if the County has 500 employees (full time or more than 30 hours per week) they would pay a penalty of \$940,000 just for not offering coverage to these newly eligible individuals. The County would continue as well, presumably to pay for coverage the same as today or an additional several million dollars. By the way, it is important to remember that the 5% "Safe Harbor" is only for legitimate mistakes in offering coverage. It is not a Safe Harbor for those who intentionally set individuals up to fail the test. In my example, our assistant gets to 1,500 hours and we lay her off.

The next question for these individuals then is the County's coverage Affordable? The Affordability Test is for all individuals. If a Single plan costs an employee more than 9.5% of their gross wages (Line 1 of the W-2)

the plan may be unaffordable. Example: I am paid \$10 per hour and work 30 hours per week (130 hours per month). My gross wage is \$1,300 for the month. If the cost of a single plan (my premium contribution is more than \$123.50 (9.5% of my gross) the plan may be unaffordable.

For the County to be penalized though under the Affordability Test, I must now want your coverage but not take it because of cost, go to the Federal Exchange AND receive or be eligible to receive a Federal Subsidy (the cost of coverage under the exchange must be more than 8% of my household income). All three of these things must be true for the County to be penalized. Then the penalty, if applicable, is \$3,000 for that employee only.

Lastly, it is important to note that the law does not require any employer to (1) Offer coverage at all; (2) If you offer coverage you are not required to offer it to Spouses at all, working or non-working; and (3) You can offer it differently among varying classes such as salaried vs. hourly or collectively bargained vs. non-collectively bargained. The law also does not apply generally to seasonal employees (such as golf course workers that are hired ONLY for that season or only for a project), assuming their employment does indeed terminate upon completion of the season or project and that the project is not long term.

We will also ask that the County be aware of the following two "fees" for the next several years. The first is PCORI (Patient Centered Outcomes Research Institute Fee). This fee is \$1.00 per covered life and is due in July, 2013. All employers are required to pay this fee and it will be paid directly by the employer to the IRS on Form 720 (which is not available at this time). The other fee that will impact the County on 1/1/14 is the Reinsurance Tax. This is \$5.25 per covered life per month (covered lives count retirees, their dependents, COBRA participants and their dependents and all active employees and their dependents) on the plan. This will add \$63.00 per covered person per year or roughly \$252.00 per year to a family of four. This is just in fees and not for health care.

QUESTIONS FOR CONSIDERATION:

- 1) Does our handbook sufficiently describe employee classifications and eligibility?
- 2) Do we have many individuals currently who are not offered coverage, who may become eligible? Do we have a problem and what is the size of the problem (how many individuals)?
- 3) What is our strategy if we do determine we need to offer coverage to those that do not have coverage currently? Will we offer? If we do, what will be the premium contribution? For a single plan vs. family plan? Do we need to change our premium tiers or our plan in total?
- 4) Will we offer spousal coverage? What about a spousal carve-out or surcharge?
- 5) What if employers around us (particularly the private sector) kick spouses off their plan and our current employees and retirees who waive coverage come back on our plan? This is a budgetary consideration at a minimum.
- 6) If we offer a cash-in-lieu or an opt-out is that legal? It may be viewed as an incentive to not be on your plan and that will likely not be allowed.
- 7) How will we classify employees that we wish to charge differing contribution levels (example full time pays 12.6% of premium, do those working 30 hours (.75) pay 25% plus 12.6% to have the same plan) as our full-time or do we offer them a different plan?
- 8) What do we do now?
- 9) Have we prepared for the taxes and fees that are coming?
- 10) Are we in compliance with the law currently?
- 11) Will we continue to offer coverage at all in the future? When?

We will have a representative from the Horton Group here at our next meeting in May to discuss the Affordable Care Act in more detail and to help us assess and move forward. Until that time, please review the attachments to this memo and begin to formulate your questions.

RESPECTFULLY SUBMITTED:

RAE ANNE BEAUDRY
Executive Vice President/Consultant
The Horton Group

Health Care Reform Timeline

2010	2011	2012	2013	2014	2015 & Beyond
<ul style="list-style-type: none"> • Adult child coverage until age 26 • Annual dollar limits restricted • Early retiree reinsurance program (ERRP) • ER coverage as in-network, no prior authorization • Initial appeals review standards • Lifetime dollar limits prohibited • Medicare Part D rebate for beneficiaries in the gap • No pre-existing conditions for kids until age 19 • Online consumer information at healthcare.gov • Pediatricians as PCPs, direct access to OB/GYNs • Preventive services with no cost sharing • Rescissions prohibited except for fraud or nonpayment • Small business tax credit • Temporary high-risk pool 	<ul style="list-style-type: none"> • Annual fee on pharmaceutical manufacturers begins • Annual rate review process • Appeals ombudsmen and process documentation • Auto-enrollment for groups with 200+ FTEs (Implementation delayed until regulations released) • Discounts in Medicare Part D “donut hole” • HSAs/HRAs/FSAs: limitations for OTC medications • Increase penalty for non-qualified HSA withdrawals • Minimum medical loss ratio (MLR): 85% for large group; 80% for small group and individual • Non-discrimination rules apply to insured plans (implementation delayed until regulations are released) • Small business wellness grants (implementation delayed until regulations are released) 	<ul style="list-style-type: none"> • 60-day advance notice of material modifications • Accountable Care Organization requirements • Appeals provision fully implemented • First medical loss ratio rebates to be paid by August • New women’s preventive services with no cost sharing • Patient-centered Outcomes Research Institute (PCORI) fee (\$1 per member/year) • Quality bonus begins for Medicare Advantage plans • Quality of care reporting requirements (implementation delayed until regulations are released) • Summary of benefits and coverage (SBC) and the Uniform Glossary 	<ul style="list-style-type: none"> • Administrative simplification begins • Annual fee on medical device sales begins • Deduction for expenses allocable to the Part D subsidy for “qualified prescription drug plans” eliminated • Employee notification of access to Exchanges • FSA contributions limited to \$2,500 • High earner tax begins (applies to individuals) • PCORI fee increases to \$2 per member/year • W-2 reporting of the value of employer-sponsored health benefits 	<ul style="list-style-type: none"> • Coverage for all adult children until age 26 including those that have employer coverage (formerly not covered for grandfathered plans) • Deductible caps cannot exceed \$2k for individual and \$4k for family • Essential health benefits required for small employers • Guaranteed issue and renewability • Health Benefit Exchanges • ICD-10 code adoption • Individual & employer mandates • Insurer fee – permanent • Mandatory coverage for clinical trials • No annual dollar limits • No pre-existing condition exclusions • OOP limits must comply with OOP limits for HSA qualified plans • Rating restrictions / Adjusted community rating • Tax credits and subsidies for individuals and small employers • Transitional reinsurance fee (2014-2016) • Waiting period limits • Wellness programs 	<ul style="list-style-type: none"> • High-value plan excise tax begins (2018) • Medicare Part D “donut hole” closed by 2020 • States can open Exchange to CHIP eligible (2015) and all employers (2017)

IRS Defines Tracking Rules for Variable Hour Employees

On January 2, 2013, the IRS issued proposed regulations related to defining what variable hour employees are, an optional method for identifying full-time employees for purposes of determining and calculating an employer's potential liability for a shared responsibility payment, what hours or work periods can be used for tracking, and transition of periods between current and newly hired employees.

Additionally, other guidance related to eligibility periods and dependents was provided. This guidance from the IRS was added to Shared Responsibility Rules under [IRS Notice 2012-58](#). Although the proposed regulations are not final, employers may rely on them until further guidance is issued.

The proposed regulations also include important transition relief. Employers that intend to utilize the look-back measurement method for determining full-time status for 2014 will need to begin their measurement periods in 2013 to have corresponding stability periods in 2014. The IRS recognizes that employers that intend to adopt a 12-month measurement period and a 12-month stability period will face time constraints.

Under the proposed regulations' transition relief, solely for purposes of stability periods beginning in 2014, employers may adopt a transition measurement period that:

- Is shorter than 12 months, but not less than 6 months long; and
- Begins no later than July 1, 2013, and ends no earlier than 90 days before the first day of the first plan year beginning on or after Jan. 1, 2014.

For example, an employer with a calendar year plan could use a measurement period from April 15, 2013, through Oct. 14, 2013 (six months), followed by an administrative period ending on Dec. 31, 2013. An employer with a fiscal year plan beginning April 1 that also elected to implement a 90-day administrative period could use a measurement period from July 1, 2013 through Dec. 31, 2013 (six months), followed by an administrative period ending on March 31, 2014.

ACA's employer penalty is referred to as the "employer shared responsibility payment." It requires large employers to either "play" by offering health coverage to their full-time employees and dependents that is affordable and provides minimum value or "pay" a substantial excise tax. The amount of the excise tax generally depends on whether or not an employer offers coverage to substantially all of its full-time employees and dependents.

Definitions and Guidance Highlights

1. Defining an "applicable large employer" penalties:
 - a. 4980H(a) liability, or the Pay-Or-Play penalty, occurs when the employer fails to offer its full-time employees (and their dependents) the opportunity to enroll in a "Minimum Essential Coverage" (MEC) health plan and any full-time employee receives a subsidy (i.e.; a premium tax credit or cost sharing reduction) when purchasing coverage through a public "Exchange". In this case the employer may be liable for a \$2,000 per employee per year non-deductible penalty for every fulltime equivalent employee, not counting the first 30;
 - b. 4980H(b) liability applies if the employer does offer a health plan, but it either is not MEC qualified or is deemed unaffordable under the 9.5% of W-2 wage safe harbor for single only coverage. If any full-time employee receives a subsidy when purchasing coverage through a public "Exchange", the employer may be liable for a \$3,000 per subsidized employee per year non-deductible penalty.

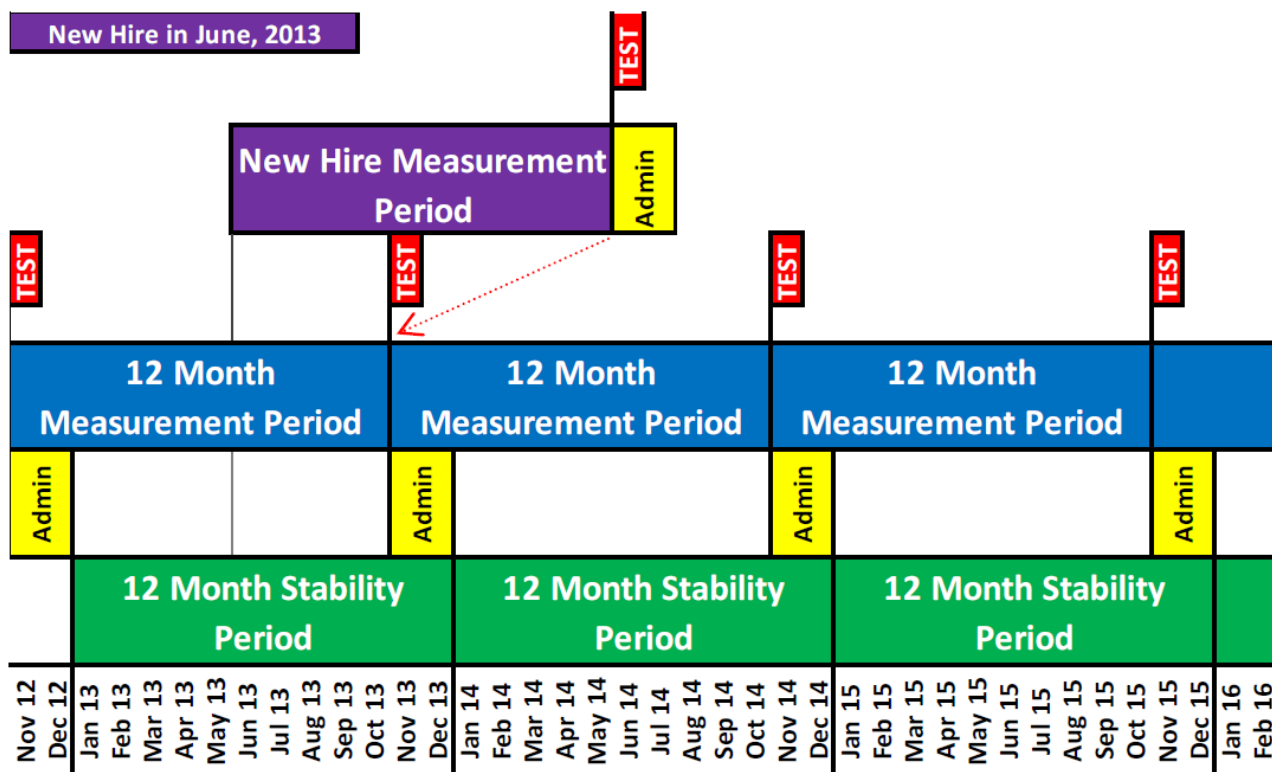
IRS Defines Tracking Rules for Variable Hour Employees - Continued

- c. An applicable large employer is defined as having employed an average of 50 or more full-time employees (30 hours average or more per week worked) during the preceding calendar year.
 - d. The IRS guidance provides transition relief in that non-calendar year plans will not be required, or be liable for penalties above, until the first plan year date after January 1, 2014.
Note that any changes to plan year periods to avoid ACA implementation or requirements are no longer permitted to be made.
 - e. An additional safe-harbor to penalties under 4980H(a) was established for employers who provide coverage to “substantially all”, defined as 95% or more, of its full-time employees. This standard allows it to offer coverage to all but 5% (or 5 in total if greater) of its full-time employees. This is to minimize the potential risks due to small administrative mistakes that could otherwise trigger penalties.
 - f. Affordable coverage safe harbors include:
 - i. W-2 safe harbor: the employer provides MEC coverage not costing the employee more than 9.5% of their W-2 wages for single coverage;
 - ii. Rate of Pay safe harbor: An employer can take the hourly rate, multiplied by 130 hours per month, to determine a monthly “rate of pay” for testing the 9.5% contribution for single coverage.
 - iii. Federal Poverty Limit Safe Harbor. Coverage is deemed affordable if the employee’s cost for single coverage does not exceed 9.5% of the FPL.
2. Defining the variable hour employee
- a. If an employee in a 12-month variable hour tracking method works more than 1560 hours in any measurement period, they become a full time eligible who must be enrolled for benefits;
 - b. If it is a current employee, the measurement period can track the current open enrollment period for eligibility. For Example:

Current Employees																																							
TEST																																							
12 Month Measurement Period				12 Month Measurement Period				12 Month Measurement Period																															
Admin																																							
12 Month Stability Period				12 Month Stability Period				12 Month Stability Period																															
Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16

IRS Defines Tracking Rules for Variable Hour Employees - Continued

- c. If it is a new hire, the initial measurement period must follow the initial payroll period in which the employee is hired, and be tracked for 12 months thereafter. Once that initial measurement period has been completed, the employee would revert to the same measurement period being applied to all current employees, even where the two overlap over some months. For example:



- d. If an employer uses a look-back measurement period for its ongoing employees, the employer may also use a similar method for new variable hour or seasonal employees.
 - e. Definitions of Variable Hour and Seasonal Employees: An employee is a variable hour employee if, based on the facts and circumstances at the start date, it cannot be determined that the employee is reasonably expected to work on average at least 30 hours per week.
 - i. For 2014, a new employee who is expected to be employed initially at least 30 hours per week may be a variable hour employee if the employee’s period of employment at 30 or more hours per week is reasonably expected to be of limited duration and it cannot be determined whether it will last for the initial measurement period. Effective as of Jan. 1, 2015, employers must assume that employees will be employed for the entire initial measurement period.
 - ii. Through at least 2014, employers are permitted to use a reasonable, good faith interpretation of the term “seasonal employee.” Absent of any definition above, if the employee is working 30 or more hours per week, they must be defined as a full-time equivalent and provided eligibility for health benefits no later than the 90th day of employment.
 - f. Short-term Employees and High Turnover Positions: The proposed regulations do not contain special rules for new short-term employees or employees hired into high-turnover positions. Although the IRS is still accepting comments on these types of employment, rules were not provided in the proposed regulations due to the potential for abuse.
3. Defining what is counted as hours toward meeting qualification during a measurement period
- a. A full-time employee is an employee who was employed on average at least **30 hours** of service per week. The proposed regulations treat **130 hours of service in a calendar month** as the monthly equivalent of 30 hours per service per week

- b. All hours of service performed for entities treated as a single employer under the Code’s controlled group and affiliated service group rules must be taken into account.
 - i. Hourly Employees: For employees paid on an hourly basis, an employer must calculate hours of service from records of hours worked and hours for which payment is made or due for vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence.
 - ii. Non-hourly Employees: For employees not paid on an hourly basis, employers are permitted to calculate hours of service by:
 - iii. Counting actual hours of service from records of hours worked and hours for which payment is made or due;
 - iv. Using a days-worked equivalency method under which an employee is credited with eight hours of service for each day with an hour of service; or
 - v. Using a weeks-worked equivalency method under which an employee is credit with 40 hours of service per week for each week with an hour of service.
 - c. Employers may use different methods for non-hourly employees based on different classifications of employees if the classifications are reasonable and consistently applied. Employers may change methods each calendar year. However, employers may not use the days-worked or weeks-worked equivalency methods if those methods would substantially understate employees’ hours of service. Certain classes of employees may be treated differently for establishing measurement periods:
 - i. Collectively bargained employees (Union);
 - ii. Salary versus hourly employees;
 - iii. By state of residence of the employee.
 - d. Types of Paid Hours of Service that qualify for tracking:
 - i. Physical clocked work hours;
 - ii. Holiday hours;
 - iii. Paid leave of absence such as;
 - iv. PTO;
 - v. Sick Time;
 - vi. Employer Paid Disability Time;
 - vii. Vacation days;
 - viii. On-Call time, such as someone awaiting being brought to a job site;
 - ix. Jury duty;
 - x. Funeral paid time off;
 - xi. Paid FMLA leave;
 - xii. Military duty time paid by the employer.
 - e. For seasonal employees, there is a 501 hour rule that can be applied for a break in service. For example, if a school hires aides that work nine months a year at 30 hours or more per week, the summer break would provide a credit of 501 hours to be applied to the tracking period hours for the purpose of full time eligibility qualification. In this example, an educational variable hour employee that works 1059 or more hours would qualify as a full-time equivalent eligible for benefits.
4. It is recommended that the definition for variable hour employees not exclude otherwise eligible employees in any manner that cannot be defended by practical example, and where inconclusive the employer is directed to define a standard providing the employee the “advantage” for eligibility.
 5. Short-term Employees and High Turnover Positions: The proposed regulations do not contain special rules for new short-term employees or employees hired into high-turnover positions. Although the IRS is still accepting comments on these types of employment, rules were not provided in the proposed regulations due to the potential for abuse. As noted however—solely for 2014—an employer may take into account an employee’s likely short-term employment. Also, as a general rule, ACA’s pay or play penalty does not apply to full-time employees who have been employed for three months or less.

6. Rehired Employees and Employees Returning from Leave: The proposed regulations include guidance for employers on how to classify an employee who earns an hour or more of service after the employee terminates employment (or has a period of absence). If an employee goes at least 26 consecutive weeks without an hour of service and then earns an hour of service, he or she may be treated as a new employee for purposes of determining the employee's full-time status. The employer may apply a rule of parity for periods of less than 26 weeks. Under the rule of parity, an employee is treated as a new employee if the period with no credited hours of service is at least four weeks long and is longer than the employee's period of employment immediately before the period with no credited hours of service.
7. For an employee who is treated as a continuing employee, the measurement and stability periods that would have applied to the employee had he or she not experienced the break in service would continue to apply upon the employee's resumption of service. While measurement periods can be defined as from three to twelve months in length, no benefit stability period can be less than six months.
 - a. In reviewing the establishment of reasonable measurement periods, it would appear the twelve month period is most advantageous and the least administratively burdensome for employers.
 - b. The DOL and IRS have demonstrated there will not be patience shown to any employer who claims they cannot track these periods based on shortcomings in procedures or systems.
8. Defining employee classes and eligibility waiting periods applied
 - a. For full time employees, benefit eligibility waiting periods can be no longer than the 90th day of employment
 - b. For variable hour employees, benefit eligibility can be no longer than the 13th month after the start of the qualifying measurement period, and any additional partial month until the first of the following month. For example, if someone is hired on 2/6/13, and qualifies as an FTE the following year on 2/6/14, they must be eligible for coverage no later than 4/1/14.
9. Eligibility versus coverage
 - a. Employers must make coverage eligibility available, depending upon the status of the employee, but nothing compels the employer to cover an employee outside of the required contribution being made:
 - i. If a variable hour employee qualifies for coverage, but then drops hours and cannot make full contribution payments to their plan, they can be dropped from coverage for non-payment;
 - ii. If a covered variable hour employee terminates employment, their coverage is terminated and treated the same as any other COBRA qualifying event.
10. Spousal and Dependent eligibility further defined:
 - a. Spouses do not have to be made eligible for coverage, nor are they required to have employer contributions paid toward their coverage;
 - b. Children up to their 26th birthday do have to be eligible for coverage, but no employer contributions are required to be paid toward their coverage;
 - c. If an employer provides the employee with credible minimum essential benefits (Bronze plan) and the cost to the employee is affordable (less than 9.5% of W-2 income), both the employee and any dependents are then ineligible for receiving Federal subsidy for waiving employer coverage and purchasing insurance on their state provided exchange.
 - i. **Note – this position in blocking dependent subsidy is receiving significant negative press and public reaction, and may be addressed or changed in the future.**
 - d. Plan summaries and SPD's must define benefit eligibility periods under the new regulations as providing coverage no later than the 90th day of employment. Many fully insured plans do not have this language in their plan summaries as they are mass produced. Where this is the case, an ERISA wrapper must be provided to every employee that discloses the employer eligibility period.

IRS Defines Tracking Rules for Variable Hour Employees is provided to The Horton Group clients for informational purposes only and should not be construed as legal advice. Readers should contact legal counsel for legal advice.
<http://www.irs.gov/pub/irs-drop/n-12-58.pdf>
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HR0110

DEFINITIONS OF TERMS. The words and terms defined in this section shall have the following meanings in this ordinance and in any other ordinance classifying and fixing or adjusting the salaries and compensation or authorizing the employment of personnel in any department or office of Jefferson County. [am. 3/13/12, Od. 2011-31]

- A. "Allocation" means assigning a position or a class of positions to a specific pay grade.
- B. "Class" or "class of positions" means a specifically recognized and defined kind of employment in the County service designed to embrace all positions having duties and responsibilities sufficiently similar that the same title may be used, the same qualifications may be required and the same schedule of compensation may be made to apply with equity.
- C. "Classification" means the official determination of the class in which a position shall be deemed to exist and the assignment of an individual position to an appropriate class.
- D. "Classified service" means all positions in the County service except those specifically placed in the unclassified service. [am. ord. 85-10, 7/9/85]
- E. "Compensation" means the salary, wage allowances and all other forms of valuable consideration earned by or paid to any employee by reason of service in any position, but does not include any allowances authorized and incurred as incident to employment, such as mileage reimbursement, registration fees, etc.
- F. "Continuous service" means employment with the County without break or interruption. In computing continuous service for the purpose of this ordinance neither vacation leave, sick leave, including absence for injury for which worker's compensation is paid, military leaves or approved leaves of absence, whether with or without pay, or regular seasonal/annual layoffs shall be construed as a break in employment or service. Unexcused absences totaling 2 consecutive work days, layoffs other than seasonal/annual and terminations or resignation of an employee shall be construed as breaking "continuous service". [am ord. 85-10, 7/9/85, 12/14/04; am. ord. 2007-50, 03/11/08]
- G. "County service" or "service of the County" means all positions in all departments as herein defined that are subject to control and regulation by the board of supervisors of Jefferson County.
- H. "Employee" means a person legally occupying a position in the County service. This includes temporary, seasonal and occasional employees but not elected officials (except as may be required by context) or independent contractors. [am. 3/13/12, ord. 2011-31]
- I. "Exempt service" means all positions not subject to the Fair Labor Standards Act. Such positions may or may not be specifically designated by the Board of Supervisors to be exempt from the classification plan. [am. ord. 85-7, 6/11/85, 12/14/04]
- J. "Full-time employee" means an employee in a position whose normal assigned schedule of hours totals 1900 hours per year or more, or, on a monthly basis, totals 158.33 hours per month or more. [am. 3/13/12, ord. 2011-31]
- K. "Independent contractor" is a person or business who performs services for the County under an express or implied agreement and who is not subject to the County's control, or right to control, the manner and means of performing the services. Independent contractors are not employees and are not eligible for County benefits and are not subject to the classification plan.
- L. "Limited term employee" means an employee hired on a temporary or emergency basis, not to exceed one year. Limited term employees shall not be eligible for fringe benefits. Limited term employees shall be paid at the minimum step of the salary range for the appropriate position, unless otherwise authorized by the County Administrator. [am. 3/13/12, ord. 2011-31]
- M. "Occasional part-time employee" means an employee hired on an irregular basis. Occasional part-time employees shall not be eligible for fringe benefits, except Wisconsin Retirement System if qualified and will be paid at the minimum step of the salary range for the appropriate position and may progress through the step-system based on aggregate hours worked and acceptable performance. [am. 3/13/12, ord. 2011-31]
- N. "Part-time employee" means an employee in an allocated position whose normal assigned schedule of hours totals less than 1900 hours per year or, on a monthly

HR0265

PART-TIME EMPLOYMENT

- A. As defined in HR0110, a normal assigned schedule of hours totaling less than 1900 hours per year or, on a monthly basis, less than 158.33 hours per month shall be considered part-time employment and the actual compensation therefore shall be determined by the relation that the actual number of hours of service bears to 2080 hours. All part-time positions shall be classified and paid within the pay range assigned to the classification, except limited term, seasonal and occasional employment s approved by the County Administrator or Human Resources Director. [am. 3/13/12, ord. 2011-31]
- B. At the time an employee is hired the candidate's employment record shall disclose the anticipated FTE (full-time equivalent) status of the position. Benefits for each status are as follows: [am. 3/13/12, ord. 2011-31]
- Full-time (1900 hours annually) – all benefits and accruals illustrated within the Personnel Ordinance
 - More than half-time (1040 – 1899 hours annually) - health, dental, life and other insurances on the same basis as full-time employees. Accrued fringe benefits (vacation, sick, random and holiday) on a pro rata basis. However, if the employee has never worked for a Wisconsin Public employer that participates in WRS, the employee must initially be expected to work one year and 1200 hours to receive the benefits in this category. If the employee does not meet these two criteria, benefits shall be available as described in one of the two categories below. [am. 3/13/12, ord. 2011-31]
 - Less than half-time (600 – 1039 hours annually) – Random hours in accordance with HR0360(A)(2) and all insurance benefits on the same basis as full-time employees, except NOT eligible for dental insurance or any other accrued fringe benefits. Employees working less than 1040 hours annually may be eligible for the State Health insurance, but the level of employer premium contribution is 25% of the lowest qualified plan, and the employee is responsible for the balance of the monthly premium. [am. 12/09/08, ord. 2008-30; 10/27/09, ord. 2009-17]
 - Less than 600 hours annually_- not entitled to any insurance or other fringe benefits, except that an employee may become eligible for Wisconsin Retirement, State Health insurance and State life insurance if the employee later meets the requirements for the Wisconsin Retirement system, State Health Insurance, and State Life insurance. [am. ord. 84-16, 12/11/84; am. 12/09/08, ord. 2008-30]
- C. In the event a county employee changes from a half-time or more position to a less-than-half-time position, the employee will be treated as a terminated employee for accrued benefit purposes. Vacation and sick leave will no longer accrue. Any vacation earned prior to becoming a less-than-half-time position will be paid out at the current rate of pay. Sick leave accrued shall be placed in escrow and paid out at time of termination providing qualifying conditions are met. Payment will be made using the wage rate the individual was receiving at the time prior to accepting a non-benefited position. Should the employee return to a half-time or more position from the less-than-half-time position, sick pay held in escrow will be placed in the employee's sick bank and made available for use, the employee's vacation accrual rate will be credited with the length of time the employee previously held a more-than-half-time position, and the vacation hours the employee receives in January will be prorated based on only hours worked the previous year in the more-than-half time position, exclusive of overtime.. [am. ord. 07-02, 04/17/07; am. 3/13/12, ord. 2011-31]

HR0640

HEALTH INSURANCE. [am. 12/09/08, ord. 2008-30; am. 12/13/11, ord. 2011-21]

- A. Effective January 1, 2009, the County switched carriers to the Wisconsin Public Employers' Group Health Insurance Plan. For employees with half-time or more status, the County agrees to pay up to one-hundred-five percent (105%) of the premium rate of the lowest cost qualified plan in Jefferson County for either single or family coverage through December 31, 2011. For Health coverage effective January 1, 2012, for employees with half-time or more status (1200 hours or more for employees hired after July 1, 2011), the employer share (non-sworn personnel) shall be \$468.51 and \$1180.95 for monthly single and family plans, respectively and the employee shall pay the difference for the plan the employee selects. Thereafter, the County Board will annually establish the employer and employee-share of the health insurance premiums, within the parameters established by law. For employees with a less-than-half-time status and eligible for Wisconsin Retirement, the County agrees to pay twenty-five percent (25%) of the lowest cost qualified plan in Jefferson County for either single or family coverage. If a regular part-time employee refuses when called to work, except for a valid reason, and has not worked 1040 hours per year (1200 hours for employees hired after July 1, 2011), the Employer will pay only 25% of the lowest cost qualified plan for a period of time not to exceed three (3) months. Employee contributions will be deducted from paychecks in the month prior to the month of coverage. [am. ord. 2008-09, 5/13/08; am. ord. 2008-30, 12/09/2008; 12/13/11, ord. 2011-21]
- B. Employees eligible for Wisconsin Retirement and not receiving WRS annuity payments may elect to purchase health insurance under the State Health Plan effective the first day of the month which occurs on or after the date the application is received by the employer, as long as the application is received within 30 days of hire or status change. Failure to so elect shall preclude coverage under the County's group policies at the employee's expense. Effective the first of the month following completion of a six-month waiting period, the County will begin making contributions to family and single health insurance, providing the application is received by the County prior to the date the employee is eligible for the employer contribution toward the premium. Any amount not paid by the County will be the responsibility of the employee, as determined annually by County Board Supervisors or in accordance with the applicable labor contract. [am. ord. 85-7, 6/11/85; am. ord. 2007-15, 7/10/07; am. ord 2008-30, 12/09/2008; 12/13/11, ord. 2011-21]
- C. Current employees who make a change of hours to either a status eligible for health insurance (become eligible for Wisconsin Retirement or are already WRS eligible but increase their hours to half time or more, or to 1200 hours or more annually if hired after July 1, 2011) may elect to purchase health insurance under the State Health Plan effective the first day of the month which occurs on or after the date the application is received by the County, as long as the application is received within 30 days of the status change. Failure to so elect shall preclude coverage under the County's group policies at the employee's expense. Effective the first of the month following completion of a six-month waiting period, the County will begin making contributions for family and single health insurance provided the application is received by the County prior to the date the employee is eligible for the employer contribution toward the premium. However, for each month of the preceding six months that the employee worked half-time or more, the employee will receive "credit" towards the 6-month waiting period. Any amount not paid by the County will be the responsibility of the employee, as determined annually by County Board Supervisors or in accordance with the applicable labor contract. [am. ord. 2005-09, 6/21/05; am. ord. 2008-30, 12/09/2008, 12/13/11, ord. 2011-21]
- D. If an employee is hired or makes a status change on the first working day of the month, said month shall be considered the first month of the six-month waiting period. [ord. 2007-15, 07/10/07; am. ord. 2008-30, 12/09/2008]
- E. Effective January 1, 2012, for eligible employees, the County will begin making contributions for family and single health insurance for coverage effective the first of the month following completion of a 30-day waiting period. For employees who are hired or have a status change prior to January 1, 2012, are currently in the existing six-month waiting period, and have completed at least

Item #9

30 days of that waiting period, the County will begin making contributions for coverage effective January 1, 2012 and the remaining waiting period will be waived. No other "credit" will be given towards the 30-day waiting period. [created 12/13/11, ord. 2011-21]

- F. Employees who decline coverage may elect coverage during the open-enrollment period, with coverage effective January 1 of the succeeding year. The only exception is the occurrence of qualifying events creating special enrollment opportunities. [renumbered & am. 12/13/11, ord. 2011-21]
- G. When both spouses are employed by the County and both are eligible for coverage, both employees may either elect single coverage OR one employee may elect family coverage. [renumbered 12/13/11, ord. 2011-21]
- H. Effective January 1, 2012, when an employee terminates employment, health insurance coverage will be cancelled effective the last day of the month in which the employee terminates. [cr. 12/13/11, ord. 2011-21]
- I. If an employee elects to make a change in family/single coverage in the middle of the month, employee contributions will be required as follows:
 - 1. If a change in family/single coverage occurs on day 1 – 15 of the month due to marriage or birth/adoption of a child, employee contribution for the month will be charged at 100% according to the applicable change. [am. ord. 2008-30, 12/09/2008]
 - 2. If change in family/single coverage occurs on day 16 or later in the month due to marriage or birth/adoption of a child, no change in employee contribution will be charged until the following month. [am. ord. 2007-15, 07/10/07; am. ord. 2008-30, 12-09-2008]
 - 3. If a change is due to divorce and the divorced spouse was the sole dependent, the employee's single coverage is effective on the first of the month following divorce decree or notification. [am. ord. 2008-30, 12/09/2008; renumbered 12/13/11, ord. 2011-21]
- J. An employee can voluntarily cancel coverage at any time by submitting an application to the County. The cancellation will be effective the last day of the month in which the employer receives the application or a later date as specified on the cancellation notice. Voluntary cancellation of coverage does not provide the employee and dependents an opportunity for continuation or conversion of the group coverage, and under no circumstances is a partial month's premium refunded. [am. ord. 2008-30, 12/09/2008; renumbered 12/13/11, ord. 2011-21]
- K. Elected officials shall be provided the option of taking health insurance effective at the beginning of the term on the same terms as available to non-represented employees, as such terms and required co-pays may change from time to time. [renumbered 12/13/11, ord. 2011-21]
- L. In order to maintain active health coverage, an employee on a non-FMLA related leave of absence shall use accrued time according to current employment status. If the employee is receiving workers' compensation payments, the employee will only be required to substitute 20 hours of accrued time per week to maintain health coverage as an active participant. [am. ord. 2007-15, 07/10/07; 12/13/11, ord. 2011-21]

About the Wisconsin Deferred Compensation Program

The Wisconsin Deferred Compensation (WDC) Program is a public employee deferred compensation plan authorized under Section 457 (§457) of the Internal Revenue Code. It is a powerful tool that can help participants reach their retirement goals by providing an opportunity to supplement other retirement benefits or savings they may have.

Employees are eligible to participate in the WDC as soon as they are hired. They can contribute on a before-tax basis or on an after-tax basis through a Roth option. Contributions to the WDC are deducted from employees' paychecks. Employees may also be eligible to roll over savings from other qualified benefit plans into the WDC.

Your employees will enjoy a wide variety of investment options and, when they're ready to retire, may choose from several different distribution options designed to meet their retirement financial needs.

From enrollment through retirement, employees have access to resources that provide the information and services they need to help make their retirement successful.

Dollars ...

The WDC is available at no cost to employers. Because the WDC is a large, well-established §457 plan, the WDC is able to successfully negotiate for competitive (low) program administrative fees.

In addition, if you offer the WDC to your employees, you will not have to worry about assuming fiduciary responsibility for the plan. The State assumes fiduciary liability for the WDC. When you also factor in the availability of non-commissioned education representatives and the absence of deferred sales charges or contractual obligations, the benefits of the WDC really add up for employers.

... And Sense

Working with the WDC simply makes good sense. We all have unique skills and abilities that we apply to our jobs. But when outside influences infringe upon our daily work, it can lead to unpleasant circumstances—like stress and rising workloads.

When you adopt the WDC, all administrative duties, financial emergency hardship requests, and domestic relations order account divisions are handled by the deferred compensation program administrator. In addition, procedures can be set up so payroll data is transferred electronically, reducing the likelihood of errors and helping you automate your processes.

Site-Seeing

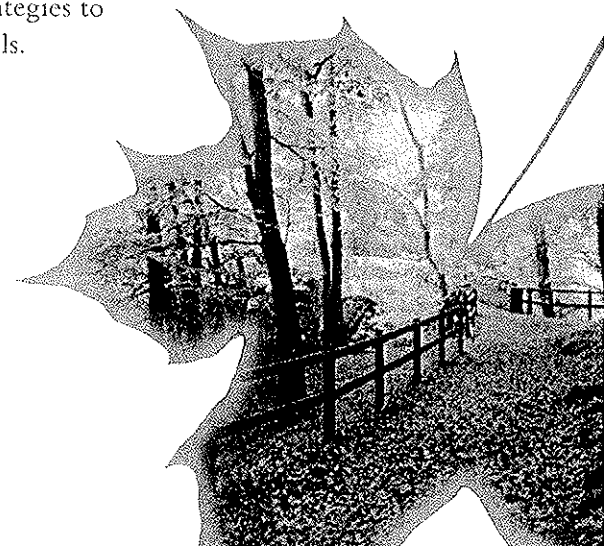
Imagine having a comprehensive online resource that allows you, the employer, to manage all facets of your plan in a safe and secure environment. The Plan Service Center (PSC) does just that. The PSC is an intuitive website that provides point-and-click access to the WDC.

With the PSC, you'll be able to view important participant information and manage your data, whenever you choose. It also provides access to a library of WDC reports and forms. The PSC includes other advanced features that you may want to take advantage of, including daily fund value graphs and email notifications.

Get Smart

Effective participant communication is measured by how easily employees understand the benefits of investing in and planning for retirement. The WDC's record keeper is a leader in implementing award-winning communication solutions that engage, educate and empower participants—and fuel their dreams for tomorrow and beyond.

Dedicated education counselors are located throughout Wisconsin and are ready to hold both group and individual meetings with your employees. More importantly, they are committed to working with you to develop strategies to meet your goals.



Brand-Name Quality

Offering an immediately recognizable brand is one of the best ways to build awareness of a new product or service. The WDC provides you with an instant brand identity upon which to build. Let the WDC help put an indelible stamp on the success of your deferred compensation program.

From posters and fliers to enrollment materials and mailings, you can take advantage of a complete lineup of marketing and educational materials. As you begin to post your literature, it will become readily identifiable by participants, making it easier for you to generate interest in the WDC.

Power Tools

With the WDC, help for participants is always just a phone call or mouse click away—24 hours a day, seven days a week.¹ Using the toll-free automated phone system, participants can manage their accounts just by pushing a few buttons. If they are calling the WDC, they're not calling you.

For participants who prefer using the website to manage their accounts, they can visit www.wdc457.org.¹ Here, participants can take advantage of valuable tools to help them forecast their retirement income needs, such as DreamTrackerSM, or arrange to automatically have their account rebalanced periodically using Rebalancer.² They can also make changes to their deferral amounts, transfer balances, reallocate future deposits, request forms and information, or simply view their account balances—all online.

For participants who want to speak to a knowledgeable client service representative, the WDC also provides a customer service call center located near Milwaukee, Wisconsin, at (877) 457-WDCP (9327).¹ The call center is available Monday through Friday from 7:00 a.m. to 7:00 p.m. CT.³

Board Responsibilities

The Wisconsin Deferred Compensation Board consists of five members appointed by the Governor and confirmed by the State Legislature, serving four-year overlapping terms. Board members serve as trustees for the \$457 plan and are responsible for selecting and approving investment products for the WDC, as well as maintaining the highest quality services and features. The Board contracts with a qualified third-party record keeper for day-to-day administration of the WDC through a competitive bid process. Additional Board responsibilities include:

- Establishing investment policies and objectives for the WDC as a whole and for each investment
- Selecting funds that are consistent with the prudent investor rule
- Overseeing, monitoring and evaluating the performance of funds
- Adding or replacing funds as circumstances change
- Monitoring the reasonableness and competitiveness of the fees charged by the funds
- Appointing, monitoring and replacing, if necessary, persons whose expertise the Board deems appropriate and necessary for it to properly discharge its obligations and responsibilities, including consultants and other professionals

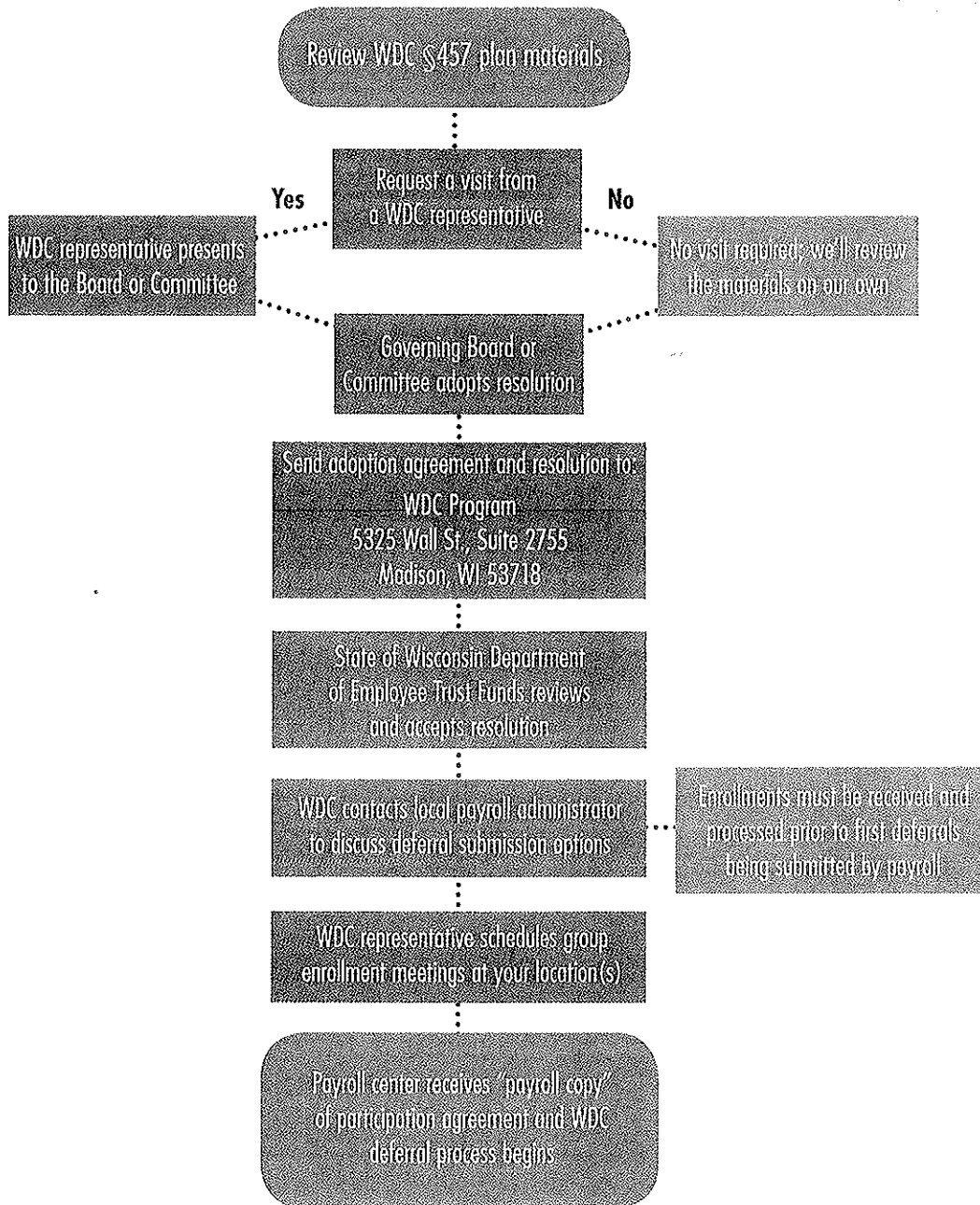
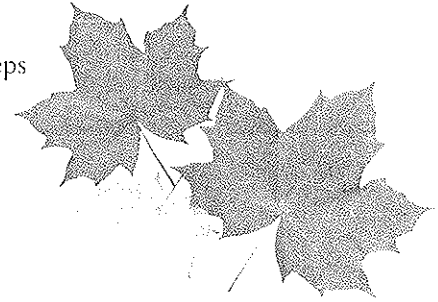
If you'd like more information about the WDC, call the WDC toll free at (877) 457-WDCP (9327). A representative will be glad to answer any questions you may have and may also arrange a meeting with you to discuss the WDC in greater detail.

¹ Access to the voice response system and website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or automated phone system received on business days prior to close of the New York Stock Exchange (3:00 p.m. Central Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of transactions may vary depending on the investment option selected.

² Rebalancing does not ensure a profit and does not protect against loss in declining markets.

³ Representatives of GWFS Equities, Inc. are not registered investment advisers and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

If you are ready to adopt the WDC for your employees, simply follow the steps outlined in the flowchart below.



About Great-West Retirement Services®

Headquartered in Colorado, with a dedicated local WDC office in Wisconsin, Great-West Retirement Services is a business unit of Great-West Life & Annuity Insurance Company that focuses on providing high-quality retirement plan services to employers and their employees. Great-West Retirement Services is one of the leading service providers of employer-sponsored deferred compensation retirement programs, primarily for government, healthcare and nonprofit entities.



State of Wisconsin

Wisconsin Deferred Compensation Program

FACT SHEET

As of December 31, 2011

The Wisconsin Deferred Compensation Program (WDC) is a supplemental retirement savings program authorized under Section 457 of the Internal Revenue Code (IRC). The WDC was created by Wisconsin Laws of 1981 Chapter 187 and established in 1982 for state employees; it has been available to local employers since 1985.

PROGRAM ADMINISTRATION

The Department of Employee Trust Funds (ETF) and the Deferred Compensation Board (Board) have statutory authority for program administration and oversight. The Board contracts for administrative services (marketing, record keeping, daily program administration) through a competitive bid process. Great-West Retirement Services is under contract to provide these services through November 30, 2015.

The Board selects the investment options offered by the WDC and contracts directly with investment providers. The Board annually reviews the performance of the investment options offered to determine if they continue to meet established performance benchmarks. Options that are determined to be no longer acceptable may be removed from the WDC and new options may be added at any time.

FEATURES

MAXIMUM DEFERRAL - The maximum contribution to Section 457 plans is 100% of taxable income up to \$17,000 per year in 2012. Participants over age 50 may also contribute an additional \$5,500 annually. Participants within three years of normal retirement age who under contributed in prior years may also be eligible to contribute up to an additional \$17,000 annually. The maximum limit for federal income tax purposes may be periodically increased (in \$500 increments) for cost of living adjustments that are tied to the consumer price index (CPI).

ACCOUNT FLEXIBILITY - The WDC allows participants to:

- Change the amount of their deferrals at any time.
- Save by deferring traditional pre-tax or Roth (post-tax) dollars.
- Redirect deferrals to other investment options offered by the WDC without restriction.
- Exchange existing account balances from one option to another (subject to the excessive trading policy).
- Elect the Asset Allocation Service to provide automatic rebalancing of a participant's account balance based on an established asset allocation model.
- Elect to use the WDC's managed accounts service (additional separate fee applies).

PORTABILITY - Dollars from a traditional IRA, a 401(k) and a 403(b) can be rolled into the WDC and amounts distributed from the WDC can roll into a traditional IRA, a 401(k) and a 403(b) plan. Dollars rolled out of the WDC are subject to the tax rules of the new plan.

PARTICIPANT SERVICES - WDC representatives in Wisconsin are available to assist participants between 7:00 a.m. and 7:00 p.m. every workday of the year. A toll-free telephone number is also available for use by both participants and employers at 1-877-457-9327 (WDCP).

An automated voice response system is available for participants to obtain account information and execute transactions. The WDC's website at <http://www.wdc457.org> offers program information, access to personal account data and execution of transactions online. Distribution of an itemized participant statement and newsletter occurs within 15 days of the end of each quarter.

DISTRIBUTION OPTIONS - At termination of employment, participants may defer receiving distributions from their account up to age 70½. Distribution options that are available include lump sum payments, partial lump sum payments, and periodic payments.

WDC PROGRAM COSTS

Participant fees and reimbursements from investment providers provide funding for program administration. State funds are not used for the administration of the WDC. Contracts with investment providers are negotiated to include certain reimbursements in consideration of the record keeping services being provided by the WDC through its contract administrator. The Board annually reviews administrative revenues and expenses and adjusts participant fees as necessary. Annual participant fees, in effect since January 1, 2008, are:

If participant balance is between:	Fee per month / year is:
\$0 to \$5,000	\$0.00 month / \$0.00 year
\$5,001 to \$25,000	\$1.00 / \$12.00
\$25,001 to \$50,000	\$2.00 / \$24.00
\$50,001 to \$100,000	\$4.00 / \$48.00
\$100,001 and up	\$5.50 / \$66.00

STATISTICS AS OF DECEMBER 31, 2011

- 861 local government and school district employers (from approximately 1,400 eligible) have elected to offer the WDC to their employees.
- 51,678 public employees participate in the WDC; 30,771 are state employees and 20,807 are employees of local and school district employers.
- The WDC offered 6 target date (asset allocation) funds and 16 options in the core investment spectrum in 2011. Participants may have an account with one or more of the available options. Participants also have access to thousands of mutual fund choices through the Schwab Personal Choice Retirement Account (PCRA), the WDC's self-directed brokerage option.

Investment Option	# of Participant Accounts	Total Assets
Vanguard Target Retirement 2055 Fund	153	\$787,448
Vanguard Target Retirement 2045 Fund	3,208	\$18,751,809
Vanguard Target Retirement 2035 Fund	4,098	\$35,061,051
Vanguard Target Retirement 2025 Fund	4,513	\$55,031,687
Vanguard Target Retirement 2015 Fund	2,944	\$60,787,062
Vanguard Target Retirement Income Fund	1,062	\$22,798,998
FDIC Fund	5,871	\$92,644,142
Vanguard Money Market Fund - Admiral	8,830	\$41,733,871
Stable Value Fund	15,835	\$550,754,468
Federated US Gov't: 2-5 Year Institutional Fund	6,071	\$36,008,739
BlackRock US Debt Index Fund "W"	7,538	\$47,079,547
Vanguard Long Term Investment Grade Bond Funds - Admiral	12,020	\$108,994,743
Vanguard Wellington Fund - Admiral	20,417	\$284,815,033
Vanguard Inst. Index Fund Plus (S & P 500)	19,343	\$213,529,501
Fidelity Contrafund	22,065	\$363,704,844
Calvert Social Investment Equities Fund	6,035	\$27,063,654
BlackRock MidCap Index Fund "F"	12,951	\$93,459,446
T. Rowe Price Midcap Growth Fund	19,116	\$239,236,598
BlackRock Russell 2000 Index Fund "T"	7,361	\$31,781,566
DFA U.S. Micro Cap Fund	19,887	\$144,805,101
BlackRock EAFE Equity Index Fund "T"	11,281	\$63,462,260
American Funds EuroPacific Growth Fund – Class R5	15,022	\$105,290,115
Schwab PCRA	755	\$53,277,714
TOTAL	*	\$2,690,859,397

* The total number of participant accounts exceeds the number of participants, as participants may invest in more than one investment option. The average number of investment options per participant is 4.4.

**RESOLUTION FOR INCLUSION UNDER
THE STATE OF WISCONSIN DEFERRED COMPENSATION PROGRAM**

BE IT RESOLVED by the _____ of the _____ that
(Governing Body) (Employer)
pursuant to the provisions of Section 40.81(1), Subchapter VII of Chapter 40 of the Wisconsin Statutes which provides in part as follows:

“An employer other than the State may provide for its employees the Deferred Compensation Plan established by the Board under Section 40.80. Any employer, including this state, who makes the Plan under Section 40.80 available to any of its employees, shall make it available to all its employees under procedures established by the department under this chapter.”

Such _____ hereby determines to be included under the State
(Governing Body)
of Wisconsin Deferred Compensation Program (“the Plan”) provided by Section 40.80 Subchapter VII of Chapter 40 of the Wisconsin Statutes and regulated by Chapter ETF 70 of the Wisconsin Administrative Code for its eligible personnel, and

BE IT FURTHER RESOLVED, the proper officers are herewith authorized and directed to take all actions and make such reductions and submit such deferrals as are required by the Department of Employee Trust Funds of the State of Wisconsin pursuant to Subchapter VII of Chapter 40 of the Wisconsin Statutes, and

BE IT FURTHER RESOLVED, that _____ agrees to be bound by the
(Employer)
Terms and conditions of the contracts between the State, its investment providers, and its Plan Administrator, and the “Plan and Trust Document” and the “Employer Guide” as amended from time to time. The employer certifies it has received a copy of the Plan and Trust document.

BE IT FURTHER RESOLVED, that the _____ representative submit a
(Employer)
certified copy of this Resolution and “Designation of Agent” to the State of Wisconsin, Department of Employee Trust Funds and the Plan Administrator.

BE IT FURTHER RESOLVED, that the _____ recognizing the Deferred
(Governing Body)
Compensation Board's responsibility for maintaining the integrity of the Plan, the _____ hereby resolved that the proper officers of _____
(Governing Body) (Employer)
are hereby authorized and directed to cooperate fully with the Plan Administrator in accordance with procedures established by the Department of Employee Trust Funds in processing requests for withdrawal in case of an unforeseeable emergency as defined in the Internal Revenue Section 457(d)(1)(A)(iii) and Treas. Regulation 1.457-6(c)(1) of the Regulations. The designated agent is directed to acknowledge on a form authorized by the Department of Employee Trust Funds, that relevant unforeseeable emergency information has been given and received.

Dated this _____ day of _____, 20_____.

Employer: _____

Governing Body: _____

(Authorized Signature)

(Authorized Signature)

Rev. 5/31/11

DESIGNATION OF AGENT

The person in the following position is hereby designated as the agent in matter pertaining to the State of Wisconsin Deferred Compensation Program.

Title of Position of Designated Agent: _____

DESIGNATED AGENT NAME AND MAILING ADDRESS:

Agent: _____

Alternate: _____

Address: _____

Phone Number: _____

Office Hours: _____

CERTIFICATION

I hereby certify that the foregoing Resolution is a true, correct and complete copy of the Resolution duly and regularly passed by the _____ of _____ (Governing Body) of _____ (Employer Name) of _____ (City) on the _____ day of _____, 20____, and that this Resolution has not been repealed or amended, and is now in full force and effect.

Dated this _____ day of _____, 20_____.

Employer Representative Title

Mailing Address

Number of eligible employees: _____

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Human Resources
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Date Ran 4/22/2013
Period 3
Year 2013

Revenues

Acct Number	Description	Current Period Actual	Current Period Budget	YTD Actual	YTD Budget	Prorated Variance	Total Budget	Annual Remaining	Percentage Of Budget
									#DIV/0!
451002	PRIVATE PARTY PHOTOCOPY	-	(4.00)	-	(12.00)	12.00	(48.00)	(48.00)	0.00%
451034	BADGE REPLACEMENT FEE	-	(4.17)	(9.48)	(12.50)	3.02	(50.00)	(40.52)	18.96%
451200	RECORDS & REPORTS	-	(4.17)	-	(12.50)	12.50	(50.00)	(50.00)	0.00%
Totals		-	(12.33)	(9.48)	(37.00)	27.52	(148.00)	(138.52)	6.41%

Expenditures

Acct Number	Description	Current Period Actual	Current Period Budget	YTD Actual	YTD Budget	Prorated Variance	Total Budget	Annual Remaining	Percentage Of Budget
									#DIV/0!
511110	SALARY-PERMANENT REGULAR	13,304.65	15,872.50	42,176.73	47,617.50	(5,440.77)	190,470.00	148,293.27	22.14%
511240	WAGES-TEMPORARY	-	189.67	-	569.00	(569.00)	2,276.00	2,276.00	0.00%
511310	WAGES-SICK LEAVE	300.82	-	1,096.94	-	1,096.94	-	(1,096.94)	#DIV/0!
511320	WAGES-VACATION PAY	403.70	-	1,746.70	-	1,746.70	-	(1,746.70)	#DIV/0!
511330	WAGES-LONGEVITY PAY	-	29.08	-	87.25	(87.25)	349.00	349.00	0.00%
511340	WAGES-HOLIDAY PAY	1,236.26	-	1,948.23	-	1,948.23	-	(1,948.23)	#DIV/0!
511350	WAGES-MISCELLANEOUS(COMP)	195.14	-	231.08	-	231.08	-	(231.08)	#DIV/0!
512141	SOCIAL SECURITY	1,110.89	1,197.00	3,393.31	3,591.00	(197.69)	14,364.00	10,970.69	23.62%
512142	RETIREMENT (EMPLOYER)	1,026.80	1,053.50	3,138.81	3,160.50	(21.69)	12,642.00	9,503.19	24.83%
512144	HEALTH INSURANCE	3,966.30	3,813.33	12,206.74	11,440.00	766.74	45,760.00	33,553.26	26.68%
512145	LIFE INSURANCE	8.64	8.50	25.92	25.50	0.42	102.00	76.08	25.41%
512173	DENTAL INSURANCE	262.50	243.00	826.72	729.00	97.72	2,916.00	2,089.28	28.35%
521218	ARBITRATOR	-	1,050.00	-	3,150.00	(3,150.00)	12,600.00	12,600.00	0.00%
521219	OTHER PROFESSIONAL SERV	1,741.60	2,290.75	4,938.40	6,872.25	(1,933.85)	27,489.00	22,550.60	17.97%
521220	CONSULTANT	-	1,250.00	-	3,750.00	(3,750.00)	15,000.00	15,000.00	0.00%
521225	SECTION 125	385.92	542.50	1,569.54	1,627.50	(57.96)	6,510.00	4,940.46	24.11%
521226	ERGONOMICS	-	41.67	-	125.00	(125.00)	500.00	500.00	0.00%
521227	POSITION CLASSIFICATIONS	-	291.67	-	875.00	(875.00)	3,500.00	3,500.00	0.00%
521229	RECRUITMENT RELATED	13.45	812.50	88.60	2,437.50	(2,348.90)	9,750.00	9,661.40	0.91%
521296	COMPUTER SUPPORT	-	311.25	3,788.84	933.75	2,855.09	3,735.00	(53.84)	101.44%
531243	FURNITURE & FURNISHINGS	-	25.00	-	75.00	(75.00)	300.00	300.00	0.00%
531303	COMPUTER EQUIPMT & SOFTWA	-	41.67	513.95	125.00	388.95	500.00	(13.95)	102.79%
531311	POSTAGE & BOX RENT	26.40	33.33	73.96	100.00	(26.04)	400.00	326.04	18.49%
531312	OFFICE SUPPLIES	50.54	115.00	127.19	345.00	(217.81)	1,380.00	1,252.81	9.22%
531313	PRINTING & DUPLICATING	10.07	58.33	247.67	175.00	72.67	700.00	452.33	35.38%
531323	SUBSCRIPT TAX,LAW & OTHER	2,529.70	219.58	2,598.70	658.75	1,939.95	2,635.00	36.30	98.62%
531324	MEMBERSHIP DUES	-	62.92	400.00	188.75	211.25	755.00	355.00	52.98%
532325	REGISTRATION	100.00	310.58	290.00	931.75	(641.75)	3,727.00	3,437.00	7.78%
532332	MILEAGE	63.90	112.50	124.92	337.50	(212.58)	1,350.00	1,225.08	9.25%

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532334	COMMERCIAL TRAVEL	-	50.00	-	150.00	(150.00)	600.00	600.00	0.00%
532335	MEALS	-	78.67	-	236.00	(236.00)	944.00	944.00	0.00%
532336	LODGING	-	220.00	70.00	660.00	(590.00)	2,640.00	2,570.00	2.65%
532339	OTHER TRAVEL & TOLLS	-	-	5.25	-	5.25	-	(5.25)	#DIV/0!
532350	TRAINING MATERIALS	47.15	346.00	269.83	1,038.00	(768.17)	4,152.00	3,882.17	6.50%
533225	TELEPHONE & FAX	32.92	21.25	54.56	63.75	(9.19)	255.00	200.44	21.40%
535242	MAINTAIN MACHINERY & EQUIP	-	21.25	-	63.75	(63.75)	255.00	255.00	0.00%
571004	IP TELEPHONY ALLOCATION	29.80	30.17	89.40	90.50	(1.10)	362.00	272.60	24.70%
571005	DUPLICATING ALLOCATION	(74.13)	128.33	143.95	385.00	(241.05)	1,540.00	1,396.05	9.35%
571009	MIS PC GROUP ALLOCATION	560.45	458.17	1,681.35	1,374.50	306.85	5,498.00	3,816.65	30.58%
571010	MIS SYSTEMS GRP ALLOC(ISIS)	188.50	191.17	565.50	573.50	(8.00)	2,294.00	1,728.50	24.65%
591519	OTHER INSURANCE	84.93	82.42	254.79	247.25	7.54	989.00	734.21	25.76%
594813	CAP OFC EQUIP	-	345.83	-	1,037.50	(1,037.50)	4,150.00	4,150.00	0.00%

Totals	27,606.90	31,949.08	84,687.58	95,847.25	(11,159.67)	383,389.00	298,701.42	22.09%
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Other Financing Sources (Uses)

Acct Number	Description	Current Period Actual	Current Period Budget	YTD Actual	YTD Budget	Prorated Variance	Total Budget	Annual Remaining	Percentage Of Budget
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#DIV/0!

#DIV/0!

Totals	-	-	-	-	-	-	-	-	#DIV/0!
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Total Business Unit	27,606.90	31,936.75	84,678.10	95,810.25	(11,132.15)	383,241.00	298,562.90	22.10%
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REQUEST TO FILL A VACATED or NEW POSITION**Position to be filled: Administrative Assistant I****Department/Unit:** Human Services**Hours:** 40/ Full Time**Union Grade and Pay Range:** Grade 2 13.33-17.13 **Benefits:** Yes

Wages	\$27,726
Benefits	\$19,613
Total	\$ 47, 339

Fiscal Note (how is position funded): State and Federal funding with no county levy required.

2. **Why is the position vacant? This is a new position.** Due to the mandates of the Affordable Care Act and State of Wisconsin, Jefferson County is required to operate the Exchange system. We have received funding for 2 years to add additional workers.
3. **What efforts have you made to change the position?** This position will be a support staff position in our area that serves consumers of the Income Maintenance program. It is a mandated program. Changes have been made based on the Consortium Income Maintenance model adopted by the State.
4. **What would happen if the position is not filled?** This position will be an administrative/support person in our Income Maintenance area. This is a highly stressed area that will now have additional mandated work. Without this position our ES workers will have to perform additional clerical duties.
5. **Your recommendation, including anticipated date to fill?** Fill by July 1, 2013.

Submitted by: Kathi Cauley, Director
Human Services Department

Date: May 16, 2013

REQUEST TO FILL A VACATED or NEW POSITION**1. Position to be filled: 4 Economic Support Specialist 2****Department/Unit:** Human Services**Hours:** 40/ Full Time**Union Grade and Pay Range:** Non-Rep 4, \$ 17.02-21.88 **Benefits:** Yes**Wages** \$35,401.60**Benefits** \$20,712.40**Total** \$56,114**Fiscal Note (how is position funded):** State and Federal funding with no county levy required.

2. Why is the position vacant? These are new positions. Due to the mandates of the Affordable Care Act and State of Wisconsin, Jefferson County is required to operate the Exchange system. We have received funding for 2 years to add 4 additional workers and 1 support staff.

3. What efforts have you made to change the position? This position serves consumers of the Income Maintenance program. It is a mandated program. Changes have been made based on the Consortium Income Maintenance model adopted by the State.

4. What would happen if the position is not filled? An already over extended area, Income Maintenance, would become further stressed. This would mean consumers with crisis needs not being served in a timely fashion and greater costs being incurred in hospitalizations and homelessness. Lastly, we would not be able to participate in the Southern Consortium, as we are now, and the consortium would fail.

5. Your recommendation, including anticipated date to fill? Fill by July 1, 2013.

Submitted by: Kathi Cauley, Director
Human Services Department

Date: May 16, 2013

RESOLUTION NO. 2013 - _____**Resolution creating four fulltime, non-exempt Economic Support Specialist I/II positions and one full-time, non-exempt, Administrative Assistant I position in the Economic Support Division at Human Services**

WHEREAS, The Affordable Care Act will expand health insurance coverage by establishing a Health Insurance Marketplace, or Exchange, in every state and increasing access to the Medicaid program. Ten percent (10%), or 497,388 of Wisconsin's non-elderly residents are uninsured, of whom 92% (456,780) may qualify for either tax credits to purchase coverage in the Exchange or for Medicaid if Wisconsin participates in the Medicaid expansion, and

WHEREAS, Beginning Oct. 1, 2013, individuals in every state will be able to shop for health insurance and compare plans through the Exchange, and

WHEREAS, due to the Affordable Care Act and State of Wisconsin mandates, the Southern Income Maintenance Consortium, which includes Jefferson County, is required to operate the Exchange System, and

WHEREAS the Human Services Director and Human Services Board acknowledge that the current staffing level in the Income Maintenance Unit will not be able to manage the influx of workload that will be required to educate and assist residents in the use of the Exchange without additional staff, and

WHEREAS the Human Services Director and Human Services Board request the creation of four full-time, non-exempt Economic Support Specialist I/II positions and one full-time, non-exempt, Administrative Assistant I position to ensure these new mandates are met, and

WHEREAS, should Federal and State funding not be continued to fully support the proposed five positions, any or all of the positions shall be eliminated unless further action is otherwise approved by the Board, and

WHEREAS, after due consideration, the Human Resources Committee recommends creating four full-time, non-exempt Economic Support Specialist I/II positions and one full-time, non-exempt Administrative Assistant I position as proposed by the Human Services Board and the Jefferson County Human Services Director.

NOW, THEREFORE, BE IT RESOLVED that the 2013 County Budget setting forth position allocations in the Economic Support Division at Human Services be and is hereby amended to reflect the above change, to become effective upon passage of this resolution.

Fiscal Note: The four full-time, non-exempt Economic Support Specialist I/II positions and one full-time, non-exempt Administrative Assistant I position will be fully funded by Federal and State programs for two years in the amount of approximately \$308,763 on a State fiscal calendar year basis. These funds will be allocated as follows: \$183,726.40, salary; \$104,524.60, fringe benefits; \$20,512.00, overhead costs. Should funding not be available to fund the positions

100%, a position(s) will be eliminated unless further Board action is taken. No County tax-levy dollars are required in from July 1, 2013 – June 30, 2015. As a budget amendment, 20 affirmative votes are required for passage.

AYES _____

NOES _____

ABSENT _____

ABSTAIN _____

Requested by
Human Resources Committee

06-11-13

Prepared by Terri M Palm-Kostroski, 05-16-13

DRAFT

HOURS OF WORK, OVERTIME, AND COMPENSATORY TIME. [am. 12/13/11, ord. 2011-21; am 04/16/2013, ord 2013-02]**A. Exempt Employees**

1. State and federal law do not require an employer to make overtime or compensatory time available to exempt employees, as defined by law. Compensatory time for exempt employees is not intended to provide any compensation in addition to established salaries. Rather, it is a means of providing greater flexibility in scheduling work hours for exempt, salaried employees.
2. In lieu of other compensation for work in excess of 40 hours per week, Emergency Management Director, Circuit Court Commissioners, Assistant Corporation Counsels, Chief Deputy, Systems and Applications Manager, Information Technology Manager and department heads shall be entitled to 40 random hours off per year. Random hours not used by the end of a calendar year shall be forfeited. Random hours shall be prorated in the first and last year of employment based on actual time worked. Random hours for part time employees for a full year shall also be prorated based on the budgeted annual salary for the full year, converted to an equivalent number of hours. [am. ord. 2008-24, 11/10/2008; am. ord. 2008-35, 02/10/09; am. ord. 2009-17, 10/27/2009; am. ord. 2011-21, 01/13/2011; am. 12/11/12, ord. 2012-20]
 - a. Exempt employees are expected to work whatever hours are necessary beyond the workweek to assure that a complete and adequate job is done. [am. 3/13/12, ord. 2011-31]
 - b. Full-time persons receiving random days shall work eight (8) hours a day, Monday through Friday, primarily during regular business hours. [am. ord. 2007-31, 01/11/08]
 - c. Full-time employees working less than four hours a day, Monday through Friday, shall supplement worked time with paid-leave time such as sick, vacation, random, personal holiday, bringing total hours up to eight per day. Full-time employees working less than eight hours a day, but more than four hours a day, Monday through Friday, may supplement time worked with paid-leave time, or may opt to flex the necessary time during the same Monday through Friday work week at their discretion. [am. ord. 2007-31, 01/11/08; am. ord 2009-17, 10/27/2009]
 - d. Any altered daily work schedule for department heads will be at the discretion of the County Administrator, and may be granted if the needs of the county allow for such alteration.
 - e. All time worked shall be recorded and reported to the Human Resources Department with each payroll. This includes any use of paid-time off to fulfill the County's need to be accountable to the public, using 'exception notices' provided by the County.
3. Other classified exempt employees are eligible to use and accumulate compensatory time in accordance with the provisions of this policy.
 - a. Exempt employees are expected to work whatever hours are necessary beyond the workweek to assure that a complete and adequate job is done. [am. 3/13/12, ord. 2011-31]
 - b. Exempt compensatory time is accrued on an hour-for-hour basis for time worked in excess of 40 hours in a workweek.
 - c. Any altered daily work schedule from the assigned 40 hours per week will be at the discretion of the employee's department head, and may be granted if the needs of the department allow for such alteration. [am. 3/13/12, ord. 2011-31]
 - d. There shall be no cash compensation for accrued exempt compensatory time at the time of termination. Exempt compensatory time may not be used to extend an employee's termination date.

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- e. Non-represented, exempt employees may accrue up to 120 hours of compensatory time on an hour-for-hour basis for actual hours worked over 40 hours per week. This bank may be replenished, but must be used by November 30 of each year, or is forfeited. An extension may be requested by November 15 of each year, subject to approval of the County Administrator. A request to carry over any compensatory time earned between November 15 and November 30 must be made to the Human Resources Department by December 10 subject to the County Administrator's approval. Compensatory time approved for carryover must be used by March 1 of the succeeding year. The County Administrator shall report compensatory time carryover approvals to the Human Resources Committee. [am. ord. 2006-35, 2/14/06; ord. 2006-30, 3/13/06]
- f. Notwithstanding the foregoing or the amount of hour for hour compensatory time accumulated, a department head may limit use of compensatory time to a specified number of hours annually based on the needs of the department, or deny its use altogether when deemed necessary. [am. ord 2008-24, 11/10/2008]
- g. All time worked shall be recorded and reported to the Human Resources Department with each payroll. This includes any use of paid-time off, as well to fulfill the County's need to be accountable to the public, using 'exception notices' provided by the County.

B. Non-exempt Employees

- 1. Hours of Work. [am. 12/13/11, ord. 2011-21]
 - a. Employees' work hours are typically based on a 40-hour work week, with hours to be established by the department head to ensure that staff is available during business hours to assist the general public and clients the County serves. The core business hours at the Courthouse shall be 8:00 a.m. – 4:30 p.m., Monday through Friday, excluding holidays. No employee shall be guaranteed a minimum of 8 hours per day or 40 hours per week, depending on the operational or business needs of the department or County. [cr. 12/13/11, ord. 2011-21]
 - b. Except for Communication Operators and full-time Cooks, employees scheduled to work 6 hours or more are allowed a one-half hour to an hour, unpaid lunch break, whenever feasible. [cr. 12/13/11, ord. 2011-21]
 - c. Employees scheduled to work eight (8) or more hours in a day may be allowed two 15-minute paid rest breaks, one per each half of the shift. Employees scheduled to work less than eight (8) hours in a day may be allowed one 15-minute paid rest break. [cr. 12/13/11, ord. 2011-21]
 - d. Rest breaks and lunch breaks shall not be used for late arrival or early departure purposes, nor shall they be combined in order to take longer break periods.
 - e. If circumstances require, a department head may modify the hours of work for an employee. If a modification greater than one hour before and/or one hour after the core hours is needed in excess of a week, it shall be approved by the County Administrator, not less than on an annual basis. [am. 12/13/11, ord. 2011-21]
 - f. Highway Employees: The core hours for the Highway department will be as follows: 7:00am – 3:30pm, Monday through Friday, with summer hours from 6:00am to 4:30pm, Monday through Thursday, beginning the week after Memorial Day through the week prior to Labor Day. The department head or designee may flex work hours up to one

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- hour before and/or one hour after the core hours of work. In addition, the department head may adjust the core hours of work based on operational needs by posting the changes for employees, no less than 72 hours in advance. [cr. 12/13/11, ord. 2011-21]
- g. Communication Operators. In lieu of the typical 40-hour work week, Communication Operators shall work a schedule consisting of five (5) days on followed by two (2) days off, followed by five (5) days on followed by three (3) days off. This rotation shall then repeat. [cr. 12/13/11, ord. 2011-21]
2. Classified employees who are subject to the provisions of the Fair Labor Standards Act shall receive overtime compensation at the rate of one and one-half times the employee's regular hourly rate or accrue compensatory time at the rate of one and one-half hours for all hours actually worked over forty (40) hours in a workweek in accordance with the provisions of this policy. Except as follows, no employee may receive overtime compensation or accrue compensatory time during a work week in which compensatory time off, vacation, holiday or sick leave was used, unless actual work time is greater than 40 hours in a workweek. [am. 12/13/11, ord. 2011-21]
- a. Maintenance Workers, including Courthouse, Human Services, Parks and Fair. Maintenance staff required to respond to a public service emergency call-in shall be paid at one and one-half (1 ½) times the hourly rate, unless the call in is immediately preceding or following the employee's scheduled shift. All other hours shall be paid at the regular rate of pay unless required otherwise under provisions of the Fair Labor Standards Act. [cr. 12/13/11, ord. 2011-21]
- b. Highway Employees. Any time worked outside of the employee's scheduled 8 hours of work (10-hours during the summer schedule), shall be paid at one and one-half (1 ½) times the hourly rate. [cr. 12/13/11, ord. 2011-21]
- c. Fair Week. Section 13(a)(3) of the Fair Labor Standards Act provides an exemption from FLSA overtime provisions for certain situations for an establishment which is an amusement or recreational establishment. During the week prior to, the week of, and the week following, any employee devoting 100% of work time to the operation of the County Fair is exempt from overtime, and all hours worked are paid at the regular rate of pay. [cr. 12/13/11, ord. 2011-21]
- d. Communication Operators. Any time worked outside of the employee's scheduled hours of work shall be paid at one and one-half (1 ½) time the hourly rate of pay. In addition, Communication Operators may substitute, or trade shifts, with co-workers. Section 7(p)(3) of the FLSA provides that two individuals employed in any occupation by the same public agency may agree, solely at their option and with the approval of the public agency, to substitute for one another during scheduled work hours in performance of work in the same capacity. The hours worked shall be excluded by the employer in the calculation of the hours for which the substituting employee would otherwise be entitled to overtime compensation under the Act. Where one employee substitutes for another, each employee will be credited as if he or she had worked his or her normal work schedule for that shift. [cr. 12/13/11, ord. 2011-21]
3. It is the policy of the County to avoid overtime work. Daily work schedules may be modified within the work week to accommodate workload fluctuations without accrual of compensatory time or payment of overtime. An employee shall work the hours prescribed by the employee's department head and shall work additional hours or overtime when directed to do so by the department head, manager or

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- supervisor. Overtime shall be assigned within departments reasonably equally among the employees who normally do the work during their regular work day, whenever feasible. [am. 12/13/11, ord. 2011-21]
4. Employees must receive permission from the employee's immediate supervisor to work unscheduled additional hours, overtime or accrue compensatory time. Advance written approval may be required by the department head or authorized supervisor to use accumulated compensatory time. If compensatory time will be accrued for overtime hours worked in lieu of payment at the overtime rate, an understanding to that effect must be reached between the employee and the supervisor prior to the authorization to work overtime hours. [am. 12/13/11, ord. 2011-21]
 5. When accrual of compensatory time is authorized, the following provisions shall apply:
 - a. Department heads shall have full responsibility and discretion for limiting the amount of compensatory time earned, providing it is equal to or less than the maximum established below. [cr. 12/13/11, ord. 2011-21]
 - b. An employee must have the appropriate department head's prior approval to use accumulated compensatory time. The dates when compensatory time off shall be granted shall be determined by agreement between the employee and the employee's department head.
 - c. Whenever possible, compensatory time is to be taken within thirty (30) days of the date it is earned, and taken with the prior approval of the department head. The use of compensatory time must not conflict with the needs of the department. Under normal circumstances, it is expected that compensatory time be used on an on-going basis as the workload permits, and not as a vacation supplement or addition.
 - d. The maximum amount of compensatory time which may be accumulated is 160 hours of overtime worked or 240 hours of compensatory time. Any compensatory time not used by November 30 shall be paid on the next regular pay check in December. An employee who has accrued the maximum number of hours of compensatory time may reduce the hours below the maximum by the use of time off and resume accrual of compensatory time. [am. ord. 2006-30, 3/13/06; am. 12/13/11, ord. 2011-21].
 - e. If employment is terminated, any unused compensatory time will be paid to the employee at the regular rate of pay at the time of termination, or the average of the rate of pay over the last three years, whichever is greater. [am. 12/13/11, ord. 2011-21]
 - f. The department head or designee is responsible for completing permanent time records for all non-exempt staff and ensuring that appropriate records for paid time off are provided to Human Resources for both non-exempt and exempt staff.
 6. On-Call Duty: An employee shall be on-call when given a cell phone or pager and being told they are on-call. An employee who is on-call will receive an additional one hundred twenty five dollars (\$125.00) for a week (7 consecutive days) or fifteen dollars (\$15.00) for after hours Monday – Friday and twenty-five dollars (\$25.00) for Saturday or Sunday or a designated holiday. As an alternative, if mutually agreeable, an employee who is on-call may elect 5 hours of compensatory time for a week (7 consecutive days), or .6 hours Monday – Friday and one (1) hour for Saturday or Sunday or a designated holiday. [cr. 12/13/11, ord. 2011-21; am. 3/13/12, ord. 2011-31]
 7. Call-out: Any employee called into work at a time other than his/her regular schedule of hours, except where such hours are consecutively

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- prior to or subsequent to the employee's regular schedule of hours, shall receive a minimum of two (2) hours pay at the regular rate of pay, unless otherwise required by law or ordinance, including HR0360 B.2.a. above. [cr. 12/13/11, ord. 2011-21; am. 3/13/12, ord. 2011-31]
8. Shift Differentials and Premium Pay: [cr. 12/13/11, ord. 2011-21; am 04/16/2013, ord 2013-02]
- a. Communications Operators working the second shift shall receive ten cents (\$.10) per hour in addition to their regular rate of pay; employees working the third shift shall receive twenty (\$.20) cents per hour in addition to their regular rate of pay; employees working a swing shift shall receive twenty-five (\$.25) cents per hour in addition to their regular rate of pay. Dispatchers working in a Field Training Officer (FTO) capacity for four (4) hours or more will receive a thirty-five (\$.35) cents per hour shift differential for those hours. [cr. 12/13/11, ord. 2011-21]
 - b. Public Health. Full-time Public Health Technicians working in the jail receive seventy-five cents (\$.75) per hour in addition to their regular rate of pay. Public Health Nurses or WIC Project Director assigned to work as Clinical Instructors for nursing students shall receive a one-dollar (\$1.00) per hour premium, for all hours spent by the employee with the student nurse. [cr. 12/13/11, ord. 2011-21; am. 3/13/12, ord. 2011-31]
 - c. Whenever non-supervisory Highway employees are assigned to work as 'temporary foreman', such employees shall, for the duration of the assignment, receive an additional five percent (5%) of the employee's regular rate. All work assignments will be approved by a department supervisor prior to being eligible for the additional compensation. [cr. 12/13/11, ord. 2011-21; am. 12/11/12, ord. 2012-20; am 04/16/2013, ord 2013-02]
 - d. Highway employees assigned to work on roads where the speed limit is 65MPH shall receive hazardous duty pay equal to five percent (5%) of their regular rate of pay for actual hours worked. [cr. 12/13/11, ord. 2011-21]
 - e. Employees designated in the Highway Worker or Equipment Operator classification shall receive an additional five percent (5%) of the employee's regular rate when performing winter maintenance duties. [am. 12/11/12, ord. 2012-20]
 - f. Effective December 30, 2012, Highway workers and Equipment Operators operating E1 equipment shall receive two dollars (\$2.00) per hour in addition to their regular rate of pay for all time operating E1 equipment. Highway workers and Equipment Operators operating E2 equipment shall receive one dollar (\$1.00) per hour in addition to their regular rate of pay for all time operating E2 equipment. This provision shall be reviewed for cost and effectiveness no later than May 31, 2014.
 - i. E1 Equipment: Backhoe, Grader, Dozer, Paver, Chip Spreader, Shoulder Machine.
 - ii. E2 Equipment: Rollers, Loader-Backhoe, End Loader, Drill Truck Operator, Hi-Lift Operator. (cr. 04/16/2013, ord 2013-02]
 - g. Those employees currently classified as Equipment Operator shall retain that title and be assigned to Grade 4 on the pay scale. Whenever feasible, operation of equipment shall be assigned to an employee with the title of Equipment Operator. (cr. 04/16/2013, ord 2013-02]

VACATION WITH PAY.

- A. Vacation week means that number of days customarily worked by an employee in the service of the County in a normal 7-day week. Vacation day means that number of hours customarily worked by an employee in the service of the County in a normal 24-hour day. Notwithstanding the foregoing, department heads may require part-time employees to take vacation days in blocks of 5 [am. ord. 85-7, 6/11/85]
- B. Vacation eligibility shall be determined on the basis of length of continuous service of each employee as of January 1 of each calendar year. Eligible employees shall be entitled to paid annual vacation leave as follows:
1. Employees with less than 6 years of service shall earn vacation at the rate of 5/6ths of a day per month or major fraction thereof for each month of service. 12 months shall equal 2 vacation weeks. [am. ord. 2006-30, 03/13/07]
 2. Employees with more than 6 years of service but less than 13 years of service shall earn vacation at the rate of 5/4ths of a day per month or major fraction thereof for each month of service. 12 months shall equal 3 vacation weeks. [am. ord. 2006-30, 03/13/07]
 3. Employees with more than 13 years of service but less than 19 years of service shall earn vacation at the rate of 5/3rds of a day per month or major fraction thereof for each month of service. 12 months shall equal 4 vacation weeks. [am. ord. 2006-30, 03/13/07]
 4. Employees with more than 19 years of service shall earn vacation at the rate of 2-1/12 days per month or major fraction thereof for each month of service. 12 months shall equal 5 vacation weeks. [cr. ord. 85-7, 6/11/85; am. ord. 2006-30, 03/13/07]
- C. Upon recommendation of the County Administrator or Human Resources Director, the Human Resources Committee may approve starting a new employee at an earning rate other than two-weeks per year, not to exceed three-weeks per year, by crediting the employee with the appropriate number of years of service for vacation purposes only. [am. ord. 2012-26, 2/12/2013]
- D. Under rare and/or catastrophic circumstances, employees who have completed their qualifying period may borrow against *next* year's vacation already accrued with approval of the department head, Human Resources Director and County Administrator. [am. 12/13/11, ord. 2011-21]
- E. Department heads shall have full responsibility and discretion for setting vacation periods for all employees under their supervision during the calendar year. In doing so the department head shall be guided by the good of the County service and orderly conduct of the work and functions of each particular department. Department Heads shall monitor accrual balances to ensure that each employee has a reasonable opportunity to use accrued vacation. [renumbered 12/13/11, ord. 2011-21; am. ord 2012-26, 02/12//2013]
- F. All employees shall be encouraged to make use of earned vacation time in accordance with the provisions of this ordinance. Any employee who is given a reasonable opportunity to take earned vacation and who does not do so shall be deemed to have waived said vacation and shall not be entitled to compensation thereof. An employee may, with department head, Human Resources Director and County Administrator approval, carry over a maximum of 40 hours vacation time which shall be used by December 31 of the succeeding year, or be forfeited. Requests to carry over vacation must be made to the Human Resources Department no later than December 15, and include the maximum number of hours to carry over and the reason(s) the employee was unable to use the accrued vacation time. The Administration and Rules Committee shall decide any request made by the County Administrator. [am. ord. 2005-43, 02/14/06; am. ord. 2007-50, 03/11/08; renumbered 12/13/11, ord. 2011-21; am. ord 2012-26, 02/12/2013]
- G. Hours in excess of 40 may be considered for carry over only for employees whose vacation was cancelled by the County during the month of December. If this occurs, a written request shall be made by the employee, approved by the department head, and submitted to Human Resources no later than January 5 of the succeeding year. The County Administrator shall consider all requests and if approved, will determine when the vacation shall be used by, or forfeited.

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- H. A report summarizing approved requests shall be made to the Human Resources Committee.
- I. Any employee who has exhausted earned sick leave credits shall be entitled to use earned vacation and compensatory time for sick leave with written permission from the employee only. [renumbered 12/13/11, ord. 2011-21]

Jefferson County
2014 COLA for budget based on estimated wages

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	Wages	Add'l FICA	Add'l WRS	Total 2014 Wages & Benefits	COLA 1%
Original Budgeted 2013 Base Wages (excluded the Sheriff Union)	16,766,273				
Add 2013 Wage Study base wage increase	129,229				
Add Highways projected additional wage study increase	30,000				
Add 2014 Step increases	<u>412,930</u>				
	17,338,432	\$ 1,326,390.05	\$ 1,153,005.73	\$ 19,817,827.79	198,178.28

*** This includes only base wages not overtime and does not account for reimbursements which is typically 19.2% for the County overall.

	Wages	Add'l FICA	Add'l WRS	Total 2014 Wages & Benefits	COLA 1%
All Sheriff Base Wages	6,601,216.00				
2013 Non-Union Base Wages	<u>\$ (2,523,212.14)</u>				
Sheriff Union Base Wages	\$ 4,078,003.86	\$ 311,967.30	\$ 815,600.77	\$ 5,205,571.93	52,055.72
2012 Actual Overtime Sheriff Union	\$ 567,547.42	\$ 43,417.38	\$ 113,509.48	\$ 724,474.28	<u>7,244.74</u>
					59,300.46