

Village of McFarland

Compensation

and

Benefits

Manual

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INTRODUCTION

This Compensation and Benefits Manual incorporates policies and procedures approved by the Village Board and are presented as a matter of information only. While the Village believes in the fair and consistent application of the plans, policies, and procedures described herein, current guidelines are subject to change without notice. The Village through its Village Board of Trustees reserves the right to modify, revoke, suspend, end, or change any or all of such plans, policies, or procedures at any time. Action by the Village Board to modify, revoke, suspend, end, or change any or all such plans, policies, or procedures at any time may be done so through the Annual Budget process or at another prescribed time subject to proper notice under Wisconsin Open Meetings Law.

These plans, policies, and procedures are not contractual in nature and are not conditions of employment. The language used in this Manual is not intended to create, nor is it to be construed to constitute a contract between the Village and any one or all of its employees. No person or body other than the Village Board has the authority to make any employment agreement with an employee, including as to any employment agreement with terms contrary to the terms of this Manual, and such agreement must be affirmatively intended to be a contract, in writing, approved by the Village Board at a duly noticed meeting, and signed by the individual employee and Board designated officeholders.

To the extent this Manual conflicts with specific language in applicable collective bargaining agreements covering certain personnel, the specific language of the collective bargaining agreement shall control over the language of this Manual. Additionally, any wages, hours and working conditions referenced in this manual that are subject to the mandatory duty to bargain are not binding on the Village unless specifically negotiated by, agreed to, and incorporated into the collective bargaining agreement. As such, a collective bargaining unit seeking to incorporate any benefit or compensation contained herein must seek to incorporate such benefit or compensation into the collective bargaining agreement. Any rules or expectations of conduct identified herein regarding performance by employees are applicable to represented employees.

CHAPTER 1 – PURPOSE AND SCOPE

The Village of McFarland is committed to providing a total compensation package that enables the Village to attract and retain highly skilled and talented employees for all positions. If there are any discrepancies between the information contained in this manual and any legal plan documents which describe the plans in detail, the plan documents will prevail. Changes in benefit plans and/or policies will be communicated to employees.

CHAPTER 2 – DEFINITIONS

2.01 Classification Plan

The sum total of all job class specifications in the Village service and a system showing salary and classification relationships.

2.02 Entrance Pay Rate

The rate at which an individual not currently on the payroll is to be employed.

2.03 In-Range Pay Adjustment

A pay increase within a pay range.

2.04 Base Pay

An employee's initial rate of compensation, excluding extra lump sum compensation, shift differential etc. An employee's base pay can be expressed as a base hourly rate of pay or as an annual salary.

2.05 Pay Plan

A schedule of pay ranges for all Non-represented classes of positions in the Village services.

2.06 Pay Range

The minimum through maximum rates of pay established for each Non-represented class of positions.

2.07 Non-Base Building Pay Award

Pay adjustment generally in the form of a lump sum or other forms that do not increase the employee's base pay.

2.08 Job Questionnaire

A job analysis that outlines the responsibilities and the requirements necessary to perform the functions of the position. The questionnaire is utilized to evaluate the position responsibilities using the Village's point factor evaluation system for allocation to the appropriate pay range. The questionnaire also functions as the key document for pay compensation maintenance.

2.09 Market Rate

The midpoint of the pay range is intended to be a competitive market rate for similar jobs in similarly sized comparable communities as determined by the Village Board, and it represents 100% proficiency in all the duties required of the position.

CHAPTER 3 - ADMINISTRATION OF COMPENSATION PLANS FOR NON-REPRESENTED EMPLOYEES

3.01 Purpose

This chapter sets forth the policies and practices followed in establishing and administering the compensation plan for non-represented positions. The compensation plans for represented positions are set forth in the respective collective bargaining agreements.

3.02 Compensation Philosophy

- (1) The Village believes that its effectiveness as a service provider is linked to pay levels. How the Village compensates its employees influences the quality of individuals that can be attracted to work within the organization and can affect the quality of employee performance, which in turn determines how well the Village's monetary resources are spent.
- (2) In recognition of the importance of compensation levels to organizational effectiveness, the Village Board has adopted the following compensation philosophy:
 - The Village of McFarland considers employees our most valuable asset. As such, the Village recognizes the importance of the compensation program to developing this asset.
 - The salary and benefits program provided to the employees of the Village is intended to attract, retain, and motivate highly qualified, enthusiastic, productive, and committed employees. The program is designed to assist the Village in providing quality services to the public—the Village's top priority objective. This objective is attained by providing compensation based on internal equity and external competitiveness within its fiscal capabilities and in full compliance with all State and Federal laws and regulations governing pay.
 - The Village's compensation philosophy supports our desire to provide salary advancement opportunities that recognize continued contribution through additional experience, changes in the economy, and changes in the Village's financial conditions.

3.03 Compensation Objectives

- (1) The Village's compensation program is guided by the following objectives:
 - To attract and retain highly qualified, enthusiastic, productive, and committed employees;
 - To maintain and motivate employee performance to help the Village achieve its short-term and long-term goals;
 - To communicate our expectations regarding different rates of pay;
 - To maintain the appropriate level of payroll costs fairly;
 - To recognize the internal worth of jobs and pay accordingly;

- To meet competitive pay levels within our chosen market and within our available resources; and
 - To ensure consistent administration and application of pay policies and ensure that plan administration decisions are not based upon or influenced by an employee's sex, race, color, age, religion, or any other legally protected bases governed by law.
- (2) Accomplishment of these objectives requires a systematic salary management program that ensures the goals of the compensation system are reached in practice and in spirit. The system must provide for internally and externally fair pay and opportunities to be rewarded for performance, contributions, innovation, and creativity. Pay policies and procedures must exist for the fair and consistent application of the tenets of the system.

3.04 Pay Plan

(1) Pay Structure

To facilitate effective administration, a pay structure has been established for all non-represented regular positions.

(2) Pay Ranges

The pay ranges for each position under the compensation plan are designed to reflect the levels of responsibility, training and experience necessary, levels of complexity, working conditions, fiscal and budgeting duties, the impact of end results, and the consequences of error. Each pay range has a 6% differential between levels and a 30% difference between the minimum and maximum of the range. The midpoint of the pay range is intended to be a competitive market rate for similar jobs in similarly sized comparable communities, and it represents 100% proficiency in all the duties required of the position. New hires will be placed within the pay range of the position at a rate equivalent to their current level of proficiency in the required duties, or on other factors including but not limited to level of previous experience, competitive hiring situations, and additional education and knowledge in the field. Please refer to the Pay Ranges matrix for the current approved hourly wage ranges, found in Appendix A of the Compensation and Benefits Manual.

(3) Across the Board Wage Adjustment

Employees who are rated at or above a Level 2 "Meets Expectations" during the annual Performance Appraisal process are eligible for an Across the Board Wage Adjustment as determined by the Village Board in the Annual Budget. The pay ranges for each grade will also be adjusted by the same amount. Employees rated below "Meets Expectations" will be placed on performance improvement plans and are not eligible for an Across the Board Wage Adjustment.

(4) Advancing Through the Pay Ranges

A. *Compensation advances for employees below market rate (midpoint).*

- i. Employees are expected to advance towards the market rate of the pay range by demonstrating increased proficiency in the performance of the duties of the position, primarily based upon the successful achievement of reasonable and attainable goals and objectives established by the Department supervisor and/or Department Head and identified in the annual Performance Appraisal process.
- ii. Employees who successfully achieve these goals and objectives, or who have performed at an acceptable level but did not achieve some or all of these goals and objectives due to documented and justifiable circumstances, may be eligible to receive, subject to budget parameters or other factors, the Level 2 “Meets Expectations” Across the Board Wage Adjustment. Employees who show exemplary performance and achieve a rating at or above a Level 2 “Meets Expectations” may be eligible to receive, subject to budget parameters or other factors, the Across the Board Wage Adjustment plus a proficiency-based Grid Point Adjustment as a wage base-builder based upon documented increased proficiency in the performance of the duties and responsibilities of their position.

B. *Compensation advances for employees at or above market rate (midpoint).*

- i. Employees who successfully achieve the goals and objectives as established by the annual Performance Appraisal process, or who have performed at an acceptable level but did not achieve some or all of these goals and objectives due to documented and justifiable circumstances, may be eligible to receive, subject to budget parameters or other factors, the Level 2 “Meets Expectations” Across the Board Wage Adjustment. Employees who show exemplary performance and achieve a rating in excess of Level 2 “Meets Expectations” may be eligible to receive, subject to budget parameters or other factors, the Across the Board Wage Adjustment plus a Merit Pay Adjustment as a wage base-builder up to the maximum wage appraisal level allowed for the pay range of the position. Employees that have reached their maximum wage appraisal level may be eligible for an Exemplary Performance Award as defined in Section 3.04(6).

(5) Rating Level Definitions.

A. Level 1 – Does Not Meet Expectations.

- i. Overall performance is generally below the minimum requirements and expectations for the position. The output and quality of work is inconsistent and below acceptable levels. Job specific knowledge, skills, and abilities do not consistently meet expectations. Close direction and supervision is required, even in routine situations. Frequent coaching is needed to avoid problems and improve performance. Decision making and judgement is inconsistent and questionable.

B. Level 2 – Meets Expectations.

- i. Overall performance meets expectations and is at a level of a well-qualified, experienced, and motivated employee for the performance dimensions of the position. The output and quality of work is acceptable. Responsibilities of the job are understood and accepted in a positive manner. Job specific knowledge, skills, and abilities are demonstrated at a high level. Employee demonstrates some creativity and initiative to complete their tasks. Some direction or supervision is needed in unexpected situations.

C. Level 3 – Above Average.

- i. Performance at this level meets the criteria in all respects for Level 2 by Meeting Expectations in the performance dimensions for the position. Performance, at times, may exceed expectations for some essential job functions but not all. The output and quality of work is consistently very good meeting the most critical goals/objectives established within their Action Plan. Is self-motivated and able to identify opportunities/challenges and has the vision to pursue them demonstrating creativity and initiative to complete these tasks with minimal supervision.

D. Level 4 – Exceeds Expectations. The following guidelines are to be used to determine the rating of “Exceeds Expectations”:

- i. Employees who have generally and consistently performed at an above average to high level for sustained periods of time;
- ii. Employees who have had a considerable level of positive impact upon the overall operations of the Village or department;

- iii. Employees who routinely plan, participate in, or conduct programs or services to the community that are beyond those required of the position; or
- iv. Employees who are innovative in the development of new programs, services, procedures, or concepts that create efficiencies or increase effectiveness in the delivery of service to the community and their department.

Department Heads are responsible for providing written documentation for the justification of an “Exceeds Expectations” rating for any employee and a copy of the completed annual performance evaluation to the Administrator.

(6) Exemplary Performance Award

Department Heads will have the ability to recognize employees who have performed at an exemplary level by nominating them for a one-time, non-base builder award. The Village Administrator will have the ability to recognize Department Heads that have performed at an exemplary level by nominating them for a one-time, non-base builder award. Typically, these awards would be used for the following but not exclusively limited to reasons:

- To recognize completion of special projects or assignments;
- Significant additional duties for a temporary period;
- Employees earning a Level 3 “Above Average” rating but who are ineligible for a base building merit pay award due to being at the maximum pay for their position’s range; or
- Employees earning an “Exceeds Expectations” rating but who are ineligible for a base-building merit pay award due to being at the maximum pay for their position’s range.

(7) Budget Considerations for Wage Adjustments

- A. The Village Board, as part of approving the annual budget sets Across the Board Wage Adjustment, if any.
- B. The Village Board may allocate a separate amount to be used for Merit Pay Adjustments.
- C. The Village Board may allocate funds for Exemplary Performance Awards. There will be a separate allocation for Department Heads and for non-represented non-department head positions.

- D. The Village Board, based upon budget considerations and on the recommendation of the Village Administrator, will approve a schedule for Across the Board Wage Adjustments, Merit Pay Adjustments, and Exemplary Performance Awards for the next calendar year. This schedule may vary from year to year and may be modified or rescinded by the Board at any time.

3.05 Compensation Plan for Management, Supervisory, and Confidential Positions

(1) Compensation Policies

A. *Compensation Upon Promotion*

An employee promoted from one pay range to another, higher pay range is placed at the new range that provides at least a five percent (5%) increase.

B. *Compensation Upon Transfer*

Employees who transfer to a new position within the same pay range as their old position will typically not receive a compensation adjustment.

C. *Compensation Upon Acting Assignment*

- i. Employees who are given an acting assignment to a position in a higher pay range or are assigned on a temporary basis significant duties and responsibilities typically performed by a higher classification, for a planned period of at least 60 days but less than six months, and may receive an adjustment to their base compensation. The amount of the base compensation adjustment will be determined by the Village Administrator and the Village Board.
- ii. In the event an acting assignment lasts more than six months the circumstances will be reviewed by the Department Head and Village Administrator to determine if changes in classification and compensation are appropriate.
- iii. Upon return to the employee's original classification, the employee's pay will revert to their base compensation prior to receiving the interim assignment adjustment, plus any additional annual pay increases and pay structure increases the employee would have received in the original classification.

D. *Compensation Upon Involuntary Demotion*

An employee who is demoted for involuntary reasons unrelated to performance or disciplinary action retains his/her present pay if the base compensation exceeds the new range maximum. As long as an employee's base compensation exceeds the new range maximum, the employee will not be eligible for further base-accumulating pay increases until his/her pay is again within the range for the new position. If the present base compensation is below the new range maximum, the employee will be placed in the new range closest to their current pay.

E. *Compensation Upon Voluntary Demotion*

An employee who requests and is granted a voluntary demotion will receive a decrease in pay, the amount of which is to be determined given the facts and individual circumstance.

F. *Compensation for Retention*

In infrequent circumstances, the Village Administrator may recommend to the Village Board a special wage adjustment for the purpose of retaining an employee deemed to have significant value to the organization.

G. *Pay Range Assignment for New and Reclassified Positions*

- i. When new positions are created or existing positions undergo substantial change, the Village has established a process to review and assign the new/changed position to the pay structure.
- ii. In these situations, the Village will utilize the New Classification/Reclassification Review process to add the new/changed position to the compensation plan and assign it to a pay range contained in the plan. Considerations for range placement will include internal consistency and market considerations.
- iii. The new salary for an employee whose pay range is adjusted as a result of a job reclassification will follow the guidelines established in this policy for promotions.

H. *Positions Requiring a 'Market Adjustment'*

- i. The Village's compensation program has provided a methodology for determining pay rates for employees that recognize not only the worth of positions in the market, but also the worth of jobs internally within the organization.

- ii. A circumstance could develop where a position in the Village's compensation plan should be considered for temporary placement at a higher range of pay than that which is established from our methodology. These are positions that may command higher pay due to unusual market demands which may fluctuate over time.
- iii. Market adjustments should generally be considered in the future under only one or more of the following circumstances:
 - The Village has documented problems recruiting or selecting employees within the assigned pay range (for example, a position is advertised two or more times resulting in few or no qualified applicants who the Village determines could effectively serve in the position).
 - The Village has an unacceptable rate of turnover in the position, and exit interview information indicates rate of pay as a significant issue.
 - Periodic market surveys conducted by the Village show that the midpoint of the pay range is more than 10% less than the average rate of pay shown for the position in the market analysis.
- iv. In situations where the market demands higher pay rates, at the Village's discretion, one of two actions will be available:
 1. Adjust the employee's base compensation upward into the existing pay range.
 2. Move the position into a higher pay range and adjust the base compensation according to the Compensation Upon Promotion guidelines established in this policy. However, this is to be done temporarily, only while market conditions are still causing the problem.
- v. The Village will utilize the first option whenever possible. However, when the Village utilizes the second option, the appropriate pay range will be determined by the Village (with consultation from a compensation expert in the discretion of the Board), and the position will be placed in a higher range. Further, all documents and communications will be retained to reflect the temporary assignment of the position to a higher pay range. The market conditions should be checked every year, and if conditions change, the position will move back into its initially assigned salary range.

- vi. The Village recognizes that the allowance of market adjustments does disrupt some of the internal equity in its compensation plan because there are jobs that are of higher internal value that may be paid less than a job of lower internal value. This is why the Village intends to utilize market adjustments sparingly.
- vii. All market adjustments must be recommended by the Village Administrator and receive approval by the Village Board. In the event that a position under a market adjustment is reclassified to the correct pay range established through job evaluation, the policy for Salary Upon Involuntary Demotion will apply in regard to compensation for the affected employee.

I. *Positions Requiring a 'Compression Adjustment'*

- i. Salary compression exists when there is an unacceptable difference in overall compensation between a supervisor and a direct subordinate. Compression could exist under a base salary comparison, under a total gross earnings comparison, or both. In determining whether compression is an issue that should be resolved through a pay increase, the Village will also look at the differences in total compensation (i.e., direct pay and benefits) between the supervisor and subordinate positions.
- ii. Unless the benefit package of the supervisor is determined to compensate for the wage compression, the Village will provide an acceptable base pay differential between an exempt supervisory position and the average gross earnings of the top paid position directly supervised. This differential would generally be a minimum of 7.5% when the supervisor has been in their position for at least one year.
- iii. In determining the average gross earnings of the top paid position directly supervised, the Village recognizes that overtime earnings often fluctuate and can skew an accurate comparison. It may be appropriate, therefore, to factor overtime earnings over a multi-year period or to compensate the supervisor for that overtime earnings component of their subordinate on a periodic lump sum basis rather than through a base compensation adjustment.
- iv. In the event a more highly compensated professional or technical position simply reports to a supervisor for administrative reasons, a compression adjustment may not be warranted.

- v. The compression adjustment should not, in most cases require a pay grade change in order to use a salary within the assigned grade that provides the recommended differential. In situations where the compression analysis requires a higher base salary than would normally be utilized under the compensation plan, at the Village's discretion, one of two actions will be available:
 - 1. Adjust the employee's pay upward in the range, or
 - 2. Adjust the position up one pay grade temporarily and only while compression conditions are still causing the problem.
- vi. The Village will utilize the first option whenever possible, as long as the current pay grade range allows for sufficient earnings growth consistent with the intent and spirit of the compensation plan. However, when the Village utilizes the second option, all documents and communications are retained to reflect the temporary assignment of the position. The earnings differential situation should be analyzed every year, and if conditions change such that the actual pay grade provides an adequate differential and opportunity for sufficient earnings growth, these positions will move back to their correct grade.
- vii. The Village recognizes that the allowance of compression adjustments does disrupt some of the internal equity in the compensation plan. This is why the Village intends to use compression adjustments sparingly.
- viii. All compression adjustments must be recommended by the Village Administrator and receive approval by the Village Board. In the event that a position under a market adjustment is reclassified to the correct pay range established through job evaluation, the policy for Salary Upon Involuntary Demotion would apply to the affected employee.

J. *Determining Pay for New Hires*

Unless unusual conditions exist, employees should normally be hired between the minimum and midpoint of the pay range for the position with actual wage placement to be based on individual qualifications.

(2) Maintenance of Pay Plan Integrity Over Time

A. Maintaining the validity and integrity of the pay plan over time is of critical importance. Although it is anticipated that the pay plan will require periodic updating by thorough and systematic reevaluation, the validity of the plan and its usefulness can be extended by

- Maintaining internal equity; and
- Maintaining market competitiveness

B. *Maintaining Market Competitiveness*

In order to maintain the Village's desired pay philosophy of paying at a level competitive with its chosen market, the Village should complete a comprehensive update of its market analysis every three to four years, and more often with market sensitive positions.

- i. The Village Administrator, or his/her designee, under the direction of the Village Board, should complete the market analysis.
- ii. Market information from similar jobs and comparable positions should be used to determine if the compensation plan needs a general adjustment or if the pay ranges should be re-calculated using the regression analysis model used to develop the original plan.
- iii. A full report of findings and recommendations of the market study should be presented by the Village Administrator or his/her designee to the Village Board for consideration.

(3) Policy Exceptions

Compensation decisions that do not meet the above guidelines require the recommendation of the Village Administrator and the approval of the Village Board.

3.06 Compensation Plan for Part-Time Support Positions

The hourly or daily rate of pay for part-time support positions will be determined by the Village Board on an annual basis.

CHAPTER 4 - RESIDENCY

4.01 Residency

The Village Board may include financial incentives to any of the department head positions that would encourage the employee to establish and maintain residency within the Village limits.

CHAPTER 5 – INCENTIVE PAY

The Village may budget funds on an annual basis using the following formula: employees who have completed three (3) years of consecutive service may generate up to \$35.00 per year of service; employees who have completed ten (10) years of consecutive service may generate up to \$45.00 per year of service; and employees who have completed twenty (20) or more years of consecutive service may generate up to \$55.00 per year of service. The Village Board may also budget additional amounts to the Merit Pay Fund on an annual basis. This incentive pay fund is to be used for longevity, merit pay, grid point adjustments, exemplary performance awards, or other similar base-building or one-time wage adjustments.

Only employees with over 10 years of service as of December 31, 2015 are eligible for Longevity Pay. Employees who did not have over ten years of service as of December 31, 2015 are not eligible for Longevity Pay. Qualifying employees may receive a lump-sum payment equal to 50% of the Merit Pay formula in 2017, 25% in 2018 and 0% in 2019 and beyond.

CHAPTER 6 - ELIGIBILITY FOR BENEFITS

6.01 Full-time Employees

Full-time employees may be eligible for all applicable fringe benefits described herein. A full-time employee is an employee who is designated by the Village as a full-time employee and who regularly works a full-time work schedule. An employee who is designated by the Village as part-time and who may work a full-time schedule is not a full-time employee.

6.02 Part-time Employees

- (1) Part-time employees who are budgeted to work at least twenty (20) hours per week may be eligible to receive fringe benefits on a prorated basis, except for health insurance coverage which has different eligibility standards as detailed in Chapter 12.
- (2) Part-time employees who are budgeted to work less than twenty (20) hours per week will not receive fringe benefits except as required under the provisions of the Wisconsin Retirement System or other laws.

6.03 Effect of Change in Status

- (1) A full-time or part-time employee who move from one position to another in Village service via transfer, promotion, demotion, or is reclassified will be credited with all accumulated earned fringe benefits in their new position.
- (2) Full-time employees who convert to part-time status will retain all sick leave and vacation benefits earned previously, but may only accumulate said benefits in the future in accordance with the fringe benefit policy for part-time employees.

CHAPTER 7 - HOLIDAYS

7.01 Paid Holidays

(1) Eligibility

- A. Only full-time employees and certain designated part-time employees (those who are budgeted to work at least 20 hours per week) may be eligible for pay on designated paid holidays.
- B. Eligible employees may be eligible for holiday pay for any designated paid holidays that occur after the first full day on the job.
- C. In order for an employee to be eligible for holiday pay, the employee must work the employee's regularly scheduled work day immediately preceding and following the holiday. This provision will be waived if the employee is on approved vacation or funeral leave. Employees on unpaid leave or using other leave are not eligible for holiday pay for that holiday.

(2) Designated Paid Holidays

- A. The following designated paid holidays will be observed by the Village:
 - New Year's Day
 - Martin Luther King Jr.
 - Memorial Day
 - Independence Day
 - Labor Day
 - Thanksgiving Day
 - Day after Thanksgiving
 - Christmas Eve Day
 - Christmas Day
- B. When a designated legal paid holiday falls on a Saturday, it will normally be celebrated on the preceding Friday. When a paid holiday falls on a Sunday, it will normally be celebrated on the following Monday.
- C. Whenever a designated paid holiday falls on a full-time employee's scheduled day off, an additional personal holiday may be granted in lieu thereof.

(3) Pay

- A. Full-time employees may be entitled to eight (8) hours of pay for each designated paid holiday for which the employee is eligible for holiday pay.

- B. Part-time employees may be entitled to pay for paid holidays based on a pro-ration of their regular weekly work schedule compared to a full-time schedule. (Example: An employer who regularly works twenty-five (25) hours per week would receive five (5) hours of pay on a holiday). The Village's determination of the amount of paid time the part-time employee receives is final.

- C. Employees scheduled to work on specified paid holidays when Village offices are closed may be paid at a time and one-half (1 ½) rate and allowed another day off to be used at a time approved by the Village.

CHAPTER 8 - VACATION POLICY FOR DEPARTMENT HEAD POSITIONS

8.01 Identification of Eligible Department Head Positions

Full-time and part-time regular status Department Heads are covered by this policy. The following positions will be considered Department Heads:

- Administrator
- Clerk/Treasurer
- Communications & Technology Director
- Community Development Director
- Director of Senior Outreach Services
- Fire/EMS Chief
- Police Chief
- Public Works Director

8.02 Vacation Crediting for Full-Time Department Heads

Full-time regular status Department Heads may earn paid vacation benefits in accordance with the following schedule.

YEARS OF COMPLETED SERVICE	VACATION ELIGIBILITY
0-through 5 years	up to 15 days
6-through 10 years	up to 20 days
11 years and thereafter	up to 25 days

8.03 Vacation Crediting for Part-Time Department Heads

Part-time Department Heads may earn a prorated vacation credit based upon the schedule in Section 8.02 and their percentage FTE status upon which the position is budgeted. The Village's determination of the prorated amount is final.

8.04 Vacation to be Credited in Advance on an Annual Basis and is Earned Over the Course of the Year as time is worked

- (1) At the time of initial hire, a Department Head may be credited in advance with prorated vacation time for the balance of that calendar year unless determined otherwise by the Village Board.

EXAMPLE: A full-time Department Head that started May 1 may receive up to 2 weeks of vacation for the balance of that year and which is earned over the balance of that year.

- (2) On January 1 of each year, a Department Head may be credited in advance with vacation time in accordance with the schedule in Section 8.02 based on the years of service to be completed on the employee's anniversary date during that coming year.

8.05 Pay-Out or Hold Back of Vacation at Termination

- (1) Although vacation hours are credited in advance under this policy, if a Department Head's employment ends during the year, the employee will be eligible to receive only the prorated amount of vacation time earned for the part of the year actually worked.
- (2) If a terminating Department Head has used less than the prorated amount of vacation actually earned for that year at the time of termination, the employee will be paid at the current rate of pay for any unused vacation time that was earned and not used.
- (3) If a terminating Department Head has used more than the prorated amount of vacation actually earned for that year at the time of termination, the employee will have an appropriate amount withheld from the final paycheck to reimburse the Village for any unearned vacation time that was used. The amount to be withheld will be calculated at the current rate of pay times the number of unearned vacation hours that had been used.

8.06 Exceptions

- (1) No additional vacation hours will be earned for time worked by a Department Head in excess of the normal work schedule.
- (2) No vacation hours will be earned by a Department Head during the time that the employee is on a leave of absence without pay, a disciplinary suspension without pay, or is otherwise in a non-compensable status.

8.07 Maximum Annual Carryover of Vacation Time

- (1) A Department Head is permitted to maintain and carry over to the following calendar year subject to the following:
 - A. A maximum of 80 hours of unused vacation may be carried over if earned prior to December 31, 2017. If the total vacation balance of a Department Head exceeds 80 hours prior to this time, 100% of the equivalent monetary value of all remaining hours in excess of the allowable maximum will be paid into the Department Head's VEBA account.
 - B. A maximum of 60 hours of unused vacation may be carried over if earned after January 1, 2018. If the total vacation balance of a Department Head exceeds 60 hours after this time, 50% of the equivalent monetary value of all remaining hours in excess of the allowable maximum will be paid into the Department Head's VEBA account.

- D. Any request for carry over amount is subject to approval by the Village Administrator. The Department Head must demonstrate that a concerted effort was made to use the vacation proposed to be carried over. The Village Administrator shall have the discretion to consider requests from the Department Head to exceed the maximum hours for the carryover of unused vacation.
- E. Because vacation is meant for the employee to have rest and relaxation and to address personal affairs, earned but unused vacation will not be paid out except at separation from employment.

CHAPTER 9 - VACATION POLICY FOR NON-REPRESENTED POSITIONS OTHER THAN DEPARTMENT HEADS

9.01 Identification of Non-Represented Positions

All full-time and part-time non-represented positions are covered by this policy.

9.02 Vacation Crediting for Full-Time Non-Represented Employees

Full-time non-represented employees will receive paid vacation benefits in accordance with the following schedule.

YEARS OF COMPLETED SERVICE	VACATION ELIGIBILITY
0-through 5 years	up to 10 days
6-through 10 years	up to 15 days
11 years through 20 years	up to 20 days
21 years and thereafter	up to 25 days

9.03 Vacation Crediting for Part-Time Non-Represented Employees

Part-time Department Heads may earn a prorated vacation credit based upon the schedule in Section 9.02 and their percentage FTE status upon which the position is budgeted. The Village's determination of the prorated amount is final.

9.04 Vacation to be Credited in Advance on an Annual Basis

- (1) At the time of initial hire, a non-represented employee may be credited in advance with prorated vacation time for the balance of that calendar year.

EXAMPLE: A full-time employee that started July 1 may receive 5 days of vacation for the balance of that year and which is earned over the balance of that year.

- (2) On January 1 of each year, the employee may be credited in advance with vacation time in accordance with the schedule in Section 9.02 based on the years of service to be completed on the employee's anniversary date during that coming calendar year.
- (3) Current non-represented employees that were at one time represented by a bargaining unit are exceptions to this section and will continue to be credited vacation after the year of accrual.

9.05 Pay-Out or Hold Back of Vacation at Termination

- (1) Although vacation hours are credited in advance under this policy, if an employee's employment ends during the year, the employee will be eligible to receive only the prorated amount of vacation time earned for the part of the year actually worked.

- (2) If a terminating employee has used less than the prorated amount of vacation actually earned for that year at the time of termination, the employee will be paid at the current rate of pay for any unused vacation time that was earned and not used.
- (3) If a terminating employee has used more than the prorated amount of vacation actually earned for that year at the time of termination, the employee will have an appropriate amount withheld from the final paycheck to reimburse the Village for any unearned vacation time that was used. The amount to be withheld will be calculated at the current rate of pay times the number of unearned vacation hours that had been used.

9.06 Exceptions

- (1) No additional vacation hours will be earned for time worked by an employee in excess of the normal work schedule.
- (2) No vacation hours will be earned by an employee during the time that the employee is on a leave of absence without pay, a disciplinary suspension without pay, or is otherwise in a non-compensable status.

9.07 Maximum Annual Carryover of Vacation Time

- (1) An employee is permitted to maintain and carry over to the following calendar year subject to the following:
 - A. A maximum of 80 hours of unused vacation may be carried over if earned prior to December 31, 2017. If the total vacation balance of an employee exceeds 80 hours prior to that time, 100% of the equivalent monetary value of all remaining hours in excess of the allowable maximum will be paid into the employee's VEBA account.
 - B. A maximum of 40 hours of unused vacation may be carried over if earned after January 1, 2018. If the total vacation balance of an employee exceeds 40 after that time, 50% of the equivalent monetary value of all remaining hours in excess of the allowable maximum will be paid into the employee's VEBA account.
 - C. Any request for any carry over amount is subject to approval by the Village Administrator upon recommendation of their Department Head. The employee must demonstrate that a concerted effort was made to use the vacation proposed to be carried over. The Village Administrator shall have the discretion to consider requests from employees upon recommendation from their Department Heads to exceed the maximum hours for the carryover of unused vacation.
 - D. Because vacation is meant for the employee to have rest and relaxation and to address personal affairs, earned but unused vacation will not be paid out except at separation from employment.

CHAPTER 10 - SICK LEAVE

10.01 Sick Leave Accrual

- (1) Full-time Village employees may earn sick leave the day they begin to work and at a rate of eight (8) hours earned for each full month worked regardless of years of service.
- (2) The amount of sick leave that eligible part-time employees earn is computed in the same way as outlined in paragraph (1) above, except that the amount of sick leave earned will be a proportional amount of that earned by full-time employees. The Village's determination of the proration amount is final.
- (3) The maximum sick leave accumulation balance will not exceed 1,440 hours.
- (4) No credit for sick leave will be granted for time worked by an employee in excess of the employee's normal work week or for time off taken without pay.
- (5) Sick leave may only be used with approval when an employee is too sick or injured to perform the employee's job responsibilities, when the employee must seek medical attention for the purpose of visiting doctors, dentists or other recognized medical practitioners when those appointments and procedures cannot be scheduled outside the normal work day, or when the employee's attendance is necessary for an immediate family member who is suffering from an illness or injury when such leave may be used as required by law. It is required for employees to utilize the reporting procedure within each individual department to notify the department head, or his or her designee, in advance that the employee will be absent from work due to illness or injury so that the department head can plan his or her work accordingly, except in cases of emergency where the employee was unable to notify the department. The Village reserves its right to require an employee to present a verified medical excuse, and to require the employee to provide information about specific job duties the employee is unable to perform, the duration of the work restrictions, whether the employee is seeking medical attention, and other relevant information as permitted by law.

10.02 Sick Leave Conversion

- (1) The Village will determine the dollar value of a retiring employee's earned sick leave (up to a maximum of 1,440 hours) at the employee's salary or hourly rate of pay, whichever applies, on the last day of the employee's employment (Sick Leave Conversion Amount). The Village will contribute the employee's Sick Leave Conversion Amount to either:
 - A. A healthcare reimbursement account (HRA) for the employee under the VEBA described in section 16.01; or

- B. An account for the employee under the *Village 401(a) Plan* (Retirement Plan), a retirement plan sponsored by the Village that satisfies the qualification requirements of section 401(a) of the Internal Revenue Code. The Village will determine, on a case by case basis, whether an employee's Sick Leave Conversion Amount will be contributed to an HRA under the VEBA or to the Retirement Plan. The Village's determination will be based on objective factors that may include, but are not be limited to, the retiring employee's access to other health insurance coverage, the dollar amount of the retiring employee's Sick Leave Conversion Amount, and the willingness of the Village's health insurance carrier to cover retired employees. At no time will the retiring employee have a choice between a contribution to an HRA under the VEBA or a contribution to the Retirement Plan. For purposes of this Section 10.02, an employee is a "retiring employee" if:
- i. The employee ends employment with the Village and any participating Wisconsin Retirement System (WRS) employer; and
 - ii. The employee is eligible for retirement and has reached at least the minimum retirement age as required by the Wisconsin Retirement System.

CHAPTER 11 - UNEMPLOYMENT COMPENSATION

11.01 Policy

- (1) Village employees may be covered by applicable provisions of the Wisconsin Unemployment Compensation laws. Under provisions of these laws, employees who lose their jobs may be eligible for limited financial benefits during the period they are out of work and seeking new employment.
- (2) The determination of an employee's eligibility for unemployment compensation benefits will be made by the State of Wisconsin.
- (3) If an employee is separated from Village employment with a transition/severance benefit, an equivalent number of compensation weeks will be assigned to the separation benefits for determining the timing of the employee's eligibility to receive unemployment compensation benefits.

CHAPTER 12 - HEALTH INSURANCE BENEFITS

12.01 Selection of Insurance Plan

- (1) The Village will select the insurance carrier, the specific coverages, and the level of benefits to be provided under the health insurance plan and may change the carrier, coverage, and benefits at its discretion.

12.02 Eligibility of Full-time Employees

- (1) Full-time employees in classified positions may be eligible for health insurance coverage at the time determined by the Village and the plan provider.
- (2) An employee who is budgeted to work 36 or more hours per week may be eligible to receive a health insurance premium contribution on the same basis as a full-time employee.

12.03 Eligibility of Part-time Employees Hired Prior to July 1, 2011 or Who Have Prior Qualifying WRS Participation.

- (1) Those part-time employees who were receiving health insurance benefits prior to July 1, 2011 or who have qualifying prior participation with a WRS employer may be eligible to receive health insurance coverage. The percentage of Village contribution toward the premium cost will be based on the number of hours the employee is budgeted to work and will be determined based on the following schedule.
 - A.
 - 14-19 hours – 100% of Village max for single coverage
 - 20-35 hours – 100 % of Village max for single coverage plus 50% of additional premium for family coverage
 - 36-39 hours – 100 % of Village max for single coverage plus 75% of additional premium for family coverage
 - B. Beginning in 2014 and continuing through 2018 the Village contribution toward the premium cost will gradually change in accordance with the following schedule.

<u>14-19 hours</u>	<u>20-35 hours</u>	<u>36-39 hours</u>
2014 – 85% of 2014	2014 – 92.5% of 2014	2014 – 100% of Village max
2015 – 70% of 2015	2015 – 85% of 2015	2015 – 100% of Village max
2016 – 55% of 2016	2016 – 77.5% of 2016	2016 – 100% of Village max
2017 – 40% of 2017	2017 – 70% of 2017	2017 – 100% of Village max
2018 – 25% of total	2018 – 50% of total	2018 – 100% of Village max

12.04 Eligibility of Part-time Employees Hired After July 1, 2011

- (1) Part-time employees in classified positions who are eligible for WRS may be eligible for health insurance coverage at the time determined by the Village and the plan provider.
- (2) Part-time employees in classified positions who are not eligible for WRS are not eligible for health insurance coverage.
- (3) The Village contribution to the premium for those part-time employees eligible for health insurance coverage under Section 12.04(1) is depicted in Section 12.03(1) (a) and (b).

12.05 Eligibility of Seasonal Employees

Seasonal employees will be eligible for health insurance coverage only if required by the Village's Health Insurance Plan.

12.06 Eligibility of Temporary Employees

Temporary employees will not be eligible for health insurance coverage.

12.07 Payment In-Lieu of Health Insurance

Eligible full-time employees who are not enrolled in a health insurance plan offered by the Village will receive an amount equal to fifty percent (50%) of the employer's share of the cost of the lowest cost single plan offered for that month's premium. Part-time employees, who are eligible for health insurance benefits per Section 12.03 or 12.04, who are not enrolled in the health insurance plan offered by the Village will receive a prorated amount of fifty percent (50%) of the employer's share of the cost of the lowest single plan for that month's premium offered based on the amount of hours regularly scheduled and budgeted. If an employee chooses not to participate in said health insurance plan, the Village will notify the employee of the potential risks of such a decision and the employee will be required to sign a waiver acknowledging the potential risks of the decision.

12.08 Payment of Employee Share of Premiums

Any health insurance premiums owed by the employee will be deducted through the employee's paycheck.

CHAPTER 13 - INCOME CONTINUATION INSURANCE BENEFITS

13.01 Eligibility

- (1) Full-time and eligible part-time employees may participate in income continuation insurance coverage on the effective date established by the plan of the insurance carrier.
- (2) Temporary and Seasonal employees will not be eligible for income continuation insurance benefits.

13.02 Selection of Insurance Plan

- (1) The Village will select the insurance carrier and the level of benefits to be provided under the income continuation insurance plan and may change the carrier and benefits at its discretion.
- (2) At the time this manual was revised, the income continuation insurance plan provides the following level of benefits:
 - A. **BENEFIT PERIOD** – for the length of the disability, except that benefits cease at normal retirement age.
 - B. **BENEFIT AMOUNT** – 75% of gross WRS earnings, to a current maximum of \$64,000 per year.
 - C. Employees should refer to the plan document which will control and address the level of benefits available.

13.03 Village Contribution

- (1) The Village may pay up to the full premium cost of income continuation insurance coverage for eligible employees based on a 180-day waiting period.
- (2) If an employee wishes to purchase a plan which has a shorter waiting period, then the full amount of the additional premium cost above the base premium will be paid by the employee.
- (3) Employees electing a shorter waiting period must authorize the Village to deduct their portion of the premium from their paycheck.

CHAPTER 14 - GROUP LIFE INSURANCE BENEFITS

14.01 Eligibility

- (1) Full-time and part-time employees may be eligible for group term life insurance benefits in accordance with the applicable plan of the life insurance provider.
- (2) Temporary and Seasonal employees will not be eligible for group life insurance benefits.

14.02 Coverages

- (1) Eligible employees may receive basic life insurance and accidental death and dismemberment coverages in an amount equal to their annual wages as reported to the Wisconsin Retirement System.
- (2) Supplemental and additional life insurance coverage for employees, their spouses, and their dependents may also be available as an option to employees at employee expense.

14.03 Village Contribution

- (1) The Village may pay up to the full premium cost of basic life insurance coverage for eligible employees.
- (2) If an employee desires to purchase supplemental life insurance coverage for themselves under the plan, the Village may pay up to 20% of the additional premium cost of such supplemental insurance and the employee must pay the balance on a payroll deduction basis.
- (3) The employee must pay 100% of the additional premium cost of any coverage for spouse or dependents.
- (4) The employee must pay 100% of the additional premium for any additional units of coverage.

Cost breakdown of available Life Insurance options		
	Village Contribution	Employee Contribution
Basic Coverage	Up to 100%	The difference
Supplemental Coverage	Up to 20%	At least 80%
Additional Units:		
1x	0%	100%
2x	0%	100%
3x	0%	100%
Spousal/Dependent Coverage:		
1x	0%	100%
2x	0%	100%

CHAPTER 15 - RETIREMENT BENEFITS

15.01 Social Security

- (1) All Village employees will be enrolled in the Federal Social Security Program and will have required FICA and Medicare tax contributions deducted from their pay in accordance with prevailing regulations.
- (2) The Village will make the required payments.
- (3) Determinations of eligibility and level of Social Security retirement benefits will be made by the Social Security Administration.

15.02 Village and Employee Contributions

- (1) All eligible employees will be enrolled in the Wisconsin Retirement System which serves as the Village's retirement plan. Generally speaking, an employee must work at least 1,200 hours, unless they were employed previously by a WRS employer prior to July 1, 2011, in a calendar year to be eligible for participation.
- (2) The Village may only pay the “employer share” of required contributions to the Wisconsin Retirement System, and the employee must pay by payroll deduction the “employee share” of the participation costs.
- (3) Employees who become permanently disabled may be eligible for permanent disability retirement benefits.
- (4) Determinations of eligibility and level of retirement benefits will be made by the Wisconsin Employee Trust Funds Board.

15.03 Deferred Compensation Program

- (1) All full-time and part-time employees may be eligible to participate in a Deferred Compensation Program(s) sponsored by the Village.
- (2) The Village will handle the deposit of the designated portion of the employee's income to be deferred through payroll deduction. The Village will not match or in any way contribute to a Deferred Compensation Program.

CHAPTER 16 - MISCELLANEOUS BENEFITS

16.01 VEBA Healthcare Reimbursement Account

The Village may participate on behalf of employees in a healthcare reimbursement account program (HRA) established as a VEBA trust under Section 501(c)(a) of the Internal Revenue Code. For qualifying employees, the Village may make tax-free contributions to employees' individual VEBA accounts.

APPENDIX A

Pay Range Matrix