

CHAPTER 6

EMPLOYEE COMPENSATION

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Introduction

Compensation is one of the areas of greatest interest to employees. Regardless of other factors, such as job satisfaction and good working relationships with fellow workers, employees are primarily concerned with their own welfare and that of their families. **For this reason, pay and fringe benefits must be competitive if districts are to attract and retain high quality personnel.**

An employee compensation package consists of both salary and benefits. For comparability purposes, the value of benefits should be included with the salary when discussing compensation. In designing a compensation package, the employer should make every effort to provide employees with a fair and equitable wage and benefit package for their work.

Determining Compensation

Districts should continue to assess the pay and benefits prevalent in their communities. This should be done on a yearly basis.

One way of determining comparable compensation for district employees is by a salary and benefit survey of the area or employment market. The survey can be conducted by personal visit, phone or mailed questionnaire. Personal visits provide more accuracy and understanding for comparability purposes, but are also more time consuming. However, the survey is conducted, an adequate number of employers should be contacted to provide as valid a survey as possible.

Upon request, the Division of Conservation provides an average district employee wage/ salary data. The salary or hourly wage for a district employee should be set by the district supervisors, based on the position, experience, and qualifications of the employee. It is recommended that the compensation of district employees be set at a level, which is comparable with other positions located within the respective county, having similar duties and responsibilities.

Cost-of-Living Increases

Cost-of-living increases are given by some employers as a separate salary increase designation and are normally based on the cost-of-living increase for the previous year. This can be handled in one of two methods. First, the local salary survey conducted on a regular basis will usually account for any cost-of-living increase in the area. A second, and the usual method, is to choose a cost-of-living increase percentage figure. Such figures can be obtained from your local office of the State Department of Labor, the local Chamber of Commerce or the business administration school in a local college or university. A cost-of-living increase should apply to all permanent employees at all salary levels.

Merit Salary Increases

All salary increases, except cost-of-living increases, should be based only on the quantity and quality of work performed. Basing salary increases on such items as longevity with the district should be avoided. A merit personnel system by definition means that the salary of employees is based upon the responsibility and difficulty accorded to the position and to the merit of the individual in that position, as evidenced by a job related performance evaluation. A merit salary increase may also be given when required training has been completed.

Mandatory District Participation

The following five items are required by federal or state statutes.

Federal Income Tax: Federal income tax must be withheld on all district employees and if it exceeds \$500 within a quarter, monthly deposits in a Federal Depository Banking Institution are required to avoid penalty. Each employee must have on file a current W-4 form. This designates the withholding rate. The amount of tax to be withheld from each employee's wages is determined by matching exemptions claimed, amount of wages, marital status, spouse's employment status if applicable, and wage period. Income tax tables are found in "Circular E - Employer's Tax Guide." Additionally, quarterly reports, form 941 summarizing the amount of wages paid and taxes withheld will be required to be submitted for each quarter. Districts are responsible for completing and distributing W-2 forms for each employee by January 31 for all wages paid to employees for the preceding year. If a district contracts with an individual for \$600 or more in any one calendar year, form 1099 must be completed and circulated for each contractor in this category. "Circular E - Employer's Tax Guide" can answer most questions for items covered under Federal Income Tax or call 1-800-829-1040. IRS forms are available locally at the post office, library or call 1-800-829-3676 or on-line at <http://www.irs.gov/Forms-&-Pubs>.

Social Security and Medicare Taxes (K.S.A. 40-2301 et. seq.): All district employees including temporary part-time and seasonal employees, except bona fide independent contractors, must be covered under social security if they are not already members of a social security approved retirement program. KPERS members must pay social security taxes. Districts who do not participate in the Social Security program must provide Medicare coverage for those employees hired on or after April 1, 1986, as required by law. Social Security and/or Medicare contributions are submitted with Federal Income Tax withholdings using Internal Revenue Service forms. For rates and further information, refer to Publication 15-- Employer's Tax Guide, or call the IRS office telephone number previously listed under Federal Income Tax.

NOTE: The Social Security Administration is available to assist in retirement counseling with groups of employees. Requests should be made to the local social security office.

State Income Tax: The Kansas withholding tax is actually an estimate of the individual taxpayer's liability for the tax year. Employees may complete a K-4 to reflect the tax withholdings for State taxes. A Withholding Tax Coupon Booklet containing forms and instructions are mailed each year approximately one month prior to the end of the first reporting period.

The State of Kansas does require withholding on pensions, deferred compensation, and annuities if it is attributable to Kansas sources and is required by federal codes. An Employer's Withholding Tax Booklet containing withholding tables and other information is available online at <http://www.ksrevenue.org/forms-btwh.html>, or by calling one of the following Kansas Department of Revenue offices: Topeka 913-296-0222, Kansas City 913-788-3445, Wichita 316-291-2210.

Worker's Compensation Insurance: Kansas conservation districts are required to provide worker's compensation insurance. The program covers and limits an employer's liability to employees. Employees are assured they will be compensated for loss of time and damage received as a result of injury in the performance of their duties. The coverage provided is **not** a substitute for general liability insurance. Procedures for initiating the program is as follows:

1. District should apply for the required insurance through a local insurance representative (agent).
2. The insurance company will issue the policy. Note: Occasionally, insurance companies will deny the application when less than five employees are involved. Should this happen, the district may forward the application for insurance to Kansas Compensating Rating Bureau, PO Box 1577, Topeka, Kansas 66601, 913-273-6660. The Bureau will select an insurance company and order them to issue the policy to the district.
3. Upon receipt of the policy, **and not before**, the district should complete a "Certification of Election" form #51 (4-87) and mail to Worker's Compensation Director, Merchants National Bank Building, 800 SW Jackson, Room 600, Topeka, Kansas 66612, 913-296-3441. The appropriate form is available upon request to the above address.

Unemployment Insurance Kansas Employment Security Law (K.S.A. 44-701 et. seq.): Unemployment or job insurance is an insurance program that provides temporary, weekly unemployment checks to qualified unemployed workers. The contributions branch is responsible for the collection of state unemployment tax from subject employers. Conservation districts are subject to the provisions of the Employment Security Law. However, districts, as a governmental entity, are **not** subject to the Federal Unemployment Tax Act (FUTA). All district employees are included regardless of hours worked or wages received except:

1. Persons providing a service(s) to the district under the terms of an independent contract.
2. Services performed in any calendar quarter if the remuneration for such service is less than \$50.
3. Other exemptions include certain services performed by students, recipients of certain rehabilitation work-relief and work-training programs.

Contact the Contributions Branch, Attn: TMP Unit, Kansas Department of Human Resources, 401 Topeka Boulevard, Topeka, Kansas 66603-3182, 913-296-3075, if in doubt whether or not wages for services are reportable.

Options available to districts for insuring payment to unemployment insurance benefits:

1. "Contributing" Method: Contributing employers finance their unemployment tax liability by paying contributions determined by multiplying a specific contribution rate times a taxable payroll determined on a CY 2016 \$14,000 wage base earned by each employee during a calendar year. Employees submit, quarterly, form K-CNS 100, *Employer's Quarterly Wage Report and Contribution Return*, to report wages and pay the amount of tax due.
2. "Reimbursing" Method: With this option, the employer reports total wages paid each employee each quarter, but pays no tax at the time. Instead, this option requires the employer to reimburse the fund 100 percent for any benefits paid to their former employees. A surety bond or a surety deposit with the department is required.
3. "Rate Governmental" Method: This employer reports total wages paid each employee each quarter and pays tax on total wages. The rated governmental payment method meets this special need with a computation date of March 31 and permits notification of an employer's benefit cost rate in June of

each year. Election of the rated governmental payment option must be for a minimum of four complete calendar years. A new rated governmental employer is assigned a rate until it becomes eligible for a computed rate. The assigned rate is based upon the benefit cost experience of all rated governmental employers during the previous fiscal year ending March 31.

Special Note: Some districts that opted for (2.) above, "Reimbursing Employer" have been required to pay claims far in excess of what their costs would have been under option (1.) or (3.)

All registered employers are mailed form K-CNS100, Employer's Quarterly Wage Report and Contributing Return, approximately 30 days in advance of the due date. This report is due on the last day of the month following the end of each calendar quarter. The form is also available at <http://www.dol.ks.gov/Files/PDF/kcns100.pdf>

For further information on unemployment insurance or to obtain a *Handbook for Employers*, a guide to the Kansas Employment Security Laws, contact the Kansas Department of Human Resources, Division of Employment Security or download a copy at http://www.dol.ks.gov/UI/empen01_DBR.aspx.

Fair Labor Standards Act

Conservation districts are subject to the Fair Labor Standards Act (FLSA), which establishes minimum wage, overtime, pay, record keeping and child labor standards. Districts need to be familiar with some of the following terms used in FLSA:

Workweek - A workweek is a period of 168 consecutive hours during seven consecutive 24-hour periods. It may begin on any day of the week and any hour of the day established by the employer. Generally, for purposes of minimum wage and overtime payment each workweek stands alone; there can be no averaging of two or more workweeks.

Hours Worked - Covered employees must be paid for all hours worked in a workweek. In general, "hours worked" includes all time an employee must be on duty, or on the employer's premises or at any other prescribed place of work. Also included is any additional time employee is suffered or permitted to work.

Exempt Employee - Some employees in certain capacities (i.e. "executive" and "administrative") are excluded from the overtime pay and/or minimum wage provisions by specific exemptions. An exempt employee is normally compensated with a salary rather than an hourly amount. An employer should carefully check the exact terms and conditions with information from local Wage-Hour offices.

Basic Wage Standards: Non-exempt workers are entitled to a minimum wage of not less than \$7.25 an hour. Overtime pay or equivalent time off at a rate of not less than one and one half times their regular rates of pay is required after 40 hours of work in a workweek. Wages required by FLSA are due on the regular payday for the pay period covered.

Compensatory Time Off: Conservation districts are permitted to give their employees compensatory time off in lieu of immediate overtime pay in cash, at a rate of not less than one and one half hours for each hour of overtime worked, but only pursuant to a collective bargaining agreement, or an agreement or understanding arrived at between the employer and the employee **before** performance of the work. It is recommended that a non-exempt employee sign an agreement during the onboarding process. The

maximum compensatory time that may be accrued is 240 hours and any hours in excess must be paid overtime compensation.

An employee shall be permitted to use accrued compensatory time within a reasonable period as requested, if it does not disrupt the operations of the conservation district.

Record Keeping: The FLSA requires employers to keep records on wages, hours, and other items, as specified in the Department of Labor record keeping regulations. The following records must be kept for non-exempt employees:

1. personal information, including employee's name, home address, occupation, sex, and birth date (if under 19 years of age);
2. hour and day when workweek begins;
3. total hours worked each workday and each workweek;
4. total daily or weekly straight-time earnings;
5. regular hourly pay rate for any week when overtime is worked;
6. total overtime pay for the workweek;
7. deductions from or additions to wages;
8. total wages paid each pay period; and
9. date of payment and pay period covered.

Each district board of supervisors has the responsibility to determine the provisions of overtime pay and to manage overtime work.

District Overtime Policy

In addition to ensuring the overtime FLSA provisions are followed, districts need to consider the following items when setting an overtime policy.

1. Normally requires prior administrative approval for all overtime.
2. Procedure needed for handling emergency overtime.
3. Employee's work schedule may be adjusted to provide equivalent time off, on an hour for hour basis, within the same workweek in order to limit overtime.
4. Rotation of overtime assignments if more than one person in the district is capable of performing the work to be done.

5. District may consider time spent in travel status outside of normal duty hours as overtime. (If work is being performed, driving included, must be considered overtime.)
6. Whenever the hours of the workweek are shortened by a legal holiday, annual leave, sick leave or compensatory time off, districts may consider only hours actually worked as subject to the overtime provisions.
7. Independent contractors should not receive overtime compensation.

Determining What Benefits to Offer

Employee's benefits include all compensation received by the employee in excess of the base salary. Benefits are available in a broad range, from which districts may pick and choose. In deciding what benefits to provide, custom and competition should be considered.

Few employees realize the advantage of these benefits; therefore, benefits should be emphasized when hiring or discussing compensation with employees. From a cost standpoint, it may be advisable for state associations of conservation districts to negotiate and provide benefits for district employees in the state. This is particularly true for such benefits as retirement plans and group life and health insurance.

A guide for designing a benefits program is available from The Grantsmanship Center. The guide is entitled "How to Design Your Agency's Employee Benefits Program." Copies can be obtained by calling or writing to: The Grantsmanship Center, Attn: Publications, PO Box 17220, Los Angeles CA 90017, 213-482-9860.

Controlling the Cost of Benefits

In order to avoid unduly high benefit costs, district officials should be constantly aware of the scope of the benefits package. The following suggestions should help to control costs.

Keep accurate records. Records show trends in costs of various benefits. Include the out-of-pocket expense, such as the cost of health insurance premiums, plus the costs of various types of leave granted.

Maintain good attendance. Absence from work for any reason costs the district. Hold it to a minimum.

Avoid duplication. Ensure that benefits provided elsewhere are not duplicated by the district package.

Consider alternatives. Benefits are difficult to change once they have been established. Consider substitution of a lower cost benefit for a high cost benefit, if it is of equal desirability to employees.

Ensure comparability. Stay within the average benefits package provided to other employees in the area.

A benefits cost worksheet example is included as Exhibit 6.2 in this chapter. It can be used to determine current costs as well as the cost of various combinations of benefits. It can also be adapted for use as an aid in explaining benefits to employees.

List of Benefits

The benefits discussed on the following pages are a compilation of benefits offered by a variety of governmental jurisdictions and private industries. They are provided only to show what is available and what should be considered in setting policy. **The listing does not imply that any district should provide all of these benefits to its employees.**

Annual Leave (Vacation)

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. May or may not be paid leave
3. May be earned at specific rates (work-hours or days per month; work-days per year)
4. Usually requires employment for full month to earn annual leave credit for that month
5. Accrual rate may be increased after specific number of years of employment
6. May have maximum accruable time
7. Payment may or may not be allowed in lieu of taking time off (if a paid annual leave plan)
8. Payment may or may not be made for all or part of accrued annual leave at time of: termination, retirement, death and/or other paid or unpaid leave of absence (if a paid annual leave plan)
9. Annual leave credits may or may not be earned during unpaid leave of absence
10. May be prorated for part-time employees
11. Usually available to permanent employees only (not to temporary employees)
12. Requires prior approval of appropriate individual
13. May require employment for minimum period of time before allowable
14. May be combined with sick leave and funeral leave to provide one leave fund from which to draw, without differentiation as to type of applicable leave
15. May be used for purposes other than rest and relaxation, e.g. election leave, maternity leave
16. Annual leave may be debited for military leave only at request of employee
17. May be used during an FMLA event

18. Unused balances may or may not carry over into the next accrual period.

19. May or may not be taken on days immediately before or after a holiday.

Sick Leave

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. May or may not be paid leave
3. Usually available to permanent employees only (not to temporary employees)
4. May be pro-rated for part-time employees
5. May be earned at specific rate (working hours or days per full month; working days per full year)
6. Usually requires employment for full month to earn sick leave credit for that month
7. May have maximum of accruable time
8. Payment may or may not be made for time not taken (if a paid sick leave plan)
9. Payment may or may not be made for all or part of accrued sick leave at time of termination, retirement, death and/or other paid or unpaid leave of absence (if a paid sick leave plan)
10. May have minimum period of time which may be taken
11. Sick leave credits may or may not be earned during unpaid leave of absence
12. May require approval by certain time within a certain time period, or as soon as possible, by appropriate individual
13. May require physician's statement after a specific number of sick leave days
14. May or may not be debited for an approved reason on a holiday or during annual leave
15. May be allowed for any of the following:
 - a. Personal illness
 - b. Personal medical appointments
 - c. Care and attendance for member of immediate family *
 - d. Medical appointments of immediate family*

- e. Exposure to a contagious disease endangering the health of coworkers
 - f. Death in the family*
 - g. Accident not occurring on the job
 - h. In the case of (e) above, a certificate from authorized medical personnel may be required
16. May be combined with annual leave (and sometimes funeral leave if separate) to provide one leave fund from which to draw, without differentiating applicable leave types
 17. May require employment for minimum period of time before taking
 18. Unused balances may or may not carry over into the next accrual period
 19. Make sure employees understand that sick leave is privilege to be used only when valid need arises.

* Immediate family must be defined.

Maternity Leave

Items to consider when determining policy:

1. Must be offered as a benefit under the 1993 Family Medical Leave Act.
2. Coordinate with sick leave policy
3. Can allow accrued sick leave to be debited for maternity leave, if paid sick leave plan is offered
4. Balance of maternity leave may or may not be paid leave
5. Annual leave credits may or may not be debited for maternity leave
6. Annual leave credits may be used after the employee returns to permanent employment
7. Usually available to permanent employees only (not to temporary employees)
8. May be prorated for part-time employees
9. May require employment for minimum period of time before taking
10. Benefits and/or employment credit may or may not be accrued during maternity leave.
11. Requires prior approval of appropriate individual
12. Included as part of a short-term disability plan

Holiday Leave

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. May or may not be paid leave
3. Usually available to permanent employees only (not to temporary employees)
4. May require minimum period of employment prior to taking
5. Usually given for specifically defined holidays, which *may* include:
 - a. New Year's Day
 - b. President's Day
 - c. Memorial Day
 - d. Fourth of July
 - e. Labor Day
 - f. Columbus Day
 - g. Veteran's Day
 - h. Thanksgiving Day
 - i. Christmas Day
 - j. Good Friday
 - k. Martin Luther King, Jr. Day
 - l. Partial or full day near Thanksgiving, Christmas, and/or New Year's Day
 - m. Floating Holiday(s)*
 - n. Other religious holiday(s)**
6. Prorated for part-time employees.

* A floating holiday may be assigned by the district but vary from year to year, or it may be chosen by the employee with prior approval by appropriate individual.

****By the Civil Rights Acts, appropriate arrangements must be made for employees to take leave for religious holidays other than those on the defined list, as long as such leave does not cause undue problems to the district. This may or may not be paid leave, but equal treatment must be given all employees.**

Bereavement Leave

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. May or may not be paid leave
3. Usually available to permanent employees only (not to temporary employees)
4. May have maximum that can be taken per instance, or per year
5. May require employment for minimum period of time before taking
6. May require reasonable proof
7. Requires approval of appropriate individual
8. Amount of leave approved may vary with relationship of deceased and travel involved, but may not exceed 6 work days.
9. May be allowed for any of the following:
 - a. Immediate family (must be defined)
 - b. Relative or anyone who has resided in the (immediate) household
 - c. Friend, neighbor
 - d. Coworker, past and/or present
 - e. Community or national leader
10. May be combined with annual leave and sick leave to provide one leave fund from which to draw, without differentiation as to type of applicable leave
11. May be included in sick leave policy.

Court Leave (Jury Duty)

Items to consider when determining policy:

1. Must be offered as a benefit as prescribed by law

2. May or may not be paid leave
3. Leave time available to all employees. May be paid leave to permanent employees, unpaid leave to probationary and temporary employees
4. May be prorated for part-time employees
5. Maximum time to be taken as assigned by statute
6. Usually employee returns to same position with no loss in benefits or employment credit, as in annual leave. Extended jury duty may result in a need to temporarily fill that position
7. Prior notice to be provided to appropriate individual
8. Should account for disposition of pay.

Witness Service

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. May or may not be paid leave
3. Usually available to permanent employees only
4. Prorated for part-time employees
5. May require employment for minimum period of time before taking
6. May have minimum and maximum periods of time which may be taken
7. May be debited from annual leave or included in general leave without pay.
8. Benefits and/or employment credit may or may not be accrued during leave without pay.

Military Leave

Items to consider when determining policy:

1. Must be offered as a benefit as prescribed by statute
2. May or may not be paid leave
3. May differentiate between short leave (eg. reserve drills) and extended leave in regard to paid leave

4. Must be offered to all employees
5. May have maximum time which will be granted, following legal restrictions
6. May be prorated for part-time employment, if paid leave
7. Prior approval to be requested from appropriate individual
8. Annual leave may be debited for military leave only at request of employee.
9. Re-employment rights must be granted to employees who have entered military service either voluntarily or involuntarily.

The U.S. Department of Labor has developed a series of fact sheets concerning job rights for reservists and members of the National Guard, and re-employment rights for returning veterans. Also available is "Title 38 U.S. Code - Chapter 43 Veterans Reemployment Rights." This and the fact sheets can be obtained free of charge by writing to the Veteran's Employment, Training Service at the following address: Veterans Employment Training Service, U.S. Department of Labor, Washington DC 20210, 202-523-8611 or on-line at <http://www.dol.gov/vets/#>.

Veteran Appointment

The Vietnam Era Veteran's Readjustment Assistance Act of 1974, amending legislation on the books since 1940, protects the employment rights of an employee who leaves to perform military training or service with the armed forces of the U.S. This Act is applicable to employees of states and their political subdivisions released from military training or service on or after December 3, 1974.

The veteran must have left employment to enter military service, whether voluntary or involuntarily. For Veteran Readjustment Appointment (VRA) information, contact the U.S. Office of Personnel Management local veteran's representative at 316- 269-0693.

Election Leave (Voting)

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. May provide leave time for voting automatically or in those instances covered by law
3. May designate general election day as holiday leave
4. Covers all employees with no differentiation as to employment status
5. Requires prior approval of appropriate individual
6. May provide for full day off or time required for voting only.

General Leave Without Pay

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. Usually available to permanent employees only (not to temporary employees)
3. May be prorated for part-time employees
4. May require employment for minimum period of time before allowable
5. Should state maximum period of time allowable
6. Requires prior approval by appropriate individual(s)
7. Benefits and employment credit may or may not be accrued during leave without pay
8. Payment for accrued (annual, sick) leave time may be made at the beginning of the leave or held as credits for use after return from leave
9. Granting leave without pay is best left to the discretion of the approving individual(s). Such reasons include:
 - a. Increased job ability: extended education or training
 - b. Protection or improvement of employee's health: mental health, alcohol or drug abuse program, extended medical treatment
 - c. Retention of a desirable employee: temporary personnel requirements, election campaign/elective office
 - d. Furtherance of a program of interest to the district: temporary community service, appointive office
 - e. Legal requirements: parental leave or military leave unless covered separately
 - f. See also subsections on Jury Duty
10. May have minimum period of time which may be taken
11. May be used for an FMLA event
12. Other leave credits may be held for use after the employee returns to permanent employment.

Group Life Insurance

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. May be paid in full, in part, or not at all by the district
3. Usually available to permanent employees only (not to temporary employees)
4. May require minimum period of employment prior to eligibility
5. May or may not be continued during leave of absence at cost to employer or employee
6. Requires acceptance of employee by insurance carrier
7. Should provide separate information booklet or copy of contract to member employees
8. May provide increasing coverage as salary or longevity increases
9. May be included in pension/retirement plan benefit and/or separate travel and accident insurance plan benefit. Check any existing retirement plans to determine if life insurance is included
10. May be prorated for part-time employees
11. Request bids from as many carriers as possible for comparison
12. Require each bidder to furnish the names of other public agencies and private industries whose employees are insured and determine if premiums went up or down after the first year
13. Check all aspects of the plan such as how claims will be handled, if the carrier has a reputation for prompt payment, if the carrier supplies all necessary forms, etc.
14. Make sure each bid specifies what the carrier will do and what the district should be responsible for.

Group Medical Insurance

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. May be paid in full, in part, or not at all by the district
3. May require minimum period of employment prior to eligibility
4. May or may not be continued during leave of absence at cost to employer or employee

5. Usually available to permanent employees only (not to temporary employees)
6. Requires acceptance of employee by insurance carrier
7. Should provide separate information booklet or copy of contract for member employees
8. May or may not include dental insurance coverage. Group dental insurance may or may not be offered as a separate benefit
9. May or may not include blood insurance. Group blood insurance or a blood donation plan may or may not be offered as a separate benefit
10. May be prorated for part-time employees
11. Pick a carrier in the same way in which a life insurance carrier would be picked. Refer to the recommendations contained in the discussion regarding group life insurance.

Group Long-term Disability Insurance

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. Provided in addition to social security and worker's compensation insurance
3. May be paid in full, in part, or not at all by the district
4. Usually available to permanent employees only (not to temporary employees)
5. May require minimum period of employment prior to eligibility
6. May not be continued during leave of absence
7. May provide increasing coverage as salary increases
8. Requires acceptance of employee by insurance carrier
9. May be prorated for part-time employees
10. Should provide separate handbook or copy of contact for member employees.

Short-term Disability Coverage

Items to consider when determining policy.

1. May or may not be offered as a benefit

2. May be available to extent of accrued sick leave credit
3. Provided in addition to Social Security and Worker's Compensation Insurance
4. Provides coverage during disability periods not otherwise covered by insured plans
5. Generally, a self-insurance coverage providing salary continuation in whole or in part by the district
6. Usually available to permanent employees only (not to temporary employees)
7. May require minimum period of employment prior to eligibility
8. Not continued during leave of absence
9. May define maximum period of coverage as time between exhaustion of all accrued sick leave credits until beginning of other insured coverage
10. Define disability, generally related to other insured coverage if available. May require physician's (or others') statement
11. May be prorated for part-time employees.

Retirement Plans

Items to consider when determining policy:

1. May or may not be offered as a benefit
2. May be paid in part or in full by the district
3. May require minimum period of employment prior to eligibility
4. Contributions may or may not be continued by the employee during leave of absence
5. Usually available to permanent employees only (not to temporary employees)
6. Separate information handbook for member employees often provided
7. Attorney and actuarial scientist often consulted before any action is taken
8. Benefit is complex and often costly to administer; approach with much thought and professional help and consider all alternatives carefully
9. District employees may wish to open their own individual retirement accounts.

Kansas Public Employees Retirement System (K.S.A. 74-4901): Conservation district employee's participation in the Kansas Public Employees Retirement System (KPERs) is optional with each district. To

be eligible for the program, districts must be enrolled in the federal Social Security Program. Once committed to the retirement program, the district may not elect to discontinue the program. Eligible employees at the time of the district's "entry date" into the system are automatically enrolled. Eligible employees and employers contribute to the program. The employer's contribution may vary depending on the funding needs of KPERs. The member's contributions are currently fixed at 6%. Employee contributions are excluded from gross income for federal income tax purposes but are subject to state taxes. Detailed information and application forms are available from the Kansas Public Employees Retirement System, Capitol Towers, 400 West 8th Street, Suite 200, Topeka, Kansas 66603-3925, 913-296-6666 or on-line at <http://www.kpers.org/index.html>

Deferred Compensation

A plan of deferred compensation, for retirement or other purposes, may be developed for all employees or for those in specified positions. This benefit is frequently used in private industry.

Deferred compensation allows an employee to take income from the current year to provide funds later, e.g., in retirement when the employee expects to be in a lower income bracket. The employee may enter into an agreement with the district for the purchase of an annuity contract on behalf of the employee as a part of the total compensation plan.

This is a cash benefit that districts can provide which has a multiplied effect in actual monetary benefit to the employee in additional earnings and tax savings. Further, the district is not required to pay the social security tax on this portion if it is for retirement purposes.

State of Kansas Deferred Compensation Plan

Conservation districts are eligible to participate in the state deferred compensation plan. To participate, conservation district board of supervisors and employees must do the following:

1. Adopt the deferred compensation plan by board action.
2. Defer amount of income desired to compensation plan. NOTE: Minimum deferral is \$25/month and in 2013 maximum you can contribute is \$18,000. Special catch-up: Save up to twice the standard limit for the 3-years before normal retirement age (\$36,000). Age 50+ catch-up: Participants who are at least age 50 may make an additional \$5,500 annual contribution (\$24,000). However, you can't use both catch-ups at the same time. Use whichever is larger for you.

For additional information regarding the deferred compensation plan, districts may contact the State of Kansas Deferred Compensation Plan at 1-800-232-0024.

Transportation

District vehicles may be provided for a specified position if the duties involved in the position necessitate more use of the vehicles than the standard work shift.

Current IRS tax codes for individual income tax impact should be considered if this benefit is provided.

Clothing/Equipment Allowance

Some districts may provide a clothing and equipment benefit necessary in specified positions, eg., uniforms, hard hats, safety apparel. The allowance may be one of several forms: initial purchase only, or yearly as needed; cleaning alone or in addition to purchasing; a set monthly allowance; purchase and ownership by the district.

Tuition Reimbursement

Costs incurred in education or training may be for short seminars, correspondence courses, credit or noncredit courses, workshops, speakers; in-house training or through educational institutes or professional organizations; job-related or personal development.

The district may prepay or reimburse all or part of the cost of tuition, books and/or other expenses. This may be based upon attendance or grades and job-required or job-related training. Paid or unpaid leave may be provided.

Personal Days Off

Instead of additional holidays, or annual or sick leave, leave of one or two personal business days with pay may be considered. This allows recognition of the need for occasional leave. Such leave is normally used for: parent/teacher meetings, school activities, license renewal, contract signing, employee birthday, etc. If this leave is being considered, the district should evaluate the need, as coverage may be available under other plans. These days can also be combined with other leave in a general leave fund.

Professional/Club Membership

Membership fees in job-related professional organizations may be considered:

1. If such membership is required to perform the duties of the position
2. If such membership, though not required, would increase the ability of the individual to perform the duties.

Membership fees in other professional and social organizations may be considered if such membership provides benefit to the district employer in community goodwill. This benefit may apply to all employees or to specified classifications.

Exhibit 6.1 Checklist for Employee Compensation Plan

ITEM	COMPLETED
1. Assign responsibility for developing employee compensation plan to district personnel committee.	_____
2. Decide how compensation plan will be administered. Many districts are able to have local government administer their compensation programs and, therefore, are able to take advantage of group benefits.	_____
3. If district elects to have a local government body administer the plan, appoint a director to meet with the local government to make the request.	_____
4. If the local government agrees, draft a memorandum of understanding between the two bodies which will detail what benefits will be offered, district costs, payment schedule to the county, responsibility of the county to the employee, and the responsibility of the district.	_____
5. If the district decides to administer its own plan, then the district must:	
a. Establish a pay scale. For full-time technical employees funded by the district, the scale must be consistent with the district guidelines.	_____
b. Decide on what benefits, other than those required, to offer.	_____
c. Develop a record keeping system to administer payroll including employee time sheets and all payroll taxes.	_____
d. Develop a plan for cost of living increase and merit increases.	_____
6. Provide copies of the plan to the district board for approval.	_____

Exhibit 6.2 Benefit Cost Worksheet

BENEFIT	FORMULA	PERCENT OF SALARY
Average Monthly Salary	<u>\$1000</u>	
Annual Leave:	$\frac{\text{Number of (Potential) Days (Hours)/Year}}{\text{Number of Working Days(Hours)/Year}}$	6.9
Holidays:	$\frac{\text{Number of (Potential) Days (Hours)/Year}}{\text{Number of Working Days(Hours)/Year}}$	2.3
Sick Leave:	$\frac{\text{Number of (Potential) Days (Hours)/Year}}{\text{Number of Working Days(Hours)/Year}}$	7.0
Funeral Leave:	$\frac{\text{Number of (Potential) Days (Hours)/Year}}{\text{Number of Working Days(Hours)/Year}}$	0.4
Medical Insurance:	$\frac{\text{Average Monthly (Potential)Contr./Employee}}{\text{Average Monthly Salary/Employee}}$	3.7
Life Insurance:	$\frac{\text{Average Monthly (Potential)Contr./Employee}}{\text{Average Monthly Salary/Employee}}$	0.5
Social Security Insurance:	$\frac{\text{Average Monthly (Potential)Contr./Employee}}{\text{Average Monthly Salary/Employee}}$	6.13
Disability:	$\frac{\text{Average Monthly (Potential)Contr./Employee}}{\text{Average Monthly Salary/Employee}}$	0.65
Unemployment Insurance:	$\frac{\text{Average Monthly (Potential)Contr./Employee}}{\text{Average Monthly Salary/Employee}}$	1.0
Worker's Comp. Insurance:	$\frac{\text{Average Monthly (Potential)Contr./Employee}}{\text{Average Monthly Salary/Employee}}$	1.2
Retirement:	$\frac{\text{Average Monthly (Potential)Contr./Employee}}{\text{Average Monthly Salary/Employee}}$	4.1
Clothing/Equip. Allowance:	$\frac{\text{Average Monthly (Potential)Cash Benefits/Eligible Employee}}{\text{Average Monthly Salary/Eligible Employee}}$	0.0
Tuition Reimbursement:	$\frac{\text{Dollars Expended/Number of Eligible Employees}}{\text{Average Salary/Utilizing Employee}}$	0.2
TOTAL BENEFIT COST AS A PERCENT OF SALARY		<u>34.08%</u>

Exhibit 6.4 Sample Payroll and Withholdings Summary

_____ COUNTY CONSERVATION DISTRICT
 _____ PAYROLL AND WITHHOLDINGS SUMMARY

EMPLOYEE				FEDERAL ID No.									
POSITION TITLE				STATE ID No.									
SOCIAL SECURITY No.				UNEMPLOYMENT ID No.					KPERs ID No.				
MONTH/TOTALS	GROSS WAGES (TOTAL EARNINGS)	FEDERAL WITH-HOLDING	STATE WITH-HOLDING	EMPLOYEE SHARE SOCIAL SECURITY (____%)	EMPLOYEE SHARE MEDICARE (____%)	EMPLOYEE SHARE RETIREMENT (____%)	EMPLOYEE SHARE INSURANCE (____%)	TOTAL PAYROLL DEDUCTIONS	NET PAY = GROSS WAGES LESS DEDUCTIONS	EMPLOYER SHARE SOCIAL SECURITY (____%)	EMPLOYER SHARE MEDICARE (____%)	EMPLOYER UNEMPLOYMENT TAX (____%)	EMPLOYER SHARE RETIREMENT (____%)
JANUARY													
FEBRUARY													
MARCH													
TOTAL 1ST QRT													
APRIL													
MAY													
JUNE													
TOTAL 2ND QRT													
JULY													
AUGUST													
SEPTEMBER													
TOTAL 3RD QRT													
OCTOBER													
NOVEMBER													
DECEMBER													
TOTAL 4TH QRT													
TOTAL YEAR													

Exhibit 6.5 Sample Leave Request Form

LEAVE REQUEST FORM

Employee	Position	Date
<p style="text-align: center;">EMPLOYEE USE</p> <p>Approval is requested for leave as follows:</p> <p>Beginning _____ <div style="display: flex; justify-content: space-around; width: 100%;"> Date Time </div> </p> <p>Through _____ <div style="display: flex; justify-content: space-around; width: 100%;"> Date Time </div> </p> <p>Total Leave Hours _____</p> <p>Type of Leave:</p> <p> <input type="checkbox"/> Annual <input type="checkbox"/> Sick <input type="checkbox"/> Compensatory <input type="checkbox"/> Family (charged to SL) <input type="checkbox"/> Military <input type="checkbox"/> Bereavement (charged to SL) <input type="checkbox"/> Jury <input type="checkbox"/> Leave w/o Pay </p>	<p style="text-align: center;">OFFICIAL USE ONLY</p> <hr/> <p>Reviewed and Approved/Disapproved By _____ Date _____</p> <p>Reason for disapproval _____</p> <hr/> <p>Recorded by _____ <div style="text-align: center;">Initials/Date</div> </p>	
CERTIFICATION OF LEAVE TIME TAKEN		
<p>Date(s) of Leave: _____</p> <p>Type of Leave Taken: _____ Annual Leave _____ Hours</p> <p style="margin-left: 150px;">_____ Sick Leave _____ Hours</p> <p style="margin-left: 150px;">_____ Comp Leave _____ Hours</p> <p style="margin-left: 150px;">_____ Leave w/o Pay _____ Hours</p> <p style="margin-left: 150px;">_____ Leave with Pay _____ Hours</p>		
<p>_____ Employee Signature</p>		<p>_____ Date</p>
<p>_____ Supervisor Signature</p>		<p>_____ Date</p>