

# Town of Ayer

## Benefits and Payroll Department

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## Memorandum

**Date:** December 18, 2018  
**To:** Town Manager Robert Pontbriand  
**From:** Kevin A. Johnston *KAS*  
**Subject:** Monthly Report – December 2018

The December 2018 monthly report for the Benefits and Payroll Office includes the following:

Harpers Payroll – I participated in a calendar year end training webinar for Harpers Payroll on December 4, 2018. Payroll for CY 2018 was completed and reconciled in December. Information for employee W-2 Forms was updated and Ayer is scheduled to have W-2 Forms prepared in Harpers first run of W-2 Forms in January 2019. In addition to payroll, Affordable Care Act (ACA) data was updated and verified for health benefits eligible employees on non-Medicare health plans; IRS Forms 1095 will be prepared after the W-2 Forms are completed in January.

Senior Citizens Property Tax Work-off Program – Earnings for participants in the Senior Citizens Property Tax Work-off Program for calendar year 2018 were reviewed, processed, and reported to the Board of Assessors in December for property tax credit on the FY 2019 3<sup>rd</sup> quarter Real Estate Tax bills.

Retiree Health Benefits Open Enrollment for Medicare Plans – Final Medicare health plan changes were processed for Medicare eligible retirees for the new plan year beginning on January 1, 2019.

Minuteman Nashoba Health Group (MNHG) – I attended an MNHG Directors meeting on December 10<sup>th</sup>. The meeting included the following:

- Financial Reports – Health plan revenue and expenses are performing as projected through October 2018. The undesignated fund balance is \$2.2M.
- Group Benefits Strategies has been acquired by Gallagher Insurance and Risk Management. This change will have no direct impact on MNHG, our staff contacts will remain the same. More information will be available in the next few months.
- Health Benefits Rates for FY 2020 - The Board was advised at this time to project a 10% or higher increase for all health benefits plans in FY 2020. It is too early in the current plan year to develop an estimate for FY 2020; the Board will have actual FY 2020 rates at the February meeting.
- The next Steering Committee meeting is February 7<sup>th</sup> and the next Directors meeting is February 13<sup>th</sup>.

Middlesex County Retirement System (MCRS) – I attended an MCRS Advisory Council meeting on December 19<sup>th</sup>. The meeting included:

- Election of Brian Curtin and second member of the Retirement Board for a three year term through December 31, 2021
- A financial update on MCRS investments from the Pension Reserves Investment Management Board. Volatility in the stock market continues, however, investment managers are hopeful for a good December to finish the year.
- The Cost of Living Base was increased to the first \$16,000 of pension for MCRS retirees effective July 1, 2019. The cost of this increase will be added to the funding schedule by extending the number of years at a 6.5% annual increases for two years through 2029 while maintaining the goal of 100% funding in 2035.
- MCRS Chairman Thomas Gibson provided an update on System activity including legal and legislative matters.
- MCRS Social Security Consultant Francine Kollias updated the meeting on Medicare changes for January 1, 2019.
- MCRS Chief Administrative Officer Lisa Maloney updated the meeting on payroll staff training, regional member meetings and MCRS staffing changes.