

Worker's Compensation 01-912-2

The Town purchases worker's compensation insurance from the Massachusetts Interlocal Insurance Association (MIIA), a municipal insurance pool sponsored by the Massachusetts Municipal Association (MIIA). Worker's compensation insurance premiums are calculated by using dollars of payroll, a rate assigned to each job (depending upon the degree of risk) and the employer's loss experience (experience modification factor). The Town is billed annually and after the close of the fiscal year the payroll is audited and the Town is either billed additional premiums or receives a credit depending upon the outcome of the audit. The most recent audit, (FY18) conducted by an outside auditor resulted in an additional premium billing of \$11,444. The experience modification factor, which was used in calculating the fy18 Workers' Compensation premiums is 1.0. The prior year we had a somewhat more favorable experience modification factor of 0.93. This factor uses the last three complete years of experience in coming up with its calculation. An experience modification factor of 1.0 is considered average. Anything below 1.0 will result in a premium discount. Anything above 1.0 will result in an additional premium billing.

MIIA also periodically sends out dividend notices and we apply these dividends against future premiums. This makes it difficult to budget, as these premiums are not usually declared until late February and/or June. In addition MIIA often gives participation credits to cities and towns that have been purchasing from them for a number of years or that purchase multiple lines of insurance from them. Medfield has been with MIIA for about 30 years and currently purchases its property/casualty, auto, liability and health insurance coverages from them. This usually results in substantial credits and if these credits are declared before the town meeting we will reduce the budgets accordingly. As a result of the budget submissions to date we expect an increase of about \$2.5 million in payrolls for fy20 which will result in an additional premium billing. Most of this additional payroll expenses are for the School Department personnel and the workers compensation rates for teachers, administrative personnel and clerical staff are low. By State statute, uniformed police and fire personnel are not covered under the mandated Workers' Compensation insurance program. For fire personnel, we care a limited amount of medical and lost wage insurance. Amounts exceeding this are paid out of the fire department budget. For retired uniformed police personnel we budget \$8,000 in the Property/Casualty budget and claims for active police personnel are paid out of the police budget. We will be looking to purchase medical and lost wage insurance for police personnel as large claims not covered by insurance can result in a large budget deficit.

For the Most recent audited year, fy18, the following is a breakdown of the budget, billings, payments and dividend credits.

FY18 Budget	\$242,937	
f19 premium billed through 12/31/18:		\$356,032.00
Audited premium discount		(\$ 34,891.00)
Net Premium (includes additional audited premium of \$11,444.00)		\$321,141.00
Expense Constant		\$ 338.00
Credits		<u>(\$ 97,148.00)</u>
TOTAL fy18 Audited Workers, Compensation Premium		\$224,331.00

At this time, with no assurance of dividend or participation credits and with known payroll increases for fy19 (including the operating budget overrides) and probable payroll increases for fy20 we are requesting a budget increase of 4% over the fy19 appropriation. If we receive additional information on dividend and/or participation credits prior to the Town Meeting, we will adjust this budget request accordingly, although I don't expect to receive the same number of credits as we received in fy19 given that our experience rating is not as good as last year's.

	Fy16	Fy17	Fy18	Fy19	Fy20	\$/%
	Approp.	Approp	Approp.	Approp.	Request	Inc.
Worker's						
Compensation						
Insurance	\$213,018	\$262,937	\$242,937	\$256,000	\$266,240	\$10,240 / 4 %

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TOWN OF MEDFIELD
FY2020 DEPARTMENTAL BUDGET REQUEST
WORKSHEET

	FY2018 EXPENDED ACTUAL	FY2019 APPROPRIATED AMOUNTS	FY2020 BUDGET REQUESTS	WARRANT COMMITTEE RECOMMENDS	FY 2020 APPROPRIATED AT TOWN MTG
WORKERS COMPENSATION INSURANCE					

WORKERS COMPENSATION INSURANCE					

WORKERS COMP INSURANCE					

WORKERS COMPENSATION INSURANCE					

019122 570100 WORKERS' COMPENSATION INSURANC	208,640.00	256,000.00	<u>266,240</u>		
TOTAL WORKERS COMP INSURANCE	208,640.00	256,000.00	<u>266,240</u>		
TOTAL FY2020 DEPARTMENTAL BUDGET REQUEST WORKSHEET	208,640.00	256,000.00	<u>266,240</u>		

12/12/2018

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Town of Medfield
459 Main Street
Medfield, MA02052

2017 AUDITED PAYROLL
POLICY PERIOD July 1, 2017 - July 1, 2018

Classification of Operations	Code No	Payroll	Rate	Premium
Tree Dept	0106	17,437	13.63	2,377
Streets & Roads Maint.	5509	1,027,644	3.71	38,126
Transfer Station	5509T	199,740	3.71	7,410
Drivers NOC	7380	42,215	6.08	2,567
Waterworks	7520	287,196	3.16	9,075
Sewer Operations	7580	186,881	3.15	5,887
Caseworker Municipal	8742	134,994	0.16	216
Clerical Office Employee	8810	1,349,270	0.07	944
DPW clerical	8810D	57,293	0.07	40
Fire Clerical	8810F	117,126	0.07	82
Inspection Clerical	8810I	70,353	0.07	49
Library Clerical	8810L	506,403	0.07	354
Police Clerical	8810P	304,617	0.07	213
Senior Center Clerical	8810SC	165,882	0.07	116
Water Clerical	8810W	48,347	0.07	34
Animal Control	8831	94,061	0.97	912
Building Maintenance	9015	83,430	3.17	2,645
Parks & Recreation	9102	504,102	2.66	13,409
Cemetery Operations	9220	121,310	3.17	3,846
Municipal Employees NOC	9410	183,288	2.48	4,546
SUBTOTAL		5,501,589		92,848
School				
Crossing Guards	7720C	45,743	1.71	782
School Professionals (Teachers & Admin)	8868	26,790,026	0.79	211,641
School - All Other	9101S	1,628,802	2.90	47,235
SUBTOTAL		28,464,571		259,659
TOTAL		33,966,160		352,507
Total Manual Premium				352,507
Employers Liability Charge Premium Audit	0.01			3,525
Premium Subject to Exp. Mod.				356,032
Experience Modification	1.00			-
Total Audited Premium				356,032
ARAP Surcharge	1.00			-
Audited Premium Discount				(34,891)
Net Premium				321,141
Expense Constant				338
Audited Premium				321,479
Audited Premium				321,479
All Credits				97,148
Audited Premium Including all Credits				224,331
Estimated Premium Including all Credits				212,887
Audit Adjustment				11,444

01/22/18

MIIA PROPERTY AND CASUALTY GROUP, INC.
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Town of Medfield
459 Main Street
Medfield, MA 02052

ESTIMATED PAYRO .LS
POLICY PERIOD JULY 1, 2017 - JUNE 30, 2018

Classification of Operations	Code No	Payroll	Rate	Premium
Tree Dept	0106	15,220	13.63	2,074
Streets & Roads Maint.	5509	938,927	3.71	34,834
Transfer Station	5509T	208,199	3.71	7,724
Drivers NOC	7380	48,015	6.08	2,919
Waterworks	7520	254,295	3.16	8,036
Sewer Operations	7580	279,723	3.15	8,811
Caseworker Municipal	8742	121,813	0.16	195
Clerical Office Employee	8810	1,718,237	0.07	1,203
DPW clerical	8810D	56,885	0.07	40
Fire Clerical	8810F	145,753	0.07	102
Library Clerical	8810L	479,247	0.07	335
Police Clerical	8810P	354,718	0.07	248
Water Clerical	8810W	57,861	0.07	41
Animal Control	8831	96,412	0.97	935
Building Maintenance	9015	12,656	3.17	401
Parks & Recreation	9102	365,486	2.66	9,722
Cemetery Operations	9220	134,719	3.17	4,271
Municipal Employees NOC	9410	135,324	2.48	3,356
SUBTOTAL		\$5,423,490		85,248
School				
Crossing Guards	7720C	54,077	1.71	925
School Professionals (Teachers & Admin)	8868	25,613,608	0.79	202,348
School - All Other	9101S	1,712,222	2.90	49,654
SUBTOTAL		\$27,379,907		252,927
TOTAL		\$32,803,397		338,175
Total Manual Premium				338,175
Employers Liability Charge	0.01			3,382
Premium Subject to Exp. Mod.				341,556
Experience Modification	1.00			0
Total Estimated Premium				341,556
ARAP Surcharge	1.00			0
Premium Discount				(33,131)
Net Premium				308,425
Expense Constant				338
Estimated Premium				308,763
All Credits				(95,876)
Net Estimated Premium				212,887

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TOWN OF MEDFIELD
FIVE YEAR HISTORICAL COMPARISON
FY2015-FY2019

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	FY2015 ACTUAL EXPENDED	FY2016 ACTUAL EXPENDED	FY2017 ACTUAL EXPENDED	FY2018 ACTUAL EXPENDED	FY2019 APPROPRIATED AT TOWN MTG
WORKERS COMPENSATION INSURANCE					

WORKERS COMPENSATION INSURANCE					

WORKERS COMP INSURANCE					

WORKERS COMPENSATION INSURANCE					

019122 570100 WORKERS' COMPENSATION INSURANC	136,028.11	204,276.00	202,737.12	208,640.00	256,000.00
TOTAL WORKERS COMP INSURANCE	136,028.11	204,276.00	202,737.12	208,640.00	256,000.00
TOTAL	136,028.11	204,276.00	202,737.12	208,640.00	256,000.00
WORKERS COMPENSATION INSURANCE					