

CITY OF NEDERLAND EMPLOYEE BENEFITS (UPDATED 05/2026)

DISCLAIMER: The statements contained in this summary are highlights intended to serve only as general information concerning various employment matters as they now exist at the City of Nederland. Employment matters, including compensation and employee benefits, are governed by applicable Federal, State, or local laws, regulations or judicial decisions, and any errors or misrepresentations in this summary are subordinated to Federal, State, or local laws, regulations or judicial decisions. An employment-at-will relationship exists between the City of Nederland and its employees, and nothing set forth in this summary is intended to create, or shall be construed as creating, either an express or an implied contract of employment or a definite or indefinite period.

1. Compensation

Base Pay

A major objective of the City's salary administration program is the encouragement, through the opportunity for financial recognition and reward, of higher levels of employee motivation, morale, effort and productivity.

Longevity

In addition to base pay, employees receive \$4.00 per month for each year of service to the City of Nederland.

Certificate Pay

Certificate pay is awarded for the highest level of certificate held for some job titles requiring certain state licenses.

Shift Differential

Shift differential is paid for certain job titles requiring evening and night shifts, such as Police Officer and Telecommunications Operator.

Overtime Provisions

For employees in positions which are governed by the overtime provisions of the Fair Labor Standards Act, overtime begins to accrue with the ninth hour worked during a regular eight hour day. Some employee groups may elect compensatory time in lieu of overtime wages.

Work Period

The official work period for the City is a seven day period beginning at 12:01 a.m. on Monday and ending at 12:00 a.m. on the following Sunday. The City pays on a bi-weekly basis.

General Salary Increases

City Council may award general salary increases to employees on an annual basis when fiscally prudent.

Introductory Period

Employees are subject to a twelve month introductory period. Supervisors prepare written

performance evaluations at the end of each quarter during the introductory period.

Pay Step Increases

Employees are eligible to receive a pay step increase upon successful completion of six months of employment (or twelve months for Police Officers and Firefighters), and then on subsequent hire anniversary dates until reaching the maximum pay step. The step increase will be documented on an "Employee Status and Wage Report", a copy of which will be placed in the employee's payroll envelope during the payroll period in which the step increase is awarded.

2. **Retirement System**

Upon hire, employees are eligible to participate in the Texas Municipal Retirement System (TMRS) (www.tmr.org) plan. TMRS was established in 1948 and is administered in accordance with the *Texas Municipal Retirement System Act* (Texas Government Code, Title 8, Subtitle G). Each TMRS participating city has its own retirement plan provisions within the general framework of the Act. A summary of some of the City's current provisions are as follows:

BENEFIT	DESCRIPTION	OPTION ADOPTED
City matching ratio	The City of Nederland matches your deposits and interest at a rate chose by the City of Nederland. The City's matching funds are held in the City's TMRS account until you retire. The only way to get the City's matching funds is to retire from TMRS and receive a monthly payment.	2 (City) to 1 (Employee)
City contribution rate	This rate is set annually by TMRS based on actuarial assumption changes.	11.27% (Effective 01/01/2026)
Employee contribution rate	Each month, the City withholds 7% of your gross monthly salary and deposits the money in a TMRS account in your name. These are your member deposits, which are tax-deferred. This means that are not subject to federal income tax until they are paid back to you in the form of a refund or a monthly retirement benefit.	7% of your gross salary, tax deferred
Vesting requirement	Vesting means you have worked enough years and established enough service credit to meet the minimum length-of-service requirement for retirement. Once vested, even if you leave City employment, you may leave your deposits with TMRS and retire with a TMRS retirement benefit when you reach age 60.	10 years
Retirement eligibility	At retirement, your member deposits and the interest earned are combined with the City's matching funds and other credits granted. TMRS then calculates a monthly retirement benefit based on these amounts, the interest they will earn, an estimate of your remaining life expectancy at retirement, and other factors.	10 years service, at least age 60 or 20 years service, at any age

Other available options include Updated Service Credit, Military Service Credit, Buy-Back Provision, and Restricted Prior Service Credit.

3. **Insurance Benefits**

Regular Full-Time employees are eligible for insurance benefits. Benefits will become effective on the first day of the calendar month following full-time hire date.

Medical Insurance Plan (Plan Year 07/01/26 - 06/30/27)

The City provides a Medical Plan through United Healthcare (www.myuhc.com). The employee premium is paid in full by the City for the “standard” plan and the “HMO” plan. Employees may select from one of the plans below or choose the HSA plan (information on the HSA plan can be requested from the Personnel Department). Employees may also elect spouse only, children only or family coverage which is paid via semi-monthly payroll deduction.

July 1, 2026 - June 30, 2027			
Standard PPO Plan	MONTHLY PREMIUM	EMPLOYEE MONTHLY COST	CITY PAYS
Employee	\$927.56	\$0.00	\$927.56
Spouse only	\$2,191.84	\$490.04	\$1,701.80
Children only	\$1,614.52	\$357.58	\$1,256.94
Family	\$2,712.83	\$610.28	\$2,102.54
HMO Plan	MONTHLY PREMIUM	EMPLOYEE MONTHLY COST	CITY PAYS
Employee	\$841.14	\$0.00	\$841.14
Spouse only	\$1,987.63	\$341.52	\$1,646.11
Children only	\$1,464.10	\$248.18	\$1,215.92
Family	\$2,460.08	\$426.46	\$2,033.62
HSA Plan	MONTHLY PREMIUM	EMPLOYEE MONTHLY COST	CITY PAYS
Employee	\$710.70	\$0.00	\$710.70
Spouse only	\$1,679.40	\$117.34	\$1,562.06
Children only	\$1,237.06	\$83.05	\$1,154.01
Family	\$2,078.58	\$148.99	\$1,929.59

Dependents who are not enrolled when the employee is first eligible for enrollment will be considered a "late entrant." Late entrants will only be accepted for coverage during the

City's annual open enrollment during June of each year, with changes effective July 1. During the plan year, only certain qualifying events will permit a late entrant to be added at a time other than open enrollment, such as marriage, birth of a child, or termination of spouse's employment - such adds must be reported within thirty-one (31) days of the qualifying event.

Once insurance benefits become effective, it is the employee's responsibility to notify the Personnel Office of any changes which may affect coverage, such as family status, as well as changes of name, address, and telephone number.

Dental Insurance Plan (Plan Year 07/01/26 - 06/30/27)

The City provides a Dental Plan through United Healthcare (www.myuhc.com). The employee premium is paid in full by the City. Employees may elect spouse only, children only, or family coverage which is paid via semi-monthly payroll deduction.

July 1, 2026 - June 30, 2027			
HIGH PLAN	MONTHLY PREMIUM	EMPLOYEE MONTHLY COST	CITY PAYS
Employee	\$36.90	\$0.00	\$36.90
Spouse only	\$82.39	\$39.56	\$42.83
Children only	\$80.10	\$37.57	\$42.53
Family	\$128.04	\$79.26	\$48.78
July 1, 2026 - June 30, 2027			
LOW PLAN	MONTHLY PREMIUM	EMPLOYEE MONTHLY COST	CITY PAYS
Employee	\$29.42	\$0.00	\$29.42
Spouse only	\$65.11	\$31.04	\$34.07
Children only	\$63.78	\$29.89	\$33.89
Family	\$101.83	\$62.98	\$38.85

Dependents who are not enrolled when the employee is first eligible for enrollment will be considered a "late entrant." Late entrants will only be accepted for coverage during the City's annual open enrollment during June of each year, with changes effective July 1. During the plan year, only certain qualifying events will permit a late entrant to be added at a time other than open enrollment, such as marriage, birth of a child or termination of spouse's employment - such adds must be reported within thirty-one (31) days of the qualifying event.

Once insurance benefits become effective, it is the employee's responsibility to notify the Personnel Office of any changes which may affect coverage, such as family status, as well as changes of name, address, and telephone number.

Long Term Disability Insurance Plan

The City provides a Long-Term Disability Policy through Dearborn National. The employee premium is paid in full by the City.

Life and Accidental Death and Dismemberment Insurance Plan

The City provides a Life and Accidental Death & Dismemberment Policy through Dearborn National. The employee premium is paid in full by the City. The current death benefit is equivalent to twice the employee's base salary rounded to the nearest \$1,000.00, to a maximum of \$200,000.00. For example, an employee who earns a base salary of \$13.43 per hour would receive a death benefit of \$56,000.00. ($\$13.43/\text{hr.} \times 2,080 \text{ hrs./yr.} = \$27,934.40/\text{yr.} \times 2 = \$55,868.80$, rounded to nearest \$1,000.00 = \$56,000.00). For active employees attaining the age 70, the death benefit is reduced to 65% of the amount then currently in force and at age 75, the death benefit is reduced to 50%. Retired employees are eligible for a flat \$10,000.00 death benefit upon retirement.

Voluntary Life and Accidental Death and Dismemberment Insurance Plan

Active employees may purchase additional coverage offered under the Voluntary Life Plan at their own expense, for themselves and eligible dependents. Additional information regarding this voluntary benefit may be obtained by contacting the Personnel Department.

Voluntary Vision Benefits

Active employees may purchase voluntary benefits through United HealthCare (www.uhc.com) at their own expense, for themselves and eligible dependents.

UHC Vision	MONTHLY PREMIUM	EMPLOYEE MONTHLY COST	CITY PAYS
Employee	\$6.00	\$6.00	\$0.00
Family	\$12.90	\$12.90	\$0.00

COBRA and HIPAA Compliance Services

The City provides COBRA and HIPAA compliance services through Flores and Associates (www.flores247.com).

Workers Compensation

The City provides Workers' Compensation insurance through Texas Municipal League Intergovernmental Risk Pool (www.tmlirp.org). This coverage provides medical and salary continuation payments to employees who receive a bona fide, on-the-job, work related injury.

4. **Other Benefit Programs**

Social Security

The City of Nederland contributes to the Social Security System on behalf of each employee.

IRS Section 125 Cafeteria Plan

The City provides an IRS Section 125 Cafeteria Plan. A Cafeteria Plan is a benefit plan established by the City which allows each employee to choose from a menu of qualified benefits with the employee cost of selected benefits paid on a pre-tax basis. Examples of qualified benefits are medical, dental, cancer and accident insurance plans. If an employee does not participate in the Cafeteria Plan, then the employee cost of selected benefits will be taxed.

Mission Square Retirement (formerly) ICMA-RC

Employees may elect to participate in the Mission Square Retirement plan (ICMA-RC) (<https://www.missionsq.org/>). Public employees have a unique opportunity to supplement their retirement income. Employees can invest in a 457 retirement plan through automatic payroll deductions. The payroll deductions are pre-tax contributions. Employee contributions and earnings on them are not taxed while the employee lets them grow since they are retirement savings. This plan is not to be confused with the TMRS plan. The City does not match employee contributions to this plan. The plan is administered by the City's Director of Finance.

Tuition Reimbursement

Subject to approval by the City Manager, employees who complete a course at an accredited college or university which is related to his/her work at the City of Nederland may be reimbursed for 50% of out of pocket expenses for tuition and books with a grade of C or better. Attendance must not conflict with work hours.

Drivers License Fee Reimbursement

Employees are reimbursed for the difference between a Texas Class C Operators drivers license and any additional drivers license requirements or endorsements related to his/her work at the City of Nederland.

Uniforms and Shoes

Employees holding certain job titles are either furnished or reimbursed for the costs of required uniforms and shoes.

Employee Assistance Program

Employees and their eligible dependents may participate in the Employee Assistance Program, which provides up to five free counseling sessions per eligible individual per problem situation each contract year. The program is confidential and may be accessed by a telephone call to the provider. The EAP deals with problems such as depression, family, alcohol/drugs, marital, behavioral, stress/anxiety, job/school, parent/child, and grief. It also provides limited legal and financial planning services. The City's current provider is Interface EAP (ieap.com).

Marion and Ed Hughes Public Library

City of Nederland employees are eligible for a free library card. All N.I.S.D. students residing inside and outside of City limits are eligible for free library cards. Employees may access the meeting room under the same guidelines provided to citizens. Call 409-722-1255

for details.

Nederland Recreation Center and Park Grounds

City of Nederland employees may use the Recreation Center (basketball, volleyball, game room) for free; the racquetball courts for \$2 per person per hour. Employees may reserve use of certain areas of the Recreation Center and parks grounds for eligible functions. Deposits may be waived but rental fees are required. Call 409-724-0773 for details.

Doornbos Park Swimming Pool

City of Nederland employees and their families (defined as spouse, children, and step-children) have free access to Doornbos Park swimming pool during the dates and times the pool is open to the general public. Employees may rent the pool for parties same as the public (all deposits and rental fees are required.) Call 409-724-0773 for details.

Labor Unions

Employees may elect to join union organizations and set up union dues payments through automatic payroll deduction. The Fire and Police unions are subject to collective bargaining agreements in accordance with the *Texas Local Government Code*, Chapter 174. The Fire Department is subject to Civil Service provisions of the *Texas Local Government Code*, Chapter 143.

5. Leave Time

Vacation Leave – Hourly Positions

Although hourly employees begin accruing vacation leave from the first day of regular full-time hire, they are ineligible for vacation leave benefits during the first year of employment. Accruals are as follows: Years 1-5=2 weeks, Years 5-9=3 weeks, Years 10-19=4 weeks, Years 20-24=5 weeks, Years 25+=6 weeks.

Vacation Leave – Salaried Positions

Although salaried employees begin accruing vacation leave from the first day of regular full-time hire, they are ineligible for vacation leave benefits during the six months of employment. Starting vacation accruals for this position will be determined and authorized by the City Manager (up to 4 weeks) in accordance with the City's Personnel Policy.

Sick Leave

Although employees begin accruing sick leave from the first day of regular full-time hire, they are ineligible for sick leave benefits during the first six months of employment. Most employees accrue ten hours of sick leave per month with a maximum allowable accumulation of 1,320 hours. Most employees may utilize 40 hours of their sick leave each year for the care of an immediate family member. Upon separation of employment with the City, most employees are paid up to 25% of 1,320 hours of unused accumulated sick leave.

Family and Medical Leave Act

An employee must have at least twelve months service in order to qualify for leave under the Family and Medical Leave Act.

Other Types of Leave

Other forms of leave are available, such as Injury Leave, Military Leave, Civil Leave, Emergency Leave, and Administrative Leave.

6. **Holidays**

The following eleven holidays are normally observed as paid holidays: New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday (Easter for Firefighters), Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday following Thanksgiving Day, Christmas Eve, Christmas Day, and Employee's Birthday.

New employees are allowed to take their Birthday Holiday during the first year of employment since it is considered a holiday, not vacation. The Birthday Holiday does not necessarily have to be taken on the employee's birth date.