



TOWN OF KINGSTON BOARD OF SELECTMEN

Revised: September 2020

The Town of Kingston Senior Tax Work-Off Abatement Program (the program) recognizes that many senior citizens can provide a wealth of knowledge and skills from which the Town could benefit in its various departmental needs. The program is designed to match municipal volunteer opportunities with eligible Kingston taxpayers in order to assist them with property tax bills, increase involvement in municipal government, and enhance municipal services by utilizing the skills and abilities of qualified volunteer residents.

Under this property tax-relief program, eligible homeowners age 60 or older volunteer their service to the Town and are compensated at a rate per hour of service that is credited to their real property tax bills. These credits may be in addition to any property tax exemptions that they may be eligible for under other statutes, such as personal exemptions under M.G.L. c. 59 § 5 or residential exemptions under M.G.L. c. 59 § 5C. If eligible they may also defer the balance of their taxes under M.G.L. c. 58 § 5(41A).

BACKGROUND

On May 6, 2000, Town Meeting voted to accept the provisions of M.G.L. c. 59 § 5K which authorized the Board of Selectmen to establish a local senior tax work-off program. On June 3, 2003, the Board of Selectmen voted to increase the maximum abatement amount under the program from \$500.00 to \$750.00. These program rules supersede all prior program rules.

PROGRAM RULES

Administration:

- ❖ The program shall be administered through the Board of Selectmen's Office but the actual credits shall be administered by the Board of Assessors.
- ❖ The program year runs November 1st through October 31st, which is the last day a participant may complete work.
- ❖ Funding for the program may come from, but is not limited to, the overlay reserve for abatements and exemptions which is an amount raised annually during the tax rate setting process and is used to fund all statutory personal exemptions such as veterans, blind and elderly.
- ❖ The maximum allocation for all participants for the 2014-2015 program year is \$24,750; for each program year thereafter beginning with the 2015-2016 program year, the maximum allocation for all participants is limited to \$19,500.00 but is subject to adjustment on an annual basis.
- ❖ The Board of Selectmen or its designee may determine the number of volunteer positions for each program year, subject to the provisions of these Program Rules.
- ❖ Participants shall be compensated at the Massachusetts minimum hourly wage rate in effect at the time work is performed.
- ❖ *Maximum participant abatement: \$750.00 per program year:*

- At an hourly wage rate of \$13.50, for example, a participant must work 56 hours to earn the maximum abatement of \$750.00.
 - The tax credit (which is equal to the abatement earned minus required withholdings as detailed in the Payroll and Tax Withholding section below) will be applied to and split equally between the participant's third and fourth quarter tax bills for the fiscal year in which the program ends. For example, if the program ends on October 31, 2015, which date is in FY2016, one half of the credit will be applied to the participant's 3rd quarter FY2016 tax bill and the other half will be applied to the participant's 4th quarter FY2016 tax bill.
 - If maximum hours are not completed, the credit received will be based on the number of actual hours worked.
 - Any service performed after the maximum amount cannot be accumulated and will be considered unpaid volunteer service.
- ❖ Each August, department heads shall be solicited for any potential need for a volunteer for the upcoming program year. Departments desiring to participate in the program shall submit a Department Request Form to the Board of Selectmen's office on or before September 1st.
 - ❖ The credit is not a formal tax abatement and does not require a discretionary vote of the Board of Assessors to be applied.

Eligibility:

- ❖ **Age:** 60 or over as of November 1st of the program year.
- ❖ **Ownership:**
 - Must be an assessed owner of record (name appears on the deed) on January 1st. For example, for a program beginning in Fiscal Year 2015, the taxpayer must have been the owner as of January 1, 2014. If the property is held in a trust, the participant must be a trustee or hold a beneficial interest in the trust. If there is a question about ownership, the Board of Assessors will make a final determination.
 - Must own and occupy the property as his/her principal (primary) residence. The tax credit may be applied to this property only.
 - Only one senior tax work-off abatement per property shall be allowed per program year. If a participant is unable to fulfill the commitment for all hours, another owner of the same property may complete the program if he/she meets all eligibility criteria and meets the requirements of the position. Hours worked may not be shared with another family member whose name is not on the deed.
- ❖ **Property Type:** Residential only.
- ❖ **Income:** There are no income or asset eligibility requirements for participants. However, in the event that there are more qualified applicants for participation in the program than the Town has budgeted for or has a need for, priority shall be given to applicants in the following order:
 - **First Priority:** To applicants who have claimed the Circuit Breaker Credit on Massachusetts state income tax form "Schedule CB" in the calendar year before the year in which they apply for participation in the program and who expect to claim the Circuit Breaker Credit in the next calendar year. Schedule CB shall become a part of the application for participation in the program.
 - **Second Priority:** To applicants who could have claimed the Circuit Breaker Credit as described for first priority consideration, but did not. For second priority consideration applicants must complete state income tax form Schedule CB as they would have if they had filed it with their state income tax return. The completed Schedule CB shall a part of the application for participation in the program.
 - **Third Priority:** Applicants who have qualified for any exemption pursuant to M.G.L. c. 59, § 5 for the fiscal year preceding their application for participation in the program and who expect to qualify for such an exemption in the next fiscal year. The exemption approved by the Board of Assessors shall become a part of the application for participation in the program.

- In the event that competition for participation in the program is not resolved by applying a higher priority, the Board of Selectmen, or their designee, shall conduct a lottery among the applicants at each level of priority previously listed. Applicants at any level of priority shall be considered equally at that level or priority.
- Notwithstanding the foregoing, in the event that a particular eligible applicant possesses unique skills or experience that uniquely qualify him/her for the available job, such individual may be designated for such position by the Selectmen or their designee, notwithstanding any of the foregoing criteria for priority.
- ❖ Possess and identify employable skills.
- ❖ Completion of the application and all required forms (including tax forms), satisfactory proof of age, verification of annual income if needed, and a satisfactory CORI check. Interviews with the Director of the Council on Aging, Selectmen's Office and/or department head may be required.
- ❖ A participant must immediately notify the Selectmen's Office of any changes affecting eligibility.
- ❖ Participants are responsible for their own transportation, if necessary.
- ❖ A participant may be removed from the program at any time by the Town Administrator, for cause.

Selection Process:

- ❖ Applications will be available in September of each year. Participants must complete an application form each program year and are selected annually.
- ❖ Applications must be submitted on or before October 14th to the Selectmen's Office, where applications will be screened for eligibility. Applicants must meet the eligibility requirements for the program and have appropriate skills for the position. To the extent possible, the program attempts to match participants with positions that match their skill sets.
- ❖ Applications will be forwarded to department heads who will make a recommendation to the Town Administrator. Participants may be asked to interview for a position. The Town Administrator assigns program participants to the position. If a department does not require the maximum number of hours of service, the participant should be willing to accept assignment in a different department based on the needs of that department.
- ❖ When all of the positions have been filled, a waiting list will be kept in the event that any workers drop out of the program or new openings arise during the program year. If a participant is offered a position for which he/she is qualified and refuses it, the Town is not obligated to offer another position. Once placed, a participant will report to the department head or a designated supervisor. Participants are expected to perform services in a timely, responsible and satisfactory manner as evaluated by the department head.

Time Reporting: Time sheets shall be filled out and signed by the participant and the participant's supervisor on a bi-weekly basis according to the payroll schedule. Department heads shall notify the Board of Selectmen's Office when a participant completes his or her maximum hours or otherwise leaves the program.

Municipal Employee and/or Board Member Disclosure: A participant in the program may hold additional municipal positions and have financial interests in municipal contracts without violating M.G.L. chapter 268A section 20, provided that the employee does not participate in or have official responsibility for the administration of the program or decision-making with respect to the award of benefits under the program (pursuant to State Ethics Commission's 930 CMR 6.17, Exemption Related to Senior Tax Abatement Programs).

Payroll and Tax Withholding: Participation in the Town's Senior Tax Work-Off Abatement Program may affect eligibility for, or the amounts allowed, in other tax programs. Participants in the program are encouraged to consult with professionals for advice specific to their situation. Participants in the program, pursuant to M.G.L. c. 59 §5K, are considered employees for federal and state income tax purposes.

Federal Income Taxes

The Internal Revenue Service (IRS) has ruled that the monetary benefits derived by participants are taxable for federal income tax purposes. Participants will be required to complete a federal form W4 **before** they start work in the program. The amount of the real estate tax abated by the Town, in any given calendar year, will be reflected in Box 1, "Wages, tips, other compensation", of a form W2 issued to the participant, by the Town, at the end of that calendar year. Box 1 wages are equal to the gross amount of the participant's earning, less their share of Medicare and any 457(b) contribution.

Federal Insurance Contributions Act (FICA)

The Town does not participate in the "Old-Age, Survivors and Disability Insurance" program of the Social Security Administration and as part time employees, participants are not eligible for membership in the Plymouth County retirement system. In lieu of FICA or a membership contribution to the retirement system, participants must contribute 7.5% of their earnings to the Town's 457(b) plan, as such amount may be amended. As previously noted, W2 Box 1 earnings are reduced by this contribution. Participants who can document retirement from a qualified retirement system are not subject to the 457(b) withholding. Amounts contributed to the 457(b) plan are deposited with ING, belong to the participant, and may be withdrawn at any time.

Medicare Taxes (part of FICA)

The gross amount of the program benefit earned by the participant is subject to Medicare withholding of 1.45%, as may be amended. The abatement amount is reduced by the participant share of Medicare. The gross amount earned in the program is report on form W2, in Box 5, "Medicare wages and tips" and the amount withheld appears in Box 6, "Medicare tax withheld".

State Income Taxes

Program earnings are not taxable for state income tax purposes and will not appear on a W2 form. Earnings are not eligible for state unemployment compensation or workers compensation.

Real Estate Abatement

The amount of the real estate tax abatement earned by the participant is equal to program gross earnings less the Medicare deduction and any contribution to the Town's 457(b) plan. The 457(b) contribution, if required, is equal to 7.5% of total earnings and that it is refundable to the participant.

Maximum Earnings and Deductions (typical)

Earnings:	\$750.00	59 hours @ \$12.75 per hour
Medicare (1.45%):	\$10.88	
ING (7.5% - 457(b)):	\$56.25	Refundable
Abatement:	\$682.87	

Form W2

Box 1	Federal Wages:	\$682.87	Box 2	Federal Tax:	\$0
Box5	Medicare Wages:	\$750.00	Box 6	Medicare Tax:	\$10.88
Box 12	ING	\$56.25			
Box 16	State Wages:	\$0	Box 17	State Tax	\$0

Certification of Service: The board, officer or department supervising the taxpayer's volunteer services must certify the hours of services performed by the participant during the program year before the actual tax for the fiscal year is committed. Such certification shall be submitted no later than November 1st (the day after the

program year ends) to the Director of Elders Affairs. The certification must state the amount actually earned as of that time. A copy of the certification must also be given to the participant before the actual tax bill is issued.

Status of Volunteers: Participants performing services in return for property tax reductions are employees for purposes of municipal tort liability. The Town of Kingston will therefore be liable for damages for injuries to third parties and for indemnification of the volunteers to the same extent as they are in the case of injuries caused by regular municipal employees. Participants are not entitled to employee benefits available to regular Town employees.

Program Schedule 2020-2021:

August	Solicitation of volunteer needs to departments
September 1	Deadline for departments to submit request forms to Selectmen's Office
September 21	Program participant applications available
October 14	Participant deadline to submit applications to the Board of Selectmen's Office
October	Interviews conducted and participants appointed by the Town Administrator
November 1	2020-2021 Program year begins
October 31	2019-2020 Program year ends and last possible work day for participants
November 1	Deadline for department heads to submit participant time sheets for 2019-2020 and Certificates of Completion of Volunteer Services for the program year to the Director of Elder Affairs for his/her approval
November 5	Deadline for Director of Elder Affairs to submit Certificates of Completion of Volunteer Services to Board of Assessors and participant, with a copy to Selectmen's Office and Treasurer's Office. The Treasurer thereafter computes payroll deductions from participant gross earnings to determine the abatement amount which is forwarded to the Board of Assessors. The Board of Assessors will grant abatement amounts by December 31, provided the tax rate has been set by that date and by March 31 if the tax rate is set after December 31. The Tax Collector is advised of the abatement amount per the standard procedure for all other abatements granted by the Board of Assessors.

