

Town of Berlin



Senior Property Tax Work-Off Abatement Program

(M.G.L. Chapter 59, Section 5K)

Veterans Property Tax Work-off Abatement Program

(M.G.L. Chapter 59, Section 5N)

Accepted

Annual Town Meeting May 5, 2014 Articles 29 & 30
Amended Special Town Meeting December 8, 2014 (minimum wage) Articles 13 & 14
Amended Special Town Meeting Sept 28, 2015 (125 hour) Articles 4 & 5

Local Regulations

Ver. 1.0	May 26, 2015	Board of Selectmen's Meeting– Acceptance
2.0	July 1, 2015	Initially Implemented in FY2016
3.0	September 21, 2015	BOS Revised Tax credit date
4.0	June 1, 2016	BOS revised to allow municipal employees to participate in the program
5.0	January 6, 2020	(1) Amend "employee" to Participant; (2) Adding that Work-Off Program follows MA Min Wage rates; (3) clarify Work-Off Participants may not be in same role/function as additional municipal job

Program Overview

The Town of Berlin's Senior and Veteran Tax Work-Off program allows seniors and veterans ("Participants") the opportunity to work for the Town and in return, receive a reduction in real property taxes each fiscal year worked, based on the total number of hours worked at the Massachusetts minimum wage rate. The reduction in real property tax under this program is in addition to other tax abatements and property tax exemptions for which senior and veteran tax payers may be eligible under other statutes. Seniors and Veterans must own and occupy the residence for which property taxes are paid and for which credit is being sought. The Community Preservation Act surcharge is not included in real property tax reduced under this program.

Administration

Program Administration: The Berlin Council on Aging shall assist and coordinate between Town departments and homeowners who want to participate in the work-off programs. The Selectmen, Veterans and Assessor's office will also assist.

Tax Credit Year: The program will run July 1 through June 30 and tax reductions are credited on the November tax bill. Work must be completed no later than June 30 to allow enough time for the Assessor's office to process the tax credits. The amount of credit will not be paid directly to the Participant. It will be shown as a reduction to the property owner's real estate taxes on the November tax statement. No compensation will be paid directly to Participants.

Maximum abatement: Taxpayers may work a maximum of 125 hours per year. The Town of Berlin voted to use the Massachusetts minimum wage as the hourly rate for determining the reduction in taxes based on hours worked in the program year.

Volunteers: Berlin budgets \$20,000 in support of this program.

Application Process

Eligibility

Senior Program

- Age 60 or over
- Must be an assessed owner of the property as of July 1st of the applicable assessment year, or if the property is subject to a trust, the senior must have legal title (i.e. be one of the trustees) to the property on which the tax to be abated is assessed.
- Must have owned and occupied a home in Berlin for the last five (5) years
- Must have skills appropriate for the program position

Veterans Program

- Must be a veteran as defined in MGL Chapter 4 Section 7 clause 43
- Any age, no restrictions
- Provide discharge paperwork for verification - Appendix A

- Must be an assessed owner of the property as of July 1st of the applicable assessment year, or if the property is subject to a trust, the veteran must have legal title (i.e. be one of the trustees) to the property on which the tax to be abated is assessed.
- Must have owned and occupied a home in Berlin for at least five (5) years
- Must have skills appropriate for the program position or submit the Veteran's Agent certification that the veteran is unable to work in any of the available program positions and is thereby eligible to have a proxy perform the work for the veteran. - Appendix -C

There is currently no income limit requirement for Participants. Participants cannot work under both programs

Municipal Participant and/or Board member Disclosure:

A program Participant may hold additional municipal positions and have financial interests in municipal contracts without violation MGL c 268A, § 20, provided that the Participant does not participate in or have official responsibility for the administration of such program or decision making with respect to the award of benefits or relief under such program. (Pursuant to State Ethics Commission's 930 CMR 6.17, Exemption Related to Senior Tax Abatement Programs). Participants shall not perform substantially the same duties in the program as are performed in an additional municipal position the Participant may hold in the same department.

Applicants may qualify for and receive any or all of the following that affect their property tax bill; participation in Senior/Veterans work off program, a Tax Deferral and a Statutory Exemption, though participation in the Senior/Veteran Work-off program will be restricted to one abatement per property.

Participants may not work more than 40 hours per week. This includes their regular hours of Town employment and any work-off program hours.

Applications

Will be open to new applicants in June for work starting on or after July 1st.

- The Applicant must complete the Tax Work-Off Program Application. Applications will be available at the Council on Aging, Selectmen and Veterans offices.
- Veteran status must be certified by the Veterans Agent using the Property Tax Work-Off Veterans Status Certification form. This is available at the Veterans Office
- Disabled veterans may request that a volunteer perform program work on their behalf. The Veterans Agent will verify and approve this request and veteran status on the Property Tax Work-Off Veterans Disability Verification form.

Selection Process

- Town departments will submit to the Tax Work-Off program manager a request for a Tax Work-Off worker.
- Applicants will be matched to departmental requests. The Council on Aging representative will coordinate with the departmental representative.

- The Council on Aging will match the best candidates available to fill the program positions based on their knowledge, skills and abilities.
- Prior to being assigned a program position applicant must submit a CORI application, and complete IRS Form W-4, MA Form M-4 and I-9 Employment Eligibility Verification and *must complete the on-line Conflict of Interest training*

Taxes

- The IRS considers residents who participate in the Senior/Veterans Work-Off program temporary, part-time workers of the Town of Berlin and must have Medicare taxes (1.45%) withheld.
- The Town of Berlin does not deduct Social Security but is required to withhold OBRA (Omnibus Budget Reconciliation Act), a retirement withholding of 7.5% of all earnings. A Senior/Veteran Work-Off program Participant may request a refund of all the monies contributed to our account once you cease participating in the program, and for Participants who hold other municipal positions, once you cease being employed by the town.
- Under Massachusetts law (CH 59 Section 5K) the reduction in property tax is exempt for State income tax purposes.
- The net amount after taxes (as described above) is then applied toward your property tax liability.

Work Requirements

- **Time Sheets:** Each program Participant must complete a time sheet for all hours worked. *The time sheet must be signed by the program Participant and the department head and must be submitted to the Council on Aging office on a weekly basis. Or, when program hours are completed, program Participant will obtain final signoff by the department head and return the time sheet to the Property Tax Work-Off Program Council on Aging representative.*
- Participants are encouraged to maintain a copy of their time sheets for their records.

Completion of Work

- When the program Participant has submitted completed paperwork with documentation of hours worked, the Council on Aging representative will start the tax credit documentation. All monies earned from the Tax Work Off Program shall **ONLY** be used to be applied to the property owner's tax account as a reduction in property taxes.

Appendix:

Appendix A: Payment Procedure

Appendix B – Veteran's Status Certification

Appendix C - Veteran's Status Certification and Disability Verification

Appendix D – Volunteer Time Sheet

Town of Berlin - Veterans' Property Tax Work-Off Program

Appendix A: Payment Procedure

1. First week in August: Council on Aging Senior Tax Work-off administrator will submit a Certificate of Completion which will include hours worked, pay rate and gross total to the Assessor's office.
2. The Assessor's Office will process and submit to the Board of Assessors the Certificate of Completion and prepare a work-off payroll voucher for their approval. (Note: only the BOA can spend from the overlay account.) The BOA meets on the second and fourth Monday of each month.
3. The Assessor's Office will submit the approved payroll voucher to the Accountant for processing. The Assessors will deduct the gross amount from the overlay when the tax rate has been approved.
4. The Accountant will process the gross amount from the Overlay account, once the tax rate has been approved, and completes the warrant process, providing the Treasurer with appropriate information.
5. Treasurer, after processing the payroll, will send net amount to the Tax Collector with a list of names, property address and net amount to be applied to tax bill. Accountant will post as a w/holding called Senior Tax Work-Off Liability.
6. The Tax Collector will process as a separate turnover as a tax credit/payment credited only to real property tax on the tax bill prior to mailing the first tax bill. Tax credits are not applied to the Community Preservation Act surcharge under this program.
7. The Accountant will process as a tax credit from the Senior Tax Work-Off Liability account the net amount as per Collector turnover. An adjustment will be made by the Accountant to the Deferred Revenue Account by charging the tax difference to the Medicare Expense account to balance the Overlay, Receivables and the Deferred Revenue accounts.

Appendix A edits approved by BOS on 9-6-2016



Town of Berlin - Veterans' Property Tax Work-Off Program

Appendix B – Veteran's Status Certification

Please obtain the signature of the Town of Berlin Veteran's Agent below certifying that you are a veteran, as defined in M.G.L. clause forty-third of section 7 of chapter 4.

Please return this signed form, along with a completed program application and your most recent property tax bill to the **Council on Aging Office, 12 Woodward Ave, Berlin MA 01503.**

NAME: _____ TELEPHONE #: _____

STREET ADDRESS: _____

MAILING ADDRESS: _____

TOWN: _____ STATE: _____ ZIPCODE: _____

I wish to apply for the property tax credit through the Veterans' Property Tax Work-Off Program.

Signature of veteran homeowner: _____ **Date:** _____

**Town of Berlin
Veterans' Property Tax Work-Off Program**

Veteran's Status Certification

I have reviewed _____ veteran's documents and certify that this
(Please print name of veteran homeowner)

individual is a veteran, as defined in M.G.L. clause forty-third of section 7 of chapter 4.

Signature of Veteran's Agent:

Print Veteran's Agent Name: _____ Date: _____

Address: _____ Telephone #: _____



Town of Berlin - Veterans' Property Tax Work-Off Program
Appendix C - Veteran's Status Certification
and Disability Verification

Please obtain the signature of the Town of Berlin Veteran's Agent at the bottom of this form certifying that you are a veteran, as defined in M.G.L. clause forty-third of section 7 of chapter 4, and are unable to perform work in the program because of your disability.

Please return this completed form, along with a completed program application and your most recent property tax bill to the **Council on Aging Office, 12 Woodward Ave, Berlin MA 01503.**

NAME: _____ TELEPHONE #: _____

STREET ADDRESS: _____

MAILING ADDRESS: _____

TOWN: _____ STATE: _____ ZIPCODE: _____

☐ I wish to apply for the veteran's property tax credit. I am physically unable to perform any of the work options that have been offered to me. I request that the following volunteer be authorized to work on my behalf:

NAME: _____ TELEPHONE #: _____

ADDRESS: _____

☐ I request that the Council on Aging or Veteran's Agent help me find a volunteer to work on my behalf.

Under the penalties of perjury, I certify that the above statements are true and correct.

Signature of veteran homeowner: _____ **Date:** _____

The above signatory is a veteran, as defined in M.G.L. clause forty-third of section 7 of chapter 4, and is unable to perform work in the program because of his/her disability.

Signature of Veterans Agent: _____ **Date:** _____

VOLUNTEER WORKER AGREEMENT

I, _____ (Print Volunteer's Name), agree to provide up to 125 hours of service to the Town of Berlin on behalf of _____ (Print Name of Veteran Homeowner). I understand that I will receive no compensation for these hours of service, as the veteran homeowner listed above will receive a property tax credit for the total number of service hours that I perform for the town. I agree to complete monthly time sheets documenting the hours of service and submit them, at the end of each month, to the Council on Aging office.

Signature of volunteer: _____ Date: _____

(Please have the Veteran's Agent complete the information on the following page and return it to the COA office.)



Town of Berlin - Senior/Veteran Property Tax Work-Off Program

Appendix D – Volunteer Time Sheet

NAME OF SENIOR/VETERAN _____

DEPARTMENT _____

SUPERVISOR _____

ATTENDANCE FOR THE MONTH/YEAR OF _____

DATE	TIME IN	TIME OUT	TOTAL

I certify that I have worked the hours as recorded above.

Date

Volunteer Signature

Date

Department Head Approval