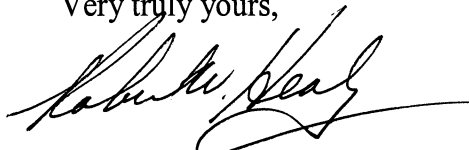


Until very recently the seniors were paid not as employees but as vendors to the City. One of the senior aides approached the City because of concern that the senior aides as vendors were responsible for paying the self-employment tax of 15%. To respond to these concerns, the Council on Aging requested that the senior aides be shifted to part time employee status, which would relieve them of any obligation of paying the self-employment tax. By shifting from vendor status to part time employee status, the senior aides have withheld from their pay just the 7.5% deferred compensation, which could be refunded to them when they ceased working as senior aides for the City.

Consistent with the purpose of the program and with the change in status from vendor to part-time employee, the City reduced the maximum hours per week worked by individual seniors from 20 to 19. The net income to the senior aides was increased by this change. By virtue of the transfer from a 20 hour vendor to a 19 hour part-time employee, the net income to each of the senior aides increases by approximately \$650.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", with a stylized flourish extending from the end.

Robert W. Healy
City Manager



8.

CITY OF CAMBRIDGE • EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager

Richard C. Rossi, Deputy City Manager

June 17, 2002

To the Honorable, the City Council:

In response to Council Order No. 3, dated June 10, 2002, regarding senior aides, please be advised of the following:

The City has been compensating senior aides since the 1980's. Some of the senior aides are funded by the State and some by the City. The compensation is for hours worked and both the State and City senior aides are paid a stipend at minimum wage. The positions have never included health insurance. Some of the current city funded senior aides were originally funded through the State program and were then employed by the City when their two-year State position ended. The City, through the Council on Aging, currently employs six of these senior aides and hosts six senior aides funded by the State.

The philosophy of the program is to provide opportunities that are socially stimulating to the aides, providing visibility and recognition to those who might otherwise be volunteering services, encouraging individuals to be active in the community and at the senior centers. The principal benefits are from the social contact and satisfaction that come from providing meaningful assistance to other seniors at the centers. The remuneration is viewed as a stipend in recognition of their service rather than a principal source of income. The duties include tasks such as greeting visitors and other social reception duties, assisting with serving coffee or lunch at the center and assisting with activities such as ceramics classes or monthly parties. The senior aides participate in programs and activities at the senior centers when they are not working and several of them receive social services through the Council on Aging.

Because of the nature of the work and purposes of the program, this activity has always been considered non-competitive supported work. The employment of the senior aides is intended to provide a benefit or subsidy to such individuals at the same time that the City is compensating them for the work performed.

The senior aide positions were never provided with health insurance. Payments in fact are monitored to ensure that they do not exceed a level that might compromise other benefits available to the seniors, such as social security or state supported health insurance programs. All of the current senior aides have health coverage through traditional plans, MassHealth and/or Medicare.

S-202

Consent Agenda #8

Transmitting communication
from Robert W. Healy, City
Manager, relative to Council
Order No. 3, dated June 10,
2002, regarding senior aides.

In City Council June 17, 2002

PLACED ON FILE.