

## **Elderly Tax Credit Program Policies and Procedures**

### **PURPOSE:**

The purpose of the Elderly Tax Credit Program is to provide low to moderate income senior citizens in the Town of Hull with a property tax relief program that uses their skills and knowledge and provide service to the Town, while alleviating a portion of the senior's property tax burden.

### **AUTHORITY:**

Massachusetts General Law:  
Chapter 59 §5K  
Chapter 184 §52 of the Acts of 2002

Town Legislative Body (Annual Town Meeting)

### **POLICY:**

The policy of the Town of Hull is the Elderly Tax Credit Program will be offered to a determined number of eligible senior citizens in the Town of Hull, consistent with the requirements of MGL Chapter 59 §5K. Application for the program shall be done on an annual basis and be under the control and supervision of the Director of the Council on Aging. Participants shall be paid at the current Massachusetts minimum wage on a regular pay period schedule. The Director shall certify completion of the service to the Board of Assessors for applicable credit on the current year property bill. Credit shall be given on the third quarter property bill (issued in December).

### **PROCEDURES:**

Eligible participants will provide assistance in office duties or other similar services to various Town departments and the Senior Center.

### **Notice to Participate**

Annually, a public notice shall be made announcing the Elderly Tax Credit Program.

- Notice to the public of the availability of, and the requirements for, the Elderly Tax Credit Program shall be made through various media, including but not limited to publication in the local newspaper, local access television, and the Town of Hull website.
- At the same time, department heads shall be solicited for any potential need of a volunteer and their requirements for responsibilities and time.

- Public notice shall be made in time for the Council on Aging to review applicants, verify eligibility and match applicant skills with department needs prior to the beginning of the year.

### **Eligibility**

The Council on Aging may make additional recommendations for specific selection criterion, however at a minimum, participants must meet the following:

- Must be the assessed owner of the property on which the tax will be credited, or acquired ownership before the service to the Town is performed. A copy of the current property tax bill is required when applying to the program.
- Must be at least age 60.
- Households with income less than 200% of the Federal poverty level (as indexed). For 2014 the limits are: households of two: less than \$30,260, households of one: \$22,706. Proof of income is required when applying to the program.
- Only one credit per assessed property.
- Participants must sign an application and a volunteer services agreement.
- The program is currently limited to 12 participants.

### **Process**

The maximum credit for the Elderly Tax Credit Program is based on 125 hours of service (as voted at the Annual Town Meeting) at the current Massachusetts minimum wage. All participants are requested to fulfill the commitment to provide the full 125 hours of service for the year in return for corresponding credit on property taxes.

- The Council on Aging and their Director, and the Town Manager, or the Town Manager's designee will choose the senior citizens for participation.
- Preference shall be given to applicants who have not previously been participants in the program.
- Participants will be matched as closely as possible with a position based on qualifications, skills and the needs of the Town department making the request for assistance.
- Departmental preference will be given to departments that have not previously had program volunteers.
- If a department does not require 125 hours of service, the participant should be willing to accept assignment in a different department based on the needs of that department.

- If a department requires more than 125 hours of service, that department should be willing to accept other individuals who may be waiting to fulfill their service.
- Time sheets will be filled out on a weekly basis, signed by the participants and participant's supervisor. Time sheets shall be submitted to the Council on Aging on a bi-weekly basis according to the payroll schedule.
- It is expected that the work hours will be consistent throughout the year. However, there may be some short-term duties that would require more hours per week for a shorter period of time.
- If the services required in any department are less than 125 hours, additional hours will be made available at the Senior Center or within another Town department.

### **Payment**

Participants will not receive wages for their participation, but instead will receive a payroll voucher for credit.

- All Elderly Tax Credit Program participants will be on the Town of Hull payroll system with vouchers issued with the regular Town bi-weekly cycle based on the hours worked in the pay period.
- Wages will be calculated based on the current Massachusetts minimum wage.
- The amount of the property tax deduction earned by the participant is not considered income or wages for purposes of state income tax withholding, unemployment compensation or worker's compensation.
- The United States Internal Revenue Service (IRS) has ruled that under current federal law the credit amount is included in the taxpayer's gross income for both federal tax and Federal Insurance Contribution Act (FICA) tax purposes.
- The vouchers less mandatory FICA (Medicare) taxes shall be used by the assessor to apply the credit on the property tax bill,
- No State or other Federal payroll taxes will be withheld.
- Participants are encouraged to consult with their own tax advisor concerning the tax treatment of this income.
- Hours in excess of 125 will be considered unpaid volunteer hours.

**Other Exemptions and Deferrals**

Participants may earn a tax credit under the Elderly Tax Credit Program in addition to any property tax exemptions they may be eligible for under other statutes, such as personal exemptions under MGL Chapter 59 §5 or residential exemptions under MGL Chapter 59 §5C. If eligible, they may also defer the balance of their taxes under MGL Chapter 59 §5(41A).

**Certification of Service**

The Director of the Council on Aging shall certify to the assessor the hours of service performed *by* the participant before the actual tax for the fiscal year is committed. The certification must state the hourly rate and the number of hours of volunteer work to be credited against the current fiscal year tax bill.

A copy of the certification must be given to the participant before the actual tax bill is issued.

**ATTACHMENTS AND EXHIBITS**

- Department Request Form
- Services Contract
- Certification of Completion of Volunteer Services

**Approved by:** Philip Lemnios, Town Manager  
**Effective:** March 12, 2013

**Elderly Tax Credit Program**  
Services Contract - 2014

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The Town of Hull, a municipal corporation with offices at Town Hall, 253 Atlantic Avenue, Hull, Plymouth County, MA (hereinafter referred to as "Town") and

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Name

Address

Hereinafter referred to as "volunteer" agree as follows:

1. Volunteer will provide 125 hours of service (pending Town Meeting approval in May) at an equivalent of the current Massachusetts minimum wage for a credit on their Town of Hull real estate tax bill.
2. Currently, the Massachusetts minimum wage is \$8.00 per hour; therefore the credit will be \$1,000 the less mandated Medicare taxes (approximately \$14.50, resulting in credit of \$985.50).
3. The nature of the services will vary with the department assignment, as determined by the Department Head. If the department does not require the full 125 hours, the Council on Aging may provide additional assignments to make up the full 125 hours.
4. The Volunteer acknowledges and agrees that he/she is performing services to the Town, and further understands and agrees that he/she shall not be entitled to employee benefits available to regular Town employees.
5. This contract will terminate at the end of December, but may be terminated sooner at the discretion of the Council on Aging and/or Town Manager provided that seven (7) days written notice of termination is delivered or mailed to the residential address of the volunteer provided herein above.

Date \_\_\_\_\_

Volunteer \_\_\_\_\_

Council on Aging \_\_\_\_\_



**Elderly Tax Credit Program**  
Department Request Form

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Date: \_\_\_\_\_

Department: \_\_\_\_\_

Number of Positions: \_\_\_\_\_

Requirements (describe briefly): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Hours Needed: \_\_\_\_\_

Requested by: \_\_\_\_\_

A participant must perform 125 hours of service to qualify for the maximum real estate tax credit. It is expected that the work hours will be consistent throughout the year. However, there may be some short-term duties within your department that would require more hours per week for a shorter period of time.

If the services required are less than 125 hours, we will look to supplement with additional hours at the Senior Center or within another Town department

Please do not include any tasks that are strenuous; only light duties, such as office work, bookkeeping, computer/typing, receptionist, etc.

**Please return this form to the Council on Aging.**