



TOWN OF LANCASTER SENIOR CITIZEN PROPERTY TAX WORK-OFF PROGRAM

Purpose: *Guidelines for the Senior Citizen Property Tax Work-Off Abatement Program are in accordance with Massachusetts General Law Chapter 59 Section 5K*

To provide property tax relief to lower-income, senior homeowners, over 60 years of age. Eligible seniors are given the opportunity to reduce their property tax obligation by as much as \$1,500.00, in exchange for community service. Under the program, participating taxpayers volunteer their services to the municipality in exchange for a reduction in their tax bills.

Eligibility Requirements

The senior must satisfy tests relating to age, domicile, ownership, occupancy, annual income and assets. If the senior owns the property with someone who is not their spouse, for example, their children, siblings, other relatives or partner, then each of the other co-owners must also satisfy the income and asset tests. Town of Lancaster employees will not be eligible for this program. Members of Boards, Commissions, Councils, and Committees cannot participate by doing work related to their appointed or elected position.

Age: senior applicants must be over 60 years of age

Ownership and Residency: applicants must be the assessed owner of the property on which the tax to be abated is assessed, or have acquired ownership before the work is performed and the abatement applied. The applicant must own and occupy the property as their domicile. Their domicile is where their principal and legal home is located, their family, social, civic and economic life is centered and they plan to return whenever they are away. They may have more than one residence, but only one domicile.

- If the applicant holds a life estate in the domicile, the applicant is the owner
- If the domicile is held in a trust, the applicant must have legal title, i.e., be one of the trustees, on the applicable January 1 assessment date, or at the time the work is performed

Income Limits: applicant's income (gross receipts) for the previous calendar year cannot exceed a specified limit. Gross receipts means income from all sources. If the applicant is single, the allowable gross receipts of the applicant **and other household members** cannot exceed \$75,000. If the applicant is married, the limit is based on the combined gross receipts of the applicant, their spouse **and other household members** and cannot exceed \$100,000.

Asset Limits: applicant's assets (whole estate) cannot exceed \$500,000. Whole estate means all assets to which the applicant has legal title and access as sole, joint owner or trustee that contribute to their total worth. The value of the domicile and one registered vehicle will not be included.

Documentation: applicant must provide whatever information is reasonably required to establish their eligibility. This information may include, but is not limited to:

1. Birth Certificate
2. Evidence of ownership, domicile and occupancy
3. Income tax returns, bank and other asset account statements



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Exceptions

Exceptions to the eligibility requirements for **income/asset limitations** *ONLY* may be considered and reviewed with the Council on Aging (COA) for any unexpected circumstances which may prevent the applicant from qualifying for the Work-Off Program.

Guidelines

Maximum Abatement and Hourly Rate

In accordance with M.G.L. Ch. 59 Section 5K, the maximum abatement taxpayers may earn is \$1,500 per fiscal year. In addition, they cannot receive credit for their services at an hourly rate higher than the state's minimum wage and no lower than the federal minimum wage. The Board of Selectmen have approved an hourly compensation, up to \$1,500 maximum, based upon current state minimum wage, as of program start date which is November 1st. All hours worked for abatement must be completed from November 1 to October 31 and any excess hours cannot be carried over. The amount of the abatement earned by each participant will be applied as a credit/abatement to the **actual** tax bills (third and fourth quarter) for the applicable fiscal year. All completed hours must be certified to the assessors before the abatement is applied to the actual tax bills. *(There is a limit of \$1,500.00 per residence/property per fiscal year. Hours can be shared by spouses residing in the same household; however, credit cannot exceed the \$1,500 between the two.)*

Jobs

A variety of jobs may be available; types of duties may include clerical assistance; sorting, filing, shredding, photocopying, light labor, etc. Department heads must submit all requests to the Assessors Office outlining their needs for positions by September 30th prior to the start of the program date (November 1st). The program will attempt to match the skills and interests of applicants to the needs of Town departments. The number of positions available is based upon funding in each fiscal year combined with the needs of various Town departments.

Application Process

Applications are accepted at any time, but will only be considered as long as funds are available during the program year (November 1 – October 31).

All applicants are required to complete the Program's application form annually. Applications will be available online under the Assessors Department, mailed; upon request, or picked up in the Assessors Office.

Completed applications along with the required verification documents (listed below) must be returned to: Assessors Office, 701 Main St, Suite #3, Lancaster MA 01523.

**** Applications will not be accepted unless all supporting documentation is submitted****

Verification Documents

- Copy of most recent tax bill
- The applicant must provide copies of Income and Asset information which is **confidential** information and not open to the public:
 - Copy of most recent signed Federal Income tax return, if applicable, most recent Social Security benefit statement from the Social Security Administration, pension statement and/or other documentation from any and all other sources of income, ie. W2/1099 Forms
 - Copy of most recent bank and other asset account statements



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Upon receipt and review of the application **and** verification documents by the Assessors Office, applicants will be notified in writing as to whether or not they are eligible to participate in the program. Applicants may not start work until they are in receipt of written notification from the Town informing them of their acceptance in the program and their assigned position. Also, all necessary paperwork must be completed before any work is performed.

Timesheets

Participants will be required to keep track of all hours worked monthly on program timesheets which will be signed by the participant and signed by department heads as verification. Participants must turn in signed timesheets to the Assessors Office by the 5th of each month for hours worked the previous month. All hours must be completed, approved and submitted to the Assessors Office on or before the start of the next program year (November 1), in order to process an abatement on the applicable fiscal year's actual tax bills.

Treatment of Amount Earned

The amount of the property tax reduction the taxpayer receives under this statute is not considered income or wages for the purposes of state income tax withholding, unemployment compensation or workmen's compensation. The abatement amount is however, considered income for purposes of federal income tax therefore an IRS Form W-2 will be provided to the program participant.

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